



FORGING LINKS, DRIVING IMPACTS

# CAREC and TURKMENISTAN



# 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.





# CAREC AND TURKMENISTAN

---

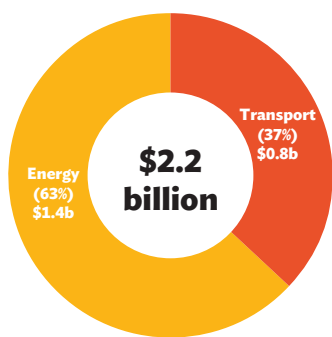
Turkmenistan joined CAREC in 2010 and fully embraces its vision of creating an integrated, globally connected region. The country's participation in the Program advances its goal of developing international connectivity through six international transport and trade corridors that link the region to global markets.

The chairmanship of the CAREC Program rotates annually among its 11 member countries. In 2018, Turkmenistan took the helm. Under Turkmenistan's leadership, the CAREC Integrated Trade Agenda (CITA) and its Rolling Action Plan 2018–2030 were endorsed at the 17th Ministerial Conference. CITA 2030 aims to deepen CAREC countries' integration into the global economy by (i) expanding trade through increased market access, (ii) promoting greater diversification, and (iii) strengthening institutional frameworks for trade.

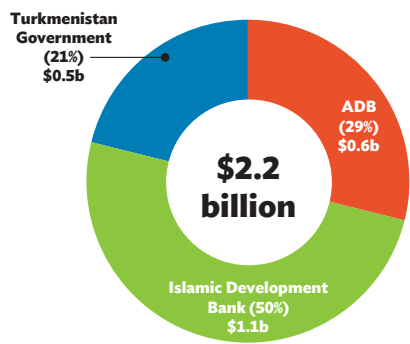


# CUMULATIVE INVESTMENTS

As of December 31, 2024, more than \$2.2 billion has been invested across five CAREC-related projects in Turkmenistan, primarily in energy and transport. Two of these projects were financed by the ADB.



Investment by Sector



Investment by Funding Source

ADB = Asian Development Bank, b = billion.  
Note: Amounts do not include technical assistance. Investment by funding source includes cofinancing.



# NORTH-SOUTH RAILWAY PROJECT

---

The north-south railway line, originating in Kazakhstan, links Turkmenistan with Iran and the Persian Gulf and bridges two east-west corridors. Supported by a \$125 million ADB loan and completed in 2016, the project has optimized the efficiency, safety, and reliability of the railway network, expanding regional trade. Key infrastructure upgrades included the installation and commissioning of power supply, signaling, and telecommunications systems across 288.2 kilometers (km) of the northern section between Akyol to Hazar. Investments included two 10-kilovolt powerlines, a distribution system, substations, and the implementation of a supervisory control and data acquisition (SCADA) system. The project was crucial in building institutional capacity of the Ministry of Railway Transport.

## **More links to markets, diversified trade**

- Total national transit tonnage increased to 6.4 million tons by 2017.
- Turkmenistan's total trade in 2017 was \$18 billion, or 1.3 times more than the 2007 baseline of \$13.4 billion.
- Increased rail passenger services eased access to markets, health, and education.
  - The railway has accelerated the exploitation of rich mineral resources, including mineral extraction for export that started near Kyzyl Kaya.

## **Upgraded capacity of the Ministry of Railway Transport, in operation and maintenance and project management**

- A project performance monitoring system was used, and a performance tracking system developed.
- Operational staff received training in using the SCADA system, maintaining signaling and telecommunications, setting schedules, managing assets, and overseeing financial control and the implementation of environmental policies.

Source: Independent Evaluation Department. 2019.

*Validation Report: Turkmenistan: North-South  
Railway Project.* ADB; and ADB.

2018. *Completion Report:*

*Turkmenistan: North-South  
Railway Project.*



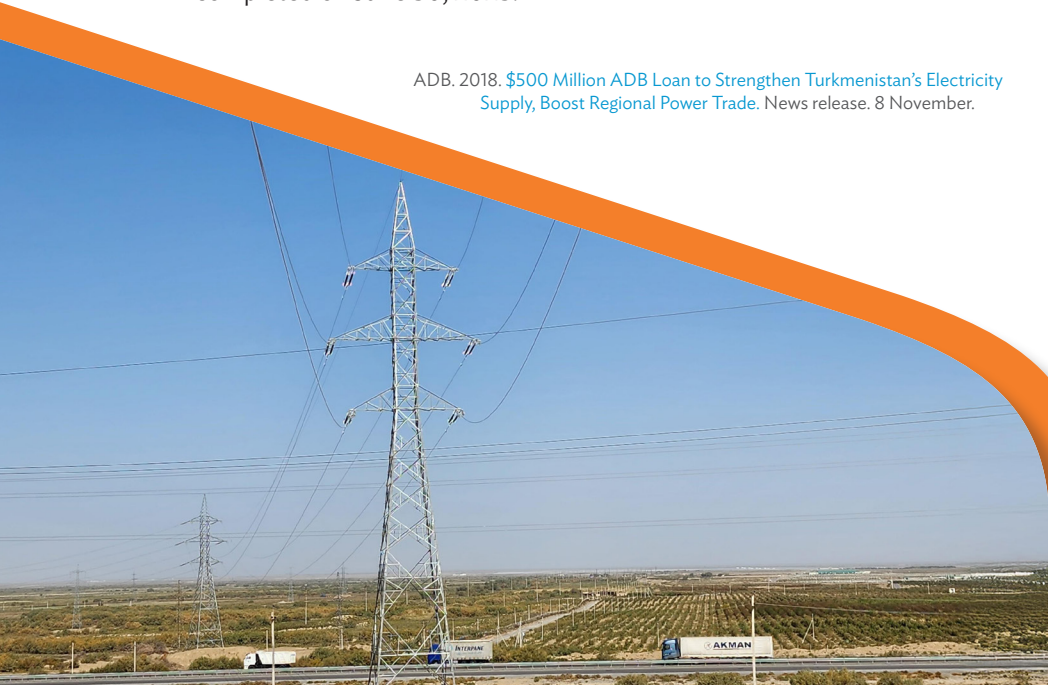


# NATIONAL POWER GRID STRENGTHENING PROJECT

---

- ADB's \$500 million assistance financed the construction of about 1,400 km of 110-kilovolt (kV), 220 kV, and 500 kV transmission lines in various areas. The project financed the construction of 11 substations, including 500 kV substations in Balkan, Dashoguz and Lebap, 220 kV substations in Ahal (3 substations), Balkan, and Dashoguz, as well as 110kV substations in Balkan and Ashgabat.
- The project is the first by any international financial institution in Turkmenistan's power sector. Spanning the whole country, it has helped establish an interconnected national transmission grid, significantly improving network reliability and energy efficiency and reducing power outages and transmission losses. The project has helped unleash Turkmenistan's capacity to trade electricity with Kazakhstan, the Kyrgyz Republic, Pakistan, Tajikistan, and Uzbekistan, while increasing electricity exports to Afghanistan. Power exports reached almost 10 terawatt-hours in 2023.
- The project helped elevate power utility Turkmenenergo's project and financial management capabilities, particularly in adopting good practices for evaluation, investment decision-making, and safeguard requirements. Fueling these efforts was a \$1.5 million technical assistance grant from the Japan Fund for Poverty Reduction, financed by the Government of Japan, aimed at improving energy efficiency and capacity. The project was completed on June 30, 2025.

ADB. 2018. [\\$500 Million ADB Loan to Strengthen Turkmenistan's Electricity Supply, Boost Regional Power Trade](#). News release. 8 November.





# INSTITUTIONAL STRENGTHENING AND TECHNICAL SUPPORT

---

Through the CAREC Program, ADB has provided technical assistance to Turkmenistan alongside investment projects. As a strong advocate for the country's accession to the World Trade Organization (WTO), ADB has played a pivotal role in offering extensive support, including assistance in drafting the Memorandum on Foreign Trade Regime (MFTR), a critical document that kicks off WTO accession negotiations. ADB has co-organized a roundtable discussion and donor engagement activities to amplify these efforts. In 2023–2024, several technical working sessions and capacity-building activities were conducted with agencies involved in preparing the MFTR. ADB remains committed to supporting Turkmenistan throughout the accession to the WTO and post-accession process, ensuring a smooth transition into the global trade arena.

ADB has also provided long-term technical and transaction advisory support for regional strategic energy projects to help Turkmenistan diversify its energy exports. To build up project readiness and implementation capacity, training on procurement processes and project management was delivered to current and prospective executing and implementing agencies. Many other regional technical assistance projects have supported the national development agenda, including by sponsoring government officials to participate in high-profile workshops and study tours abroad, broadening their expertise and fostering international collaboration.

ADB's country partnership strategy, 2024–2028 is set to propel Turkmenistan's transformation into a more sustainable, climate-resilient, and competitive economy. Focusing on fostering economic diversification and fortifying institutions, the CAREC Program and CITA 2030 are driving efforts to bolster the country's competitiveness on the global stage.



 CARECProgram

 CARECProgram

 company/carecprogram

 @CARECProgram



For more information visit  
[www.carecprogram.org](http://www.carecprogram.org)

All photos courtesy of ADB unless otherwise indicated.