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CENTRE FOR EASTERN STUDIES 12.05.2010 www.osw.waw.pl

Unprecedented support from the Asian Development Bank for Uzbekistan

On 1-2 May, the Asian Development Bank (ADB) signed a range of agreements with Uzbekistan to provide loans totalling US$1.15 billion for infrastructure and energy projects. The award of such large amounts (from 1995 to 2009, Uzbekistan received a total of around US$1 billion from the ADB) increases Tashkent's room for manoeuvre and weakens Moscow's, whose financial projects (such as the one-year-old Anti-Crisis Fund) cannot compete with Asian financial institutions.

The allotted funds are intended for the construction of the Uzbek section of a motorway (US$600 million) as part of the CAREC-2 corridor (China-Tajikistan-Kyrgyzstan-Uzbekistan-Turkmenistan/Kazakhstan-the Caucasus). In addition, Uzbekistan has received a loan to build a new power plant (US$350 million), develop micro-businesses (US$40 million), and for projects linked to purifying and saving water (US$150 million). The support from the ADB is part of Tashkent's wider strategy of applying for investments from Asian states with the aim of reducing its dependence on Russian and Western investors. In turn, the ADB's increased involvement in Uzbekistan must be interpreted as an acknowledgement of that country's important role in the region. ADB also considers Uzbekistan to be a key player in stabilising the situation in Afghanistan; the bank (whose main shareholders are Japan, the USA, India, Indonesia and China) is the main financial actor involved in supporting projects for integrating Central Asia with Afghanistan. <ola>