



Uzbekistan

Country Progress Report on the Implementation Action Plan for the Transport and Trade Facilitation Strategy

Prepared by

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30 April 2009

I. Transport and Trade Facilitation

1. Since the endorsement of the Action Plan for the Transport and Trade Facilitation Strategy (the Action Plan) by the Seventh Ministerial Conference on Central Asian Regional Economic Cooperation (CAREC) in November 2008, the Government of Uzbekistan (the Government) has undertaken the following to support the implementation of the Action Plan:

- (i) **National Joint Transport and Trade Facilitation Committee (NJC), or a Similar Organization.** The Prime Minister established on 6 October 2008 a permanent working group (Working Group) to promote transport and trade facilitation. Minister Ganiev was appointed as the head. The Working Group comprises the chairmen of the State Customs Committee and the Agency for Road and River Transportation, Deputy Minister of Economy, Deputy Minister of Foreign Affairs, heads of SJSC 'Uzbekiston Temir Yullari', National Air company 'Uzbekiston Havo Yullari', SSC 'Uzavtoyul', and chairpersons of the major international transport companies.

The Working Group's tasks include:

- Development of railways and railway transport, roads and road transport, airports and civil aviation and river transport;
- Development of forwarders services and logistics;
- Assessment of road conditions on the major transport corridors; and
- Formulation of transport and transit legislation and Customs regulations.

(ii) **Transport and Trade Facilitation Policy Reforms and Actions.**

2. **New Infrastructure Investment Program.** The Government approved the President's resolution on investment program from 2009–2014 (dated 12 March 2009), which was developed based on its assessment of the global economic downturn. This has changed the Government's priority over the investment and technical assistance (TA) projects included in the Action Plan.

3. **Roads.** The roads development program for 2007–2010 is currently being implemented. The major strategic focuses are:

- Use public funds focusing on high-priority road construction projects;
- Construct or rehabilitate 679 kilometers (km) of road, comprising 489 km of road sections, which are part of international transport routes and 190 km of priority roads;
- Increase the total length of first class roads by 557 km;
- Increase domestic and transit freight and passenger road traffic by 60–70%;
- Increase international and transit road traffic by 45–55% on average, including substantial traffic increase (about three times of the current traffic level), along the Kungrad-Beineu destination;
- Maintain and improve the road network and its connectivity with the international transport systems, and increase the capacity of road network;
- Use the dry port in Navoi city actively as a transcontinental transport and forwarding hub on the routes connecting Western, Central and Eastern Europe and European CIS countries with the People's Republic of China (PRC), Japan, and countries of

South-East and South Asia to provide efficient intermodal transport services (road, railway, and civil aviation services);

- Improve roads, primarily international and priority roads, to international standards; and
- Achieve competitive and efficient freight and passenger transit in all destinations.

4. The road development plan for 2009 will improve over 400 km of international roads. It includes the construction of a four-lane international motorway along Beineu, Bukhara, Samarkand, Tashkent, and Andijan (CAREC Corridor 2a) and strategic regional road sections (Bukhara-Alat, CAREC Corridor 2b; and Samarkand-Guzar, CAREC Corridor 6b). It is also planned to increase financing for the rehabilitation of local feeder roads, using the budget and the Republican Road Fund.

5. **Railways.** The railway lines (Navoi-Uchkuduk-Nukus)¹ and (Tashguzar-Boysun-Kumkurgan)² have become operational. These new railway lines have improved transport connectivity in the southern region. They have also supported the development of new mining industries and industrial enterprises, creating new jobs. They have provided direct access to other countries, primarily via trans-Afghan railway corridor to the Indian Ocean ports.

6. Tashkent-Samarkand and Tashkent-Khojickent lines have been electrified. Electrification of Tukimachi-Angren line is in progress. A rail and road bridge across Amudarya River has been built. The railway track on Tashkent-Samarkand-Bukhara section has been rehabilitated. A fiber-optic communication cable totaling over 600 km long has been placed along the Keles-Bukhara railway section.

7. A concept for the railway sector modernization and development for 2009–2013 has been developed. The 5-year plan will identify key areas, approaches, and mechanisms for developing the railway network and the sector's capacity to meet the country's needs in quality freight transport, and to increase high-speed passenger transport. For 2009, the plan includes the construction of the Tashguzar-Boysun-Kumkurgan railway line, a new line to the Dekhqanabad potassium fertilizer plant, a double-track electrified line Jizak-Yangiyer, and a single-track electrified line Yangiyer-Farkhad.

8. **Airports and Civil Aviation.** Preliminary feasibility studies have been prepared for the Bukhara airport modernization project. The United Arab Emirates government decided to provide a grant of \$12 million to \$15 million for the construction of the new passenger terminal.

9. Korean Air and Uzbekistan Airways have signed a management agreement, which enables Korean Air to operate the Navoi airport. The airport is expected to become an international multimodal transport and logistics center and an important regional hub. An agreement was signed for Uzbekistan Airways to lease from Korean Air two cargo aircraft A300–600, which will be used for air services originating from the airport. Hanjing Group (the mother company of Korean Air) and CentralAsiaTrans (a unit of the MFERIT of Uzbekistan) signed an agreement to set up a joint venture transport company, which will provide exporters and importers with efficient door-to-door road transport services.

10. **Trade Facilitation.** Customs authorities are strengthening customs infrastructure and border-crossing logistics to ensure their compliance with international customs practices. The

¹ This segment is financed by SJSC Uzbekistan Temir Yullari own resources (about \$130 million).

² This segment is financed by a concessional loan from JICA (about \$160 million, approved in 2004).

Government is implementing customs reform and modernization in six areas, following the 2007–2010 Customs Service Strategy: (i) improvement of customs legislation; (ii) improvement of management system and human resource policy; (iii) improvement of customs payment collections; (iv) simplification of customs procedures and trade facilitation; (v) improvement of anti-smuggling methods, etc; and (vi) introduction of modern information technology and communication systems.

11. Presently, the country is implementing a modern model of transit shipment inspection and automated system of tracking transit transport. This system would also enable the use of electronic customs manifest, advance electronic shipment notification, etc.

12. Measures are being taken to introduce the Safety Framework and Trade Facilitation Standards developed by the World Customs Organization (WCO) in June 2005. Following the WCO Standards, the Government has found the need to equip the busiest customs posts with large scanners as modern technical means for non-intrusive control. This issue is being discussed by the Customs Committee with the Asian Development Bank (ADB) and Japan International Cooperation Agency (JICA) representatives.

13. In December 2008, a decree was signed on the establishment of a Free Industrial Economic Zone (FIEZ) around the area of the international airport in Navoi Province. The Navoi FIEZ will be established to welcome foreign investment in high-tech industries and to develop industrial capacity, manufacturing, transport/transit, and social infrastructure in the province.

14. The term for the Navoi FIEZ operation has been set for 30 years, with potential extension. During this term, special preferential treatments covering *customs, currency, and taxation* will be applied in the zone, as well as simplified entry, stay and exit procedure and the procedure for obtaining work permit by non-residents. Within the FIEZ boundaries, registered companies would be able to make settlements and payments in foreign exchange, pay in convertible currency for the delivery of goods, works, and services by other resident economic entities, and use terms and methods of payment and settlement for exported and imported goods, which would be convenient for them. Coordination and operational management of the FIEZ will be performed by an administrative council comprising representative of government authorities and by zone administration.

15. In January 2009 in Tashkent, exchange notes were signed on the provision of \$3.7 million grant from PRC. The grant will be used to equip customs posts with mobile scanners, which should facilitate the development of regional trade and the interception of contraband and trafficking of weapons, and narcotic substances.

II. Status of Investment and Technical Assistance Projects

16. This section explains the status of the investment and TA projects in the country, which are included in the Action Plan.

A. Transport

17. **Roads and Road Transport.** The investment project is along two CAREC corridors (2a and 6a). It constitutes part of the Government's Road Development Program for 2007–2010.

Investment Project (IP)	Status
UZB IP 1: CAREC Regional Road Improvement	<ul style="list-style-type: none"> • Project implementation started in 2008 and is proceeding well. • Transyulkurulish, which is a road equipment pool company, was established to assist the Project Implementation Unit by creating seven modern road-building equipment depots.

18. **Railways and Railway Transport.** The Government has completed UZB TA 1: Electrification: Tukimakchi-Angren Section and has started to implement the ensuring project. It also obtained financing from the Export-Import Bank of China for 15 new passenger locomotives. The Government started UZB TA 1: Electrification: Tukimakchi-Angren Section well ahead of the original schedule (2011). So, the Government has added the ensuring investment project (UZB IP 7).

Investment Project (IP)	Status
UZB IP 2: Renewal of Railway Equipment	<ul style="list-style-type: none"> • Newly emerged high priority project for implementation during 2010–2011. • Project cost is estimated at \$20 million.
UZB IP 3: Acquisition of New Cargo and Passenger Locomotives	<ul style="list-style-type: none"> • 10 new modern high-speed electric cargo locomotives and 15 new passenger electric locomotives are considered. • The Government is identifying financing for the 10 cargo locomotives, while it has obtained financing from the Export-Import Bank of China (\$75 million). • The locomotives will be acquired during 2009–2012.
UZB IP 4: Electrification: Marokand-Kashi-Tashguzar- Boysun-Kumgurgan Section	<ul style="list-style-type: none"> • The Marokand-Kashi section was added to the project scope. • This has resulted in an increase in the project cost estimate (from \$180 million to \$273 million), as a result. • The Government has approached JICA for financing of this Project (about \$163 million equivalent). • It expects to start the project from 2010, one year earlier than the original plan. The project will be completed in 2015.
UZB IP 5: Construction: Tashguzar-Boysun-Kumgurgan Section	<ul style="list-style-type: none"> • Ongoing and the construction is almost completed. • Project is financed by UTY and JICA.
UZB IP 6: Construction: Navoi–Uchkuduk-Sultanuizdag-Nukus Section	<ul style="list-style-type: none"> • The Sultanuizdag-Nukus section was added to the original project design. • The Project cost is estimated at \$40.46 million.

Investment Project (IP)	Status
	<ul style="list-style-type: none"> • Project is financed by UTY. • Project will be completed by the end of 2010.
UZB IP 7: Electrification: Tukimakchi-Angren Section (new)	<ul style="list-style-type: none"> • Feasibility Study (UZB TA 1: Electrification: Tukimakchi-Angren Section) was completed. • Project scope includes electrification of 113.9km railway line. • Project is financed by SJSC Uzbekiston Temir Yullari (UTY), KfW (Germany), and Kuwait Fund of Arabic Economic Development.
UZB IP 8: Construction: Double-track Electrified Yangier-Jizak Section and Single-line Electrified Yangier-Farkhad Section (new)	<ul style="list-style-type: none"> • Newly emerged high priority project in three heavily trafficked railway sections in Syrdarya and Djizzak provinces. • The Government has completed the feasibility study for the Project, which will be approved by the Government for the issuance of the Cabinet of Ministers' Resolution. • Project preparatory work including detailed design has started in 2009. • The project will be completed in 2011. • The project is being financed by the Government.
UZB TA 2: Angren–Pap Rail Feasibility Study (deleted)	<ul style="list-style-type: none"> • The Government has further review the priority of the project, considering the global economic downturn. • It has decided to postpone this project indefinitely and to remove it from the Action Plan.

19. **Airports and Civil Aviation.** The Government has made significant progress for the development of the Bukhara airport. It secured financing from the Government of the United Arab Emirates (\$12 million–\$15 million) to construct a new international passenger terminal in Bukhara.

Investment Project (IP)	Status
UZB IP 9: Upgrading the Bukhara Airport	<ul style="list-style-type: none"> • The project has started with financing from the Government of the United Arab Emirates. • Feasibility study and detailed design will start in 2009, which is one year ahead of the original schedule.

B. Corridor Performance Measurement and Monitoring Activities

20. Consultation mission visited Uzbekistan in January 2009, and the Business Logistics Association and International Road Carriers Association will conduct performance monitoring of the Uzbekistan segment of CAREC corridors 2a, 3b, and 6c. A memorandum of understanding (MOU) between the Business Logistics Development Association and the Asian Development

bank was signed at the Corridor Performance Measurement and Monitoring (CPMM) meeting held in Guangzhou, PRC, on 23–24 February 2009. CPMM activities started from 1 March 2009. Associations for road carriers and logistics providers in Uzbekistan will collect the data required for the time/cost-distance analysis of sub-corridors on a quarterly basis.

III. Follow-up Actions

21. The following actions are suggested to ensure the effective implementation of the Action Plan:

(i) Permanent Working Group (the Group)

- Give the Group updated information on CAREC's activity on transport and trade facilitation regularly
- Ensure participation of the Group members in the planned CAREC capacity building programs for 2009
- Share preliminary result of CPMM activities with the Group for their review and comments
- Invite core members of the Group to SOMs and MCs on CAREC

(ii) Investment and Technical Assistance Projects

- Consider the possibility of external financing for projects for which financing has not been identified yet.

(iii) CAREC CPMM

- Monitor timely implementation of activities and share preliminary findings with key government offices for review and comment.

Appendixes

1 - List of Projects in Uzbekistan (Appendix 1)

2 - Updated Project Profiles (Appendix 2)

List of Projects in Uzbekistan

Investment Projects

1. UZB IP 1: CAREC Regional Road Improvement
2. UZB IP 2: Renewal of Railway Equipment (formerly Regional Railway)
3. UZB IP 3: Acquisition of New Cargo and Passenger Locomotives (formerly Acquisition of New Locomotives)
4. UZB IP 4: Electrification: Marokand-Kashi-Tashguzar- Boysun-Kumgurgan Section (formerly Electrification: Kashi-Tashguzar- Boysun-Kumgurgan Section)
5. UZB IP 5: Construction: Tashguzar- Boysun-Kumgurgan Section (formerly Electrification of Samarkand–Navoi and Samarkand–Kashi Sections)
6. UZB IP 6: Construction: Navoi–Uchkuduk-Sultanuizdag-Nukus Section (formerly Electrification of Navoi–Bukhara and Bukhara–Kashi Sections)

New Investment

7. UZB IP 7: Electrification: Tukimakchi-Angren Section (formerly Electrification of Navoi–Uchkuduk Section)
8. UZB IP 8: Construction: Double-track Electrified Yangier-Jizak Section and Single-line Electrified Yangier-Farkhad Section
9. UZB IP 9: Upgrading the Bukhara Airport (formerly UZB: TA 3)

Technical Assistance Project

1. UZB TA 1: Electrification: Tukimakchi-Angren Section (Completed)
2. UZB TA 2: Angren–Pap Rail Feasibility Study (Deleted)
3. UZB TA 3: Upgrading the Bukhara Airport (Completed)

UZB IP1: CAREC Regional Road Improvement
Country: Uzbekistan
CAREC Corridors 2a, 6a

1. Project Name: Regional Road Improvement
2. Type of Project: Road Improvement
3. Project Location: Uzbekistan, Karakalpakstan, and Korezm Provinces
4. Sector/Subsector: Transport/Roads
5. Background and Rationale: This Project is part of the Uzbekistan Government Road Development Program for 2007–2010 through which the Government is funding \$320 million for road reconstruction and \$460 million for repairs. The Project is along the two CAREC corridors (2a and 6a) and will significantly improve regional connectivity.
6. Objectives: The Project will contribute to sustainable economic growth through supporting regional transport infrastructure development.
7. Scope: The Project will improve two road sections and bring them to international design standard: Section 1 (40 km, located between km 876 and km 916 in Kungzad district of Karakalpakstan) and Section 2 (91 km, located between km 490 and km 581 in Khazarop district of Korezm).
8. Estimated Cost: The total project cost is estimated at \$173.5 million equivalent.
9. Financing Plan and Arrangements: ADB approved, in 2007, a loan of \$75.3 million. The Government of Uzbekistan will fund \$98.2 million from its own resources.
10. Implementation Schedule: Ongoing to 2011.
11. Executing Agencies: The project implementation unit (PIU) established in the Road Fund that is under and accountable to the Ministry of Finance.
12. Estimated Benefits and Beneficiaries: This road project is taking place in a relatively isolated and underdeveloped part of Uzbekistan with a high incidence of poverty. It is near the Aral Sea where environmental and soil degradation has occurred. However, the area has potential given that it lies along a major transport corridor. The main benefits will come in the form of lower vehicle operating costs and fewer road accidents. The beneficiaries will be the road users either from generated external trade or domestic traffic. Thus local users will capture most of the benefits, at least in the short run, but the potential for increased transit traffic is high given improved trade facilitation.
13. Social and Environmental Issues: The proposed project raises few concerns with regard to these issues. An initial environmental examination which concluded that with appropriate mitigating and monitoring measures there would be minimal, environmental negative impacts. In fact, the IEE noted significant positive impacts for the local population in terms of income generation and access to improved social services. There is no significant resettlement issue because the project uses an existing right of way.
14. Priority of Project: High
15. Project Status: Transyulkurulish, which is a road equipment pool company, was established to assist the PIU by creating seven modern road-building equipment depots, comprising four asphalt concrete plants, one cement-concrete plant, and two bridge engineering complexes.
16. Follow up Actions Required:
17. Issues/Constraints:
18. PPP/PSP:

**UZB IP 2: Renewal of Railway Equipment
(formerly Regional Railway)**

**Country: Uzbekistan
CAREC Corridor: 2, 3a, 6a**

1. Project Name: Renewal of Railway Equipment
2. Type of Project: Rail equipment
3. Project Location: Bukhara Province
4. Sector/Subsector: Transport / Railways
5. Background and Rationale: Track machines 'Passer' and 'Toyer' procured in 2002 under ADB's loan are high-performance and effective equipment, contributing to efficient rehabilitation/maintenance works.
6. Objectives: The key objective is to replace obsolete track machines by modern ones.
7. Scope: The equipment will include: <ul style="list-style-type: none"> • liner-lift planisher- 3 sets • ballast planner - 3 sets • welding head K-900 for ART-500 • tamping unit for Doumatic 08-32U • wheels disks SS-110W
8. Estimated Cost: The total project cost is estimated at \$20 million.
9. Financing Plan and Arrangements: ADB's loan for the proposed Regional Railway Project may finance this.
10. Implementation Schedule: 2010–2011.
11. Executing Agencies: PIU ADB of SJSC 'Uzbekiston Temir Yullari' PIU.
12. Estimated Benefits and Beneficiaries: The key advantage of the project is to shorten time required for major and routine maintenance and to improve quality of work on railway reconstruction. Use of modern technologies would also significantly reduce energy consumption.
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: The feasibility study on the proposed Regional Railway Project may review the feasibility of the proposed equipment. Discussion with ADB is ongoing.
16. Follow up Actions Required: ADB's mission for the proposed Regional Railway Project to review a possibility of financing the proposed equipment.
17. Issues/Constraints:
18. PPP/PSP:

**UZB IP3: Acquisition of New Cargo and Passenger Locomotives
(formerly UZB IP 3: Acquisition of New Locomotives)**

Country: Uzbekistan

1. Project Name: Acquisition of New Cargo and Passenger Locomotives
2. Type of Project: Rail improvement
3. Project Location: Uzbekistan, Tashkent province (cargo and passenger) and Samarkand province (passenger)
4. Sector/Subsector: Transport / Railways
5. Background and Rationale: SJSC 'Uzbekiston Temir Yullari' needs electric locomotives to improve cargo transportation. SJSC 'Uzbekiston Temir Yullari' also needs new passenger electric locomotives, because significant increase of passenger turnover is expected, including recovery of traditional passenger traffic with Russian Federation, Ukraine (Crimea, Western Ukraine), and Baltic (Latvia, Lithuania). Currently, BL-60 electric locomotives, which were manufactured in Russian Federation and are obsolete, mainly provide passenger rail services. Single car body 'Ozbekiston' series electric passenger locomotives procured from the PRC also provide passenger services partly.
6. Objectives: The key objective is to replace obsolete locomotives BL60 series by modern and high-speed locomotives.
7. Scope: The acquisition of 10 new high-speed cargo locomotives and 15 new passenger electric locomotives built in PR
8. Estimated Cost: Cargo locomotives (\$50 million) and passenger locomotives (\$75.53 million)
9. Financing Plan and Arrangements: Cargo: In 2004, EBRD loan financed acquisition of 12 cargo locomotives. The plan is to attract loans from international financing institutions including commercial banks. Passenger: Loan of \$70 million from Export and Import Bank of China and \$5.42 million from UTY.
10. Implementation Schedule: Cargo locomotives: 2010–2012 and passenger locomotives: 2009–2010. Shipment of the first electric locomotive is expected in June 2010. In September and October 2010, the shipment of seven locomotives per month is expected. Currently, detailed project design of high-speed passenger electric locomotive is awaiting approval.
11. Executing Agencies: SJSC 'Uzbekiston Temir Yullari' PIU.
12. Estimated Benefits and Beneficiaries: The key advantage of the project is improved rail transport services and rail transport time reduction through renewing obsolescent cargo and passenger locomotives.
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: Pre-feasibility study on cargo locomotives will be conducted after procurement specifications are determined. Feasibility study was completed for passenger locomotives in 2008. Key technical and economic criteria were approved by Presidential Decree dated 05.11.2008 No 993.
16. Follow up Actions Required: Determine source of financing for cargo locomotives procurement order. Prepare a loan agreement between the National Bank of Uzbekistan and SJSC 'Uzbekiston Temir Yullari'
17. Issues/Constraints:
18. PPP/PSP:

**UZB IP4: Electrification of Marokand–Kashi–Tashguzar–Boysun–Kumgurgan Section
(formerly UZB IP4: Electrification of Kashi–Tshguzar–Baisun–Kumgurgan Section)**

Country: Uzbekistan
CAREC Corridors: 6-a, b

1. Project Name: Electrification of Rail Marokand – Kashi – Tashguzar – Boysun – Kumgurgan
2. Type of Project: Rail Improvement
3. Project Location: Samarkand, Kashkadarya, and Surkhandarya provinces
4. Sector/Subsector: Transport / Railways
5. Background and Rationale: Electrification of Marokand–Kashi–Tashguzar–Boysun–Kumgurgan railway line is a priority investment for the railway sector. Total length is 389km.
6. Objectives: The objectives of the project are to provide secure transportation to the mountain areas, lower exploitation cost and demand for extra rolling-stock, and provide sustainable socio-economic growth in the south of the Republic.
7. Scope: The Project consists of the electrification of these railway sections: Marokand–Karshi, Karshi–Tashguzar, Tashguzar–Kumgurgan, located in Samarkand, Kashkadarya and Surkhandarya provinces. The Marokand–Kashi section was added to the original project scope.
8. Estimated Cost: \$273.3 million.
9. Financing Plan and Arrangements: The plan is to attract a loan of \$163 million from Japan International Cooperation Agency (JICA). The rest will be funded by UTY. During implementation of the project Tashguzar–Boysun–Kumgurgan financed by the JICA (a loan of about \$160 million equivalent was approved in 2004), the unused \$930,000 under the consultant budget was used for the pre-feasibility study on the electrification of priority sections.
10. Implementation Schedule: 2010–2015
11. Executing Agencies: JICA Project Implementation Unit (OIU), Capital Construction management SJSC 'Uzbekiston Temir Yullari'
12. Estimated Benefits and Beneficiaries: Main benefits from project implementation are (i) secure railway traffic; (ii) decrease of high exploitation costs and demand for extra rolling-stock; and (iii) creation of new job opportunities.
13. Social and Environmental Issues: No critical problems with resettlement are foreseen as electrification is to be conducted on exiting railway section.
14. Priority of Project: High
15. Project Status: Pre-feasibility study on the electrification of priority sections will start in 2009.
16. Follow up Actions Required:
17. Issues/Constraints:
18. PPP/PSP:

**UZB IP 5: Construction of Tashguzar–Boysun–Kumgurgan Section
(formerly Electrification of Samarkand–Navoi and Samarkand–Kashi Sections)**

Country: Uzbekistan

CAREC Corridors: , 6-a,b

1. Project Name: Construction of Tashguzar–Boysun–Kumgurgan Section
2. Type of Project: Rail Improvement
3. Project Location: Kakhkadarya and Surkhandarya provinces
4. Sector/Subsector: Transport / Railways
5. Background and Rationale: The feasibility study was developed by Japanese consulting company, JTC. Key economic parameters were approved by Cabinet of Ministers' Resolution dd. 4 October 2004 No458.
6. Objectives: <ul style="list-style-type: none"> • To establish a unified national railway network of Uzbekistan and to connect Surkhandarya province with other regions in the Republic; • To develop the southern region of the Republic, to intensify mine workings and to develop further processing industry.
7. Scope: The Project covers construction of new lines: Tashguzar-Dehkanabad – 56.6 km Dekhanabad-Boysun – 108.7 km Boysun-Kumkurgan – 56.3 km
8. Estimated Cost: The cost is estimated at \$447.38 million.
9. Financing Plan and Arrangements: The Japan International Cooperation Agency (JICA) provided a \$157.47 million loan for 40 years, including 10-year grace period with the interest rate of 0.40%. The remaining amount comes from UTY.
10. Implementation Schedule: Ongoing to 2009
11. Executing Agencies: Project Implementation Unit, Capital Construction management SJSC 'Uzbekiston Temir Yullari'
12. Estimated Benefits and Beneficiaries: <ul style="list-style-type: none"> • creation of new job opportunities; • extra profit from transit; • a new route via Afghanistan to ensure low costs export-import operations; • accessibility of deposits; • socio-economic development of Kakhkadarya and Surkhandarya provinces
13. Social and Environmental Issues: Environment protection project was developed and is being monitored.
14. Priority of Project: High
15. Project Status: For completion in 2009.
16. Follow up Actions Required:
17. Issues/Constraints:
18. PPP/PSP:

**UZB IP 6: Construction of Navoi–Uchkuduk-Sultanuizdag-Nukus Section
(formerly Electrification of Navoi–Bukhara and Bukhara–Kashi Sections)**

Country: Uzbekistan

CAREC Corridors: 2-a, 6-a

1. Project Name: Construction of Navoi-Uchkuduk- Sultanuizdag-Nukus Section
2. Type of Project: Rail improvement and construction
3. Project Location: Karakalpakstan, Bukhara, Navoi, and Khorezm provinces
4. Sector/Subsector: Transport / Railways
5. Background and Rationale: The justification to conduct design and construction of the came from the Cabinet of Ministers' Resolution (dated 13 August 1993 No. 394). The feasibility stay was approved by Cabinet of Ministers' Resolution (dated 11 September 1999 No. 418-Φ).
6. Objectives: The Project will connect Khorezm province and Republic of Karkalpakstan with other provinces of Uzbekistan.
7. Scope: Under the Project, it is planned to: <ul style="list-style-type: none"> • to improve existing railway sections • to construct new railway line – 341.6 km • bridge crossing – 1,635 m
8. Estimated Cost: Feasibility stay was approved by Cabinet of Ministers' Resolution (dated September 1999 No. 418-Φ). Total cost is estimated at about \$130 million.
9. Financing Plan and Arrangements: The construction on the new line is being financed by SJSC 'Uzbekiston Temir Yullari' own resources.
10. Implementation Schedule: Ongoing to 2010
11. Executing Agencies: Capital Construction Management of UTY
12. Estimated Benefits and Beneficiaries: <ul style="list-style-type: none"> • improved transport services in Karkalpakstan, Khorezm province, north of Navoi, and Bukhara provinces; • support mineral exploitation along the railway alignment; and • shortened transport distance.
13. Social and Environmental Issues:
14. Priority of Project: High
15. Project Status: Feasibility study was approved by Cabinet of Ministers' Resolution (dated 11 September 1999 No. 418-Φ).
16. Follow up Actions Required: Completion of construction of a new railway section Navoi – Uchkuduk- Sultanuizdag-Nukus.
17. Issues/Constraints:
18. PPP/PSP:

**UZB IP7: Electrification of Tukimakchi-Angren Section
(formerly Electrification of Navoi–Uchkuduk Section)**

**Country: Uzbekistan
CAREC Corridors: 6b, c**

1. Project Name: Electrification of Tukimakchi-Angren Section
2. Type of Project: Rail Improvement
3. Project Location: Uzbekistan, Kashkadarya
4. Sector/Subsector: Transport / Railways
5. Background and Rationale: Electrification of Tashkent-Angren section will improve railway efficiency in the Tashkent region. Construction and design of the project started in 1993, based on Cabinet of Ministers' Resolutions (dated 23.06.1993 and 24.04.2001 No.81). Pre-feasibility study was approved by Cabinet of Ministers' Resolution (dated 02.11.2005 No500-Φ).
6. Objectives: To develop railway network, to increase efficiency of passenger and freight transportation, to provide quality services and introduce modern equipment for railway transport.
7. Scope: The scope of the project includes electrification of 113.9 km railway line, comprising, Tukimakchi-Sergeli (7.4 km), Sergeli-Jaloir (3.2km), Jaloir-Kuchluk (18.7 km), Kuchluk-Toytepa (11.7 km), Toytepa-Ozodlik (15.1 km), Ozodlik-Akhangaran (12.6 km); Ahangaran-Akcha (18.3 km), Akcha-Ablik (16.3 km), and Ablik-Angren (10.6 km).
8. Estimated Cost: \$85 million.
9. Financing Plan and Arrangements: Financing comes from (i) \$28.023 million from UTY 'Uzbekiston Temir Yullari', (ii) \$35.25 million from KfW's loan for 40 years, including 10-year grace period, 0.75% interest rate for procurement of equipment and materials, and (iii) \$22.122 million from Kuwait Fund of Arabic Economic Development's loan for 18 years, including 4-year grace period, 2.5% interest rate for procurement of signaling and telecommunication and equipment, railing, and iron bars for bridge construction.
10. Implementation Schedule: Ongoing to 2012
11. Executing Agencies: Project Implementation Unit (PIU KfW-EBRD), Capital Construction Management SJSC 'Uzbekiston Temir Yullari'
12. Estimated Benefits and Beneficiaries: <ul style="list-style-type: none"> • significant transport cost savings; • service quality improvement; and • reduced environment impact.
13. Social and Environmental Issues: No critical problems on resettlement are foreseen, as electrification to be conducted on exiting railway section
14. Priority of Project: High
15. Project Status: Feasibility study is ongoing.
16. Follow up Actions Required: To complete feasibility study
17. Issues/Constraints:
18. PPP/PSP:

**UZB IP 8: Construction of Double-Track Electrified Yangier-Jizak Section
and Single-Line Electrified Yangier-Farkhad Section**

Country: Uzbekistan

CAREC Corridors: 6-b, 3-a,

1. Project Name: Construction of Double-Track Electrified Yangier-Jizak Section and Single-Line Electrified Yangier-Farkhad Section
2. Type of Project: Rail Improvement
3. Project Location: Sirdarya and Jizak provinces
4. Sector/Subsector: Transport / Railways
5. Background and Rationale: The Project is included in the State's infrastructure development program for 2009–2011.
6. Objectives: The Havast-Jizakh section, which is one of the major railway corridors, has reached its designed capacity. This requires increase in the railway capacity along the railway section.
7. Scope: The Project includes improvement of three railway sections: Section 1 (construction of new double-track electrified railway line Yangier-Dashtabad, 34.2 km; Section 2 (construction of second line and reconstruction of existing railway line Dashtabad-Jizak, 59.3 km); and Section 3 (construction of single-line electrified railway line Yangier-Farkhad, 25.9 km).
8. Estimated Cost: The cost is estimated at \$64 million.
9. Financing Plan and Arrangements: Financing will come from SJSC 'Uzbekiston Temir Yullari'.
10. Implementation Schedule: Ongoing to 2011.
11. Executing Agencies: Capital Construction management SJSC 'Uzbekiston Temir Yullari'
12. Estimated Benefits and Beneficiaries: <ul style="list-style-type: none"> • Efficient railway services along the Havast-Jizakh railway section. Increased economic opportunities for the cities along the railway section.
13. Social and Environmental Issues: SJSC 'Uzbekiston Temir Yullari' is implementing the social and environment management plan developed for the Project to minimize negative impact to the people along the railway alignment.
14. Priority of Project: High
15. Project Status: Feasibility study has been completed. The project preparatory work including detailed design has started.
16. Follow up Actions Required: Feasibility study should be approved by the Government to issue Cabinet of Ministers' resolution.
17. Issues/Constraints:
18. PPP/PSP:

**UZB IP 9: Upgrading the Bukhara Airport
(formerly UZB TA 3: Upgrading the Bukhara Airport)**

**COUNTRY: UZBEKISTAN
CAREC Corridors: 2a, 3a, 6a**

1. Project Name: Upgrading the Bukhara Airport (IATA Code: BHK; ICAO Code: UTSB).
2. Type of Project:
3. Project Location: Southern Uzbekistan.
4. Sector/Subsector: Transport/Airports
5. Background and Rationale: The Bukhara Airport currently has a single 3,000 meter runway with limited taxiways and apron space. Air services connect with Moscow and St. Petersburg as well as domestic locations. The aim is to upgrade the airport to accommodate additional international and domestic traffic.
6. Objectives: assess the financial and economic viability, and requirements of upgrading the airport.
7. Scope: The project will construct a new international passenger terminal
8. Estimated Cost: \$12 million–\$15 million.
9. Financing Plan and Arrangements: Government of the United Arab Emirates(\$12 million to 15 million)
10. Implementation Schedule: 2009–2011
11. Executing Agencies: Ministry of Transport/Uzbekistan Airways.
12. Estimated Benefits and Beneficiaries: The upgraded airport will be able to accommodate more flights, passengers, and freight.
13. Social and Environmental Issues: None are foreseen at this time.
14. Priority of Project: high
15. Project Status: Funding from United Arab Emirate has been secured
16. Follow up Actions Required:
17. Issues/Constraints:
18. Public-Private Sector/Private Sector Participation Opportunities (PPP/PSP):