



FORGING LINKS, DRIVING IMPACTS

CAREC and UZBEKISTAN



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 UZBEKISTAN

Uzbekistan joined CAREC in 1997 and, since then, has collaborated with other members to promote growth and connectivity and transform the region into a vibrant hub of trade and commerce. As one of only two double-landlocked countries in the world, Uzbekistan faces unique challenges. CAREC has been instrumental in assisting Uzbekistan in overcoming its logistical challenges by developing critical regional transport corridors. CAREC Corridors 2, 3, and 6 run through Uzbekistan, and the country is committed to upgrading its roads along these corridors.

Uzbekistan envisions a stable regional energy grid, spanning the vastness from the People's Republic of China in the east to Azerbaijan in the west, and from Kazakhstan in the north to Pakistan's bustling warm-water ports in the south.

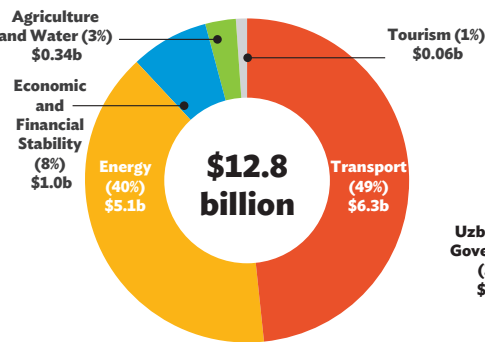
CAREC plays a vital role in advancing Uzbekistan's economic development ambitions and expanding trade with its neighbors.



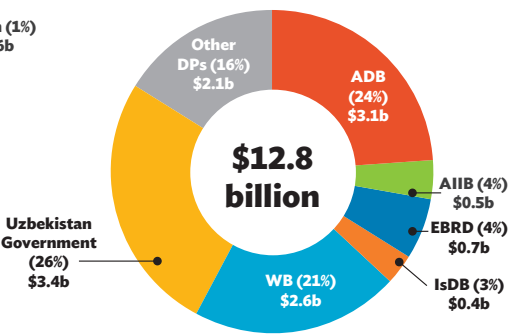
CUMULATIVE INVESTMENTS

As of 2024, more than \$12.6 billion has been invested in 39 CAREC-related projects in Uzbekistan. Of the total, \$6.1 billion (48%) was allocated to 22 transport projects, 16 of which were financed or cofinanced by ADB.

Uzbekistan is the largest recipient of CAREC-related investments among the member countries, particularly in energy. About 25% of the investments are financed by ADB.



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 cofinanciers include the China Ex-Im Bank, the Green Climate Fund, the Uzbekistan Infrastructure Fund, and the private sector.



CAREC CORRIDOR 6 (MARAKAND-KARSHI) RAILWAY ELECTRIFICATION PROJECT

The railways of the Republic of Uzbekistan represent an important transit artery in the CAREC region. To boost operations and regional trade, the government launched a transformative development program, backed by \$100 million from ADB in 2012–2018. This ambitious initiative electrified the 140-kilometer (km) Marakand–Karshi section of CAREC Corridor 6, a crucial link connecting Tashkent and Samarkand to Karshi and the southern regions. The program bolstered the management capacity of O'zbekistan Temir Yo'llari Joint-Stock Railway Company, paving the way for a more robust and efficient rail network.

Greater railway efficiency, increased throughput, lower costs

- Electric locomotives increased system throughput and reduced operation and maintenance costs.
- Freight transport on the line saw a robust 17.8% increase, climbing from 960.9 million ton-km in 2010 to 1,132.5 million ton-km in 2016, hitting the target of 1,130 million ton-km.
- The average running speed of passenger trains soared by 55.8%, accelerating from 77 km per hour (kph) in 2010 to 120 kph by 2016, exceeding the target of 110 kph.
- The average running speed of freight trains leaped by 75%, jumping from 40 kph in 2010 to 70 kph in 2016, comfortably surpassing the target of 60 kph.
- The upgraded line introduced a high-speed rail service in 2016, propelling trains to speeds of up to 250 kph between Tashkent, Samarkand, and Karshi, and slashing travel time from 8 to just 3 hours.
- The electrification of the final section of Corridor 6 has paved the way for seamless rail traffic, boosting domestic and regional transport. This enhancement has fueled a surge in trade with Kazakhstan, which rose to \$3.4 billion in 2019.





Catalyst for local growth

- Karshi is now seamlessly connected to the major hubs of Samarkand and Tashkent.
- Growing passenger traffic is fueling the growth of new businesses.
- Tourism is flourishing in Kashkadarya and Surkhandarya.
- Mineral resource-based industries are expanding rapidly.





Rail electrification, a greener future

- About 7,500 tons of diesel fuel were saved per hauling operation, reducing diesel pollutants.
- Annual carbon dioxide emissions were slashed by about 5,700 tons.

Sources: Independent Evaluation Department. 2021. *Validation Report: Central Asia Regional Economic Cooperation Corridor 6 (Marakand–Karshi) Railway Electrification Project in Uzbekistan*. ADB; and ADB. 2020. *Completion Report: Central Asia Regional Economic Cooperation Corridor 6 (Marakand–Karshi) Railway Electrification Project in Uzbekistan*.





TALIMARJAN POWER PROJECT

Uzbekistan has faced significant challenges because of high energy intensity, which leads to increased emissions and energy costs. To fortify energy security and expand regional energy trade, the government launched this collaboratively funded project, supported by \$350 million in loans from ADB. From 2010 to 2019, the project involved the construction and commissioning of two combined cycle gas turbine (CCGT) units at the Talimarjan thermal power plant. The project upgraded UzbekEnergо's corporate management and performance and established an operational community service center.

Energy-efficient power generation capacity boosted

- The CCGT units expanded the country's power infrastructure by adding 900 megawatts (MW) of reliable base load-generating capacity to the plant.
- The project supplied 6.8 terawatt-hours (TWh) of clean energy in 2017, exceeding the annual target of 4.7 TWh.
- Thermal power generation efficiency climbed from 31% in 2009 to an impressive 55% in 2015, outpacing the target of 50%.
- Power transmission capacity between north and south rose from 1,600 MW in 2009 to 2,200 MW in 2014, significantly reinforcing regional connectivity. The 500 MW increase was achieved through the construction of a transmission line and substation funded by the World Bank.
- Greenhouse gas emissions dropped by 1.2 metric tons of carbon dioxide-equivalent (mtCO₂e) in 2014 from the 2009 baseline of 3.5 million mtCO₂e.
- Net domestic electricity supply reached 49.26 TWh in 2018, topping the target of 45 TWh.
- UzbekEnergо sales grew from 40 TWh in 2009 to 57.3 TWh in 2015, beating the target of 45 TWh.

Significant socioeconomic gains

- The project brought down the overall cost of power generation, thereby cutting the prices of goods and services.
- A gender strategy action plan resulted in the establishment of women-friendly facilities and policies.
- An operational community service center was set up, offering vocational training; microenterprise funding; health awareness programs; and cultural, sports, and recreational activities.

Sources: Independent Evaluation Department (IED). 2022. *Validation Report: Talimarjan Power Project in Uzbekistan*. ADB; and ADB. 2021. *Completion Report: Talimarjan Power Project in Uzbekistan*.

Related Project

World Bank Talimarjan Transmission Project

- The project completion report and validation report for the World Bank Talimarjan Transmission Project are available.

Source: Independent Evaluation Group. 2017. *Implementation Completion Report Review: Talimarjan Transmission Project*. World Bank.





SECOND CAREC CORRIDOR 2 ROAD INVESTMENT PROGRAM

CAREC Corridor 2, a vital trade route linking the Caucasus and the Mediterranean to East Asia, is one of three corridors that pass through Uzbekistan. The Uzbekistan section, running from the western border with Kazakhstan to the eastern border with the Kyrgyz Republic, is a crucial transit route. To bolster road connectivity, safety, and effective management along the corridor, the investment program was launched, supported by a \$500 million ADB loan disbursed in three tranches.

In 2011–2021, the project reconstructed 58 km of the A373 highway and part of the 87 km A380 highway, set up road safety measures, and strengthened road asset management. By 2022, the government had reconstructed 33% of the A380 section, a substantial increase from the 16% completed by the time the loan closed, with completion expected by 2025.

Better roads, easier travel

- Average long-haul traffic on the A373 highway reached 18,365 vehicles per day (vpd) in 2021, nearing the target of 20,000 vpd. On the A380 highway, traffic volume swelled to 9,412 vpd, shooting past the target of 2,500 vpd despite only 16% of the planned 87 km being rebuilt by the time the loan closed.
- Travel time from Tashkent to the Osh border was cut to just 4 hours in 2021, beating the target of 8 hours. Similarly, travel time from Daut-Ata to Bukhara dropped to the targeted 5 hours.
- Travel time through the Kamchik bypass was dramatically reduced from 5 to just 2 hours, significantly enhancing connectivity and facilitating trade between the Ferghana Valley, other parts of Uzbekistan, and the Kyrgyz Republic.

CAREC CORRIDOR 2

KARAKALPAKSTAN ROAD (A380 KUNGRAD TO DAUT-ATA SECTION) PROJECT

Financed by a \$274.2 million ADB project, a 240 km section of the A380 automobile road (Guzar–Bukhara–Nukus–Beyneu) was reconstructed, upgraded, and widened in the Republic of Karakalpakstan, and was formally opened on 25 October 2024 by the President of Uzbekistan. The project road is part of the CAREC Corridor 2 and one of the strategic highways linking Uzbekistan with European countries.

The project includes components to develop the institutional capacity of the Committee for Roads under the Ministry of Transport to ensure effective road maintenance, control vehicle overloading, guarantee sound road traffic management, and improve project management.

Sources: ADB. [Central Asia Regional Economic Cooperation Corridor 2 Karakalpakstan Road \(A380 Kungrad to Daut-Ata Section\) Project](#); ADB. 2024. [Uzbekistan President launches the road built with ADB loan](#). Facebook. 29 October; and President of the Republic of Uzbekistan. 2024. [New Motorway Put into Operation](#). News release. 25 October.





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