

OVERVIEW

In early 2025, Afghanistan continues to grapple with widespread poverty, a stagnant economy, and likely drops in assistance funding. An estimated 12.4 million Afghans are projected to be food-insecure, and 48% of the population lives below the poverty line (OCHA 28/07/2024). Based on the trend since 2023, reductions in Western humanitarian assistance funding for Afghanistan can be expected (CSIS 13/06/2024; VOA 20/06/2023 and 03/04/2024). This will aggravate hardships for the Afghan population.

Uzbekistan could play an important role at this juncture. Since 2016, Uzbekistan has continued to strengthen ties with its southern neighbour, even after the August 2021 regime change in Afghanistan. Uzbekistan's engagement with Afghanistan navigates the pursuit of its own national economic and security interests, a historically complex relationship with the Taliban, and international concerns over the human and women's rights records of the Interim Taliban Authority (ITA). Uzbekistan is not a major financial donor for bilateral and multilateral humanitarian assistance; it provides emergency relief in response to disasters and supports UN missions in Afghanistan through logistics hubs. Uzbekistan favours trade and business promotion and infrastructure investments in Afghanistan to address poverty and improve livelihoods on both sides of the border. A substantial number of Afghan citizens live in Uzbekistan and transfer large sums of remittances to Afghanistan.

The ITA has welcomed engagement with Uzbekistan, whose preference for facilitating trade and business promotion to alleviate poverty is in line with ITA interests (ORF 12/08/2024). Like the Republic Government under Ashraf Ghani, the ITA sees improved ties to its Central Asian neighbours as a way to ensure energy supplies to Afghanistan and diversify the country's economic dependence beyond Pakistan (RFE/RL 05/03/2019).

That said, different obstacles and challenges in improving the countries' bilateral relations persist. The ITA has not taken any decisive actions against members of the Afghanistan-based Islamic Movement of Uzbekistan (IMU), which Uzbekistan considers a threat to its national security. Afghan Uzbeks, like other non-Pashtun ethnic groups, are severely underrepresented in ITA structures, and Uzbekistan considers the lack of representation for non-Pashtuns a risk for Afghanistan's stability (GJIA 17/04/2024). At the same time, the ITA demands the return of 50 combat aircraft that remain in Uzbekistan after the Afghan Air Force flew them there in August

2021 (KUN.UZ 27/08/2024). There are also concerns and tensions over the transboundary water management of the Amu Darya River, which could escalate once construction on the Qosh Tepa Canal in Afghanistan is completed. Finally, Uzbekistan does not agree with the ITA's human and women's rights policies; it pursues its engagement with the ITA while attempting not to alienate Western powers and others concerned over these policies (VOA 04/05/2022).

ABOUT THIS REPORT

This paper examines Uzbekistan's engagement in Afghanistan, focusing on the period since August 2021. It first describes Uzbekistan's foreign policy perspective on Afghanistan, including humanitarian assistance and economic investments and cooperation. Second, the report discusses obstacles, primarily violent extremism and transboundary water management, in the bilateral relations between the two countries, before finishing with an outlook.

This research provides relevant contextual information on an important neighbouring country that shares a 144km border with Afghanistan. Uzbekistan's engagement directly affects the humanitarian response in Afghanistan, and its roads and railway infrastructure are critical enablers of the UN mission in Afghanistan. Uzbekistan's engagement with Afghanistan combines emergency relief for disasters, support of UN missions to Afghanistan, trade and business promotion, maintenance of diplomatic ties, and dialogue with the ITA. Coordinating with Uzbekistan can enhance aid efficacy.

Methodology

This report draws on secondary sources and seven key information interviews (KIIs) conducted with Afghan, international, and Uzbek experts working in international organisations (UN, think tanks, and NGOs), who provided additional information for this report. The KIIs helped contextualise and make sense of findings from secondary sources.

Limitations

There is adequate information on Uzbekistan's general foreign policy relating to Afghanistan but little public data on its specific bilateral and multilateral contributions beyond specific instances of humanitarian aid distribution.

KEY FINDINGS

- Uzbekistan's engagement in Afghanistan helps develop and diversify Uzbekistan's economic and business ties with South Asian countries and addresses Afghans' poverty and inadequate livelihoods.
- To achieve these goals, Uzbekistan's engagement in Afghanistan balances its own national economic and security interests with international concerns over the ITA's record of violating human rights and preference for economic development projects and business promotion over humanitarian assistance.
- Uzbekistan will continue to engage with the ITA on economic cooperation and security – including border management and the containment of IMU members – while simultaneously supporting UN logistics in Afghanistan and avoiding any endorsement of ITA policies on women's and human rights.
- At the Termez border crossing, Uzbekistan supports the operations of UN agencies such as UNHCR, UNICEF, and WFP in Afghanistan through the International Multifunctional Transport and Logistics Hub and the development of the Afghan business sector (Airitom Free Zone). Acting as the major hub for international humanitarian aid operations in Afghanistan demonstrates Uzbekistan's commitment to UN values, while the promotion of Afghan business activities aligns with the ITA's expectations.
- The facilitation of UN logistics and business development assistance through the same border crossing is Uzbekistan's unique advantage.
- Uzbekistan is not a major financial donor for humanitarian assistance. In response to disasters such as earthquakes and food shortages, it has distributed in-kind items from Uzbek state institutions to relevant ITA ministries, recognising the ITA as an important interlocutor. Uzbekistan avoids cash transactions and their associated problems with international sanctions.
- Uzbekistan hosts a substantial number of Afghan citizens who send a significant volume of remittances to Afghanistan. While remittances are not a direct form of humanitarian aid, allowing Afghans to access the Uzbek labour market and operate businesses constitutes a significant form of support to Afghanistan's economic stability.
- Uzbekistan's long-term goal is connectivity, which includes the economic integration of Central and South Asia (India and Pakistan) with transit, trade, and energy transmission through Afghanistan. Larger infrastructure projects remain in the planning phase, however; securing multilateral funding for these types of projects is unrealistic without international recognition of the ITA, and financing is unclear considering the new US administration.

- The main obstacles to the improvement of bilateral ties between Afghanistan and Uzbekistan are:
 - Uzbekistan's past support for armed groups opposing the Taliban
 - Uzbekistan's concerns over the continued presence of armed fighters who are citizens of Uzbekistan in Afghanistan (IMU members)
 - the ITA's construction of the Qosh Tepa Canal in Afghanistan, which will reduce the amount of water available to lower riparian states (Uzbekistan and Turkmenistan)
 - the ITA demand that Uzbekistan return 50 Afghan combat aircraft and helicopters that the Afghan Air Force personnel took to Uzbekistan in August 2021, which Uzbekistan continues to hold and which the US considers its property.

RELATIONS BETWEEN UZBEKISTAN AND AFGHANISTAN

Since joining the UN in 1992, Uzbekistan has established various cooperative aims with the organisation and its specialised agencies, with the stabilisation and reconstruction of Afghanistan as a priority (Uzbek MFA accessed 18/02/2025). The two countries have a complex history, however, which still shapes bilateral relations today.

During the Soviet invasion of Afghanistan (1979–1989), the Red Army recruited many soldiers from Central Asian countries, including Uzbekistan, to fight in Afghanistan. Uzbekistan's engagement with Afghanistan after the Soviet withdrawal in 1989 was characterised by military and economic support to the Afghan Uzbek military leader and politician Abdul Rashid Dostum (The Jamestown Foundation 10/03/2014). The Uzbek Government supported Dostum because of shared ethnic ties and the need for a reliable ally in northern Afghanistan (Nishonova 17/10/2023). Dostum had emerged as a Soviet-supported military leader during the Soviet-Afghan War (1979–1989). In the 1990s, he led the Uzbek-dominated militia forces in northern Afghanistan and was an influential and highly controversial figure in the Northern Alliance against the Taliban; he later served as vice-president of Afghanistan from 2014–2020 (WION 14/02/2023).

Uzbekistan's foreign policy approach to Afghanistan changed in 2016 with the election of President Shavkat Mirziyoyev. Since then, Uzbekistan has taken a different approach in shaping relations with Afghanistan, intensifying economic, development, and diplomatic cooperation between the two countries. Uzbekistan reoriented its foreign policy in reaction to the Taliban's resurgence and in anticipation of the withdrawal of US forces from Afghanistan (FES 01/02/2021). This entailed a major shift in Uzbekistan's engagement in Afghanistan as the country developed ties with the Taliban and reduced its military and economic support to General Dostum. At the Tashkent Conference on Afghanistan in March 2018, Uzbekistan

expressed interest in mediating the Afghan peace process between the Afghan Republic Government and the Taliban insurgency and offered to host further meetings of the intra-Afghan peace talks (UNSC 29/03/2018). Uzbekistan also invited multiple Taliban delegations to visit the country (RFE/RL 21/07/2021).

Since the Taliban takeover of Kabul in August 2021, the Uzbek Government has emerged as the Central Asian government most actively engaging the ITA (CEIP 05/09/2024). Uzbekistan never declared the Taliban a terrorist group, so there was no need for them to de-list the group. Uzbekistan was among the first in Central and West Asia to hand over the Afghan embassy in Tashkent to the ITA (KII 28/01/2025; TRT World 05/02/2024). Uzbekistan was also quick to send delegations to Kabul to discuss energy, trade, and transport projects with the ITA, with the first delegations sent only seven weeks after the August 2021 regime change (EIR 09/10/2021).

Uzbekistan also embedded its humanitarian support to Afghanistan in its goal of regional stability and socioeconomic development, which is reflected in its public discourse. For instance, at the 16th Economic Cooperation Organisation summit on 9 November 2023, Uzbek President Shavkat Mirziyoyev urged member states to increase humanitarian assistance to Afghanistan to address the country's social and economic challenges, emphasising that engaging Afghanistan in regional integration is crucial for collective sustainable development (ECO 11/2023).

At recent foreign policy roundtables held in the Uzbek capital, Tashkent, the Special Representative of the President of Uzbekistan for Afghanistan called the achievement of lasting peace in Afghanistan an essential strategy of Uzbekistan's foreign policy (VIF 05/11/2024). Uzbekistan's public statements highlight Afghanistan as an economic opportunity and rarely mention security risks (RFE/RL 23/09/2021). Like other Central Asian countries, Uzbekistan is interested in a stable Afghanistan, which would serve as a corridor for trade and energy transmission (The Diplomat 12/09/2024; The Caspian Post 28/12/2024; RFE/RL 23/09/2021).

On the Afghan side, since 2021, the ITA has improved border security management to stem the flow of narcotics and armed fighters across the border and curbed the actions of IMU militants based in Afghanistan with targets in Uzbekistan (KII 03/02 2025). The IMU is a militant Islamist organisation founded in 1998, which initially aimed to overthrow the Uzbek Government and establish an Islamic state. The IMU later aligned with the Taliban and Al Qaeda, participating in insurgencies in Afghanistan and Pakistan. The group has been sanctioned by the UNSC and other international bodies (UNSC accessed 20/02/2025). The ITA has not extradited members of the IMU who remain in Afghanistan (KII 28/01/2025).

Conversely, the ITA has requested that Uzbekistan return military aircraft – including 22 military planes and 24 helicopters with the capacity for 585 Afghan military personnel – that had been flown into Uzbekistan following the Taliban takeover in 2021, but Uzbekistan has rejected the request. The refusal to return the aircraft, along with US involvement in the decision, has strained diplomatic relations between Afghanistan and Uzbekistan (The Soufan Center 09/06/2022; KUN.UZ 27/08/2024).

UZBEKISTAN'S HUMANITARIAN ASSISTANCE TO AFGHANISTAN

Humanitarian funding to Afghanistan has been declining. According to OCHA, funding for the Afghanistan Humanitarian Needs and Response Plan dropped from USD 3.28 billion in 2022 to USD 1.71 billion in 2024, including USD 117.8 million outside of the plan. The 2024 plan was budgeted at USD 3.06 billion, but only 52% (USD 1.59 billion) was met (OCHA accessed 21/02/2025 a). The most significant donors and their funding amounts are in Table 1.

Table 1. List of donors to Afghanistan and funding amounts

SOURCE ORGANISATIONS	FUNDING FIGURES (USD)
US Government	662,992,630
UK Government	174,655,744
European Commission's Humanitarian Aid and Civil Protection Department	145,346,466
German Government	95,157,649
World Bank	74,073,906
US Department of State	73,591,039
Japanese Government	48,602,948
European Commission	32,232,085
Swedish Government	30,327,032
Australian Government	29,754,226

Source: OCHA (accessed 21/02/2025 b)

With the recent announcement of the US aid freeze, overall funding is highly likely to decline in the near future, heightening the humanitarian crisis (ACAPS 07/02/2025). This makes support from other countries more crucial to offset the decrease from the US and possibly other donors.

Uzbekistan's humanitarian assistance is modest. The country is not a major donor for bilateral and multilateral humanitarian assistance, and public sources confirmed by KIIs indicate five instances of in-kind emergency relief item distributions from state department

to state department since August 2021 (see below) (UNHCR accessed 23/02/2025, OCHA accessed 23/02/2025). Although no precise figures are available, the financial value of these five donations is small compared to major international humanitarian and development organisations such as UN agencies, USAID, and the World Bank (KII 24/01/2025 a). While data about the overall financial value of humanitarian support is lacking, there are cases demonstrating its contribution. This includes the distribution of in-kind items, such as food, and the facilitation of UN logistics. Uzbekistan was also the first country, in December 2021, to bring food and medical assistance into Afghanistan after the regime change. Assistance focuses on Afghanistan's northern provinces (e.g. Balkh), which border Uzbekistan, and western provinces (e.g. Herat), which have experienced emergency humanitarian crises such as the Herat earthquake (KII 24/01/2025 b). Examples of Uzbekistan's humanitarian assistance activities in Afghanistan are discussed below.

ACAPS found no indication of any disbursement of funds directly to the ITA or through affiliated organisations working in Afghanistan. This does not mean that no such activity has taken place, however, and just indicates that any such activity has not been heavily publicised.

Most assistance takes the form of in-kind humanitarian assistance items delivered from Uzbekistan to the ITA in response to disasters, including food shortages and earthquakes.

- **On 23 December 2021**, an Uzbek train delivered a 4,000MT relief consignment of flour, rice, sugar, other foods, clothing, and coal to Mazari e sharif, Afghanistan, in response to food and heating shortages in winter (Caravanserai 10/01/2022).
- **On 2 May 2022**, 4,000MT of aid comprising flour, oil, rice, and medicine was delivered through Hairatan, Afghanistan, to address food and medical supply shortages (TOLONews 02/05/2022).
- **On 19 April 2023**, Uzbekistan provided 185MT of food assistance during Ramadan. The shipment comprised 48MT of flour, 48MT of wheat, 15.7MT of vegetable oil, 10,000 cans of stewed meat, 22MT of pasta, 24MT of sugar, and 100,000 units of instant food items. The delivery was accompanied by senior diplomats, including Ismatullah Irgashev, the Uzbek President's Special Representative for Afghanistan; Anvar Oripov, First Deputy Hokim of Surkhandarya province; and Din Muhammad Hanif, Minister of Economy of the Provisional Government of Afghanistan (Gazeta.uz 19/04/2023).
- **On 10 October 2023**, under Irgashev's leadership, humanitarian aid was delivered to the ITA's commission on the elimination of the consequences of the earthquake. The aid supported those affected by the Herat earthquake and included food (flour, wheat, oil, pasta, meat products, rice, and sugar), tents and blankets, and medical supplies (first aid equipment) (KUN.UZ 10/10/2023).

Activities also included the one-time dispatching of 'mobile doctors' (KII 24/01/2025 b). At the direction of Uzbek President Shavkat Mirziyoyev, a train carried medical equipment and personnel to Afghanistan for six days (25–30 December) so they can examine 1,300 people in northern Afghanistan's Balkh province (Gazeta.uz 30/12/2024).

Uzbek government agencies deliver in-kind items directly to the ITA, such as Commission for the elimination of the consequences of the earthquake, emergencies and refugees departments in Afghanistan's Balkh province, the Ministry for Economy, and the Ministry for Transport and Civil Aviation. Uzbekistan's Ministry of Foreign Affairs is in the lead, and announcements of aid provision include an opening ceremony in the presence of the Uzbek President's Special Representative for Afghanistan. Uzbekistan does not appear to distribute assistance through affiliated organisations or NGOs (see Table 1; KII 24/01/2025 a).

The most important humanitarian support Uzbekistan provides to Afghanistan is the facilitation of UN logistics through the International Multifunctional Transport and Logistics Hub at the Uzbekistan–Afghanistan border crossing at Termez (Eurasianet 27/08/2021). Since the August 2021 regime change, the Termez hub has served as a conduit for the delivery of Western and UN aid through the so-called Friendship Bridge, which connects Uzbekistan and Afghanistan at Termez and Hairatan (VIF 05/11/2024; EU Political Report 25/06/2022; UN Afghanistan 01/06/2022). Initially set up in 2016, the Termez hub became one of eight UNHCR global stockpiles in 2025, underscoring its importance to UN operations and demonstrating Uzbekistan's support for UNHCR's mission (UNHCR 18/02/2025). This hub allows UN agencies such as UNHCR to operate more easily in northern Afghanistan.

Although they are not state-sponsored efforts, remittances from Uzbekistan underscore the country's pivotal role in enabling the Afghan diaspora to contribute to humanitarian support and the national economy. While Pakistan and Iran have been the primary destinations for Afghan migrants, Uzbekistan hosted the largest number of Afghan migrants in Central Asia in 2022 (around 13,500 individuals) (IOM 09/02/2022). In 2023, remittances from Uzbekistan contributed nearly 5% (about USD 861 million) of Afghanistan's GDP (USD 17.23 billion) (Sultoni 28/08/2024; TE accessed 19/02/2025). Remittances are vital in helping Afghans build resilience against various humanitarian challenges (ACAPS 03/06/2024). The inflows of remittances from Uzbekistan indicate complementary financial support for some Afghan households facing adversity. Economically, adding Uzbekistan's remittance inflows to the overall remittances in 2023 – estimated at USD 3 billion – helped the Afghani appreciate by 27.1% in 2023 (WB 04/12/2024). Uzbekistan still does not grant visas to Afghan citizens easily, however, with the ITA's lack of recognition serving as a justification for rejections (KII 24/01/2025 a).

UZBEKISTAN'S ECONOMIC INVESTMENTS AND COOPERATION WITH AFGHANISTAN

Besides humanitarian assistance, Uzbekistan engages with Afghanistan in the field of economic investment, including support for Afghan business development. Uzbekistan is particularly interested in the regional economic integration of Central and South Asia through transit, trade, and energy transmission. Through such projects, it seeks to enhance trade with and through Afghanistan. Connectivity projects such as railways, roads, and other infrastructure are costly, however, and involve high risks, including financial risks.

Railway

Since August 2021, different railway projects have been planned or implemented to connect Uzbekistan and Afghanistan. One implemented project is the reconstruction of parts of the 75km line connecting Mazari e sharif International Airport with Hairatan on the Afghan side of the border (*Ariana News 22/02/2024*). An Uzbek company, Sogdiana Trans LLC, began the reconstruction work in February 2024. An Uzbekistan Railways Joint Stock Company subsidiary continues to hold and extend the operational and maintenance contract for the line (*The Times of Central Asia 27/01/2025*).

This railway line is part of a larger design for the proposed Trans-Afghanistan Railway project, which, through the construction of a new line, would connect Mazari e sharif to Kabul and Peshawar, Pakistan, and is expected to cost USD 5 billion (*TOLOnews 30/10/2024*). In May 2023, a joint office for the coordination of the implementation of the railway project (involving Afghanistan, Pakistan, and Uzbekistan) opened in Tashkent (*CPC 01/12/2024*). Other proposals to expand the railway network through Afghanistan include the construction of a new line from Mazari e sharif to Herat and a connection with the Iranian railway network (*VIF 05/11/2024*). Both of these projects remain in the planning phase, and no work has begun.

Roads

Since the August 2021 regime change and the correlated reduction in security incidents throughout the country, trade by road between Uzbekistan and Afghanistan has increased. Systematic data is unavailable, but figures suggest that cross-border trade initially dropped after August 2021 and continued to drop through August 2023 (*VOA 15/08/2023*). Since then, it appears that trade volume has increased, and some sources suggest that the border crossing sees an average of 500 trucks per day (with seasonal fluctuations) (*Logistics Cluster accessed 10/02/2025*).

From 26–27 August 2023, Uzbekistan's Minister of Transport Ilkhom Makhkamov and Special Representative of the President of Uzbekistan for Afghanistan Ismatulla Irgashev visited Afghan officials to explore the potential development of road-based transit routes from Central Asia through Afghanistan to Pakistan. The parties agreed to explore these opportunities further, but no agreements or tenders have since been announced to signal the start of construction activities (*News Central Asia 29/08/2023*).

International Trade Center Termez

The most effective economic cooperation project between the two countries is the opening of the AIRITOM Free Zone also known as International Trade Center Termez in September 2024 (*News Central Asia 30/08/2024*). This 36-hectare duty-free trade zone with Afghanistan adjacent to the Afghanistan–Uzbekistan border crossing at Hairatan cost USD 70 million, which was a lower investment and included fewer financial and security risks for Uzbekistan than larger connectivity projects implemented inside Afghanistan (*VOA 18/09/2024*).

With the objective of strengthening trade relations and business opportunities, Afghans are allowed to bring and take goods up to 10kg duty-free, and Uzbeks are allowed to buy up to USD 300 worth of Afghan goods duty-free (*VIF 05/11/2024*). According to Uzbek government instruction, 40% of the space and up to 30% of the projected 5,000 jobs would be allocated to Afghan manufacturers, traders, and workers (*VOA 18/09/2024*). While it is unclear at present how many actual jobs have been created, Afghan businesses are operating in the trade centre, employing both Afghans and Uzbeks and producing goods, such as eggs and chicken meat, that are then sold in Afghanistan. A multicurrency system with Uzbek sums, US dollars, euros, Russian rubles, and Chinese yuan has also been established (*News Central Asia 30/08/2024*).

The zone also includes medical facilities operated by the Tashkent-based Akfa Medline, which offers services primarily for Afghans in facilities that separate men and women (which it does not do in other facilities in Uzbekistan) (*VOA 18/09/2024*). Facilities include radiology, dentistry, and physiotherapy, among others (*News Central Asia 30/08/2024*). The zone also appears to have an important psychological effect on Afghan men, women, and children who can step out of Afghanistan visa-free for up to 15 days. The zone is connected to Mazari e sharif through a daily bus system and also includes hotels, an academic campus (for Afghans and others), restaurants, banking, and legal services (*News Central Asia 30/08/2024*; *VOA 18/09/2024*).

Memoranda of understanding, trade agreements, and fairs

In August 2024, Uzbekistan signed USD 2.5 billion worth of trade and investment deals with the ITA. The memoranda of understanding included 12 investment agreements worth USD 1.4 billion and 23 trade agreements worth USD 1.1 billion. The various sectors covered included agriculture, energy, infrastructure, and manufacturing in 35 different investment and trade agreements (RTA 18/08/2024; TOLONews 17/08/2024). The Uzbek-Afghan Business Forum held in Tashkent on 3 July 2024 brought together hundreds of enterprises and businesspeople (Uzbek MIIT 03/07/2024).

Many commentators see these agreements as a sign of deepening cooperation between the Central Asian country and the ITA (The Diplomat 21/08/2024). That said, Afghanistan is much more dependent on imports, particularly agricultural products and energy (electricity), from Uzbekistan than the other way around. According to the Observatory of Economic Complexity, Afghanistan ranked eighth (3.15%) out of ten for Uzbekistan's exports in 2023. The other major destinations were Switzerland (33.6%), Russia (12.4%), the UK (10.9%), China (7.47%), Türkiye (5.95%), Kazakhstan (5.62%), Kyrgyzstan (3.16%), the UAE (2.26%), and Tajikistan (2.01%) (OEC accessed 14/02/2025 a).

The main products that Uzbekistan exported to Afghanistan were wheat flour (USD 448 million; 58.4% of total exports to Afghanistan), electricity (USD 83.2 million; 10.9%), and refined petroleum (USD 72.6 million; 9.48%) (OEC accessed 14/02/2025 b). Uzbekistan produces wheat at great capacity, and the Afghan population is heavily reliant on these imports. While Afghan farmers do produce wheat, their agriculture is less productive and, as a result, more expensive, and the wheat grown is of a different variety that does not lend itself as easily to producing the type of bread many urban Afghans prefer. Afghanistan's agriculture in the north produces goods, such as rice, fruits, and nuts, that Uzbekistan also produces and does not need to import (KII 24/01/2025 a). The result for Afghanistan is a trade deficit.

In 2023, Afghanistan exported USD 10.4 million worth of goods to Uzbekistan, with the main products being grapes (USD 1.85 million), flavoured water (USD 1.69 million), and spice seeds (USD 1.39 million). Afghanistan's exports to Uzbekistan rose by 344% from USD 2.34 million in 2018 to USD 10.4 million in 2023 (OEC accessed 14/02/2025 b). Uzbekistan sees the increase in bilateral trade as a way of alleviating poverty and enhancing the livelihoods of Afghan and Uzbek citizens (KII 24/01/2025 a). Despite its increased exports, however, Afghanistan continues to face a trade deficit with Uzbekistan. Uzbekistan has maintained the strictest import regulations for Afghan goods of any neighbouring country, while Afghanistan has the lowest tariffs in the region (KII 08/01/2025). There may be movement on this issue, however, as a preferential trade agreement came into effect on 1 October 2024. Through this agreement, import tariffs on 14 types of Afghan goods were eliminated, and, significantly, sanitary requirements for Afghan agricultural products were eased (VIF 05/11/2024).

CHALLENGES: SECURITY, TRANSBOUNDARY WATER MANAGEMENT, AND FINANCES

Uzbekistan faces several challenges in pursuing better bilateral relations with Afghanistan. These include security, transboundary water management, and the ITA's women's and human rights policies.

Security: Violent extremism and combat aircraft

Uzbekistan, like other countries in Central Asia and beyond, is mainly worried that the Taliban takeover of Afghanistan in 2021 will inspire other Islamist groups in their own countries. Since the US withdrawal from Afghanistan in August 2021, Uzbekistan has been particularly worried, as their country contains two sites of great importance in Islamic history (Samarkand and Bukhara) and is considered the second centre of Islam. Although Uzbekistan's border with Afghanistan is well fortified and only 150km, the country is anxious about armed fighters possibly infiltrating Uzbekistan. Since late 2021, Uzbekistan has arrested members of domestic, armed, and non-armed Islamist groups (e.g. Hizb-ut Tahrir) and carefully evaluated how the ITA responds to the issue of Afghanistan-based extremist groups (RFE/RL 18/11/2021).

The ITA has its own security concerns, including its repeated demands for the return of Afghan combat aircraft and helicopters (KUN.UZ 27/08/2024; The Diplomat 01/09/2022). Uzbekistan continues to hold these aircraft, which the US considers its property. To the ITA, these non-returned combat aircraft are problematic. As long as the aircraft are outside of Afghanistan, there is no guarantee that the US will not pressure Uzbekistan to hand them over to armed opposition to the Taliban, such as the National Resistance Front. The ITA would like to control these aircraft as part of its defence arsenal.

Transboundary water management

Another source of friction is the ITA's start of construction work on a 285km canal from Qosh to Tapa (both inside Afghanistan) to divert the waters of the Amu Darya River for irrigation. Uzbekistan acknowledges the right of Afghanistan to use these waters but is concerned about its own access to the water and the manner of canal construction, which would waste massive amounts of water (Hasht e Subh 04/07/2023; The Diplomat 21/08/2024).

After the canal's completion, lower riparian countries Uzbekistan and Turkmenistan are likely to lose 15% of their intake from this river (VIF 05/11/2024). In Uzbekistan, agriculture is the primary water consumer, using approximately 90% of total water resources, with a large portion of that water allocated to cotton cultivation. Agriculture plays a crucial role in the country's economy, contributing around 17% to Uzbekistan's GDP (The Diplomat 07/01/2025). Amu Darya water diversion is expected to lead to a shortage of crucial water resources needed to irrigate key cotton fields across the Bukhara and Khorezm regions as well as Karakalpakstan (CABAR 22/07/2023). Uzbekistan is already facing critical water shortages driven by climate change, as declining river levels and decreasing precipitation take their toll. From 2008–2022, water shortages cut the country's per capita water usage in half (The Interpreter 08/01/2025).

To find a diplomatic solution to water tensions, Uzbekistan has sent officials to Kabul and offered technical assistance with the canal's construction (Eurasianet 24/03/2023). The Taliban have remained cautious, however, asserting that the initiative aligns with international customary law regarding the "reasonable and equitable" use of water (ICG 30/01/2024). Since coming to power, the Taliban have prioritised securing Afghanistan's water rights over engaging in water diplomacy, leveraging its upstream position. Despite contributing 30% to the Amu Darya River's total flow, Afghanistan's current water usage is just 2%, compared to Uzbekistan's 48.2% and Turkmenistan's 35.8%. Uzbekistan and Turkmenistan contribute 6% and 1% to the river's flow, respectively (The Interpreter 08/01/2025). The pressing demand for water for agriculture, coupled with efforts to develop hydroelectric projects and reduce dependence on food and electricity imports, appears to take precedence over maintaining good relations with neighbouring countries. This suggests that the Taliban may continue to exhibit a "high tolerance for conflict over water" in the future (ICG 30/01/2024).

For the moment, Uzbekistan seems to avoid raising tensions in its relations with the Taliban (Eurasianet 24/03/2023). The country could capitalise on Afghanistan's heavy reliance on its energy resources, however, using it as leverage to pressure the ITA into diplomatic negotiations over water rights. Currently, Afghanistan depends on Uzbekistan and Turkmenistan for 73% of its energy supply, with Uzbekistan alone providing 57% (The Interpreter 08/01/2025).

Securing funds for large-scale infrastructure projects

As indicated above, many joint investment projects have been conceived and broadly agreed upon on paper but lack the investment required to begin. Insufficient international funding and a lack of commitment from the ITA, including their preference for projects with Turkmenistan, explain why the two countries have not pushed for more substantive economic cooperation at a quicker pace, making it unlikely that large-scale projects supporting regional connectivity will offset the recent decline in Western humanitarian funding.

Relying on multilateral development banks for funding regional projects, including in Afghanistan, is complicated without falling foul of international sanctions on members of the ITA. Since August 2021, projects in Afghanistan supported by the World Bank and the Asian Development Bank have stopped (KII 24/01/2025 b). The banks have re-engaged to support basic services and income-generating activities through funds from the International Development Association deployed to UN agencies and other public international organisations in the form of grants (KII 24/01/2025 b; WB 15/02/2024). This does not include large infrastructure projects. Despite the re-engagement, the World Bank will operate in ways that ensure that money flows do not involve the ITA (WB 15/02/2024).

The ITA appears to have recognised that securing loans from multilateral banks is unrealistic given their lack of international recognition; they approach the construction of critical infrastructure such as the Turkmenistan–Afghanistan–Pakistan–India Gas Pipeline bilaterally, in phases, and without recourse to international funds (CACI Analyst 02/01/2025).

For Uzbekistan, taking a similar approach to an important infrastructure project is more complicated because of the lack of commitment from the ITA. In fact, Afghan officials have been slow to pursue Uzbekistan's desired infrastructure projects because they are prioritising Turkmenistan's potential investments (KII 24/01/2025 b). On 10 September 2024, the construction of the Serhetabat–Herat section of the pipeline – which Russia, looking to increase energy exports, has backed – was inaugurated on the border of Turkmenistan and Afghanistan (CACI Analyst 02/01/2025). One of the reasons the ITA has prioritised projects with Turkmenistan appears to be Uzbekistan's concern over the ITA's domestic policies on women's and human rights (KII 24/01/2025 b).

Finally, Afghanistan's domestic sources of funding are even more limited than Uzbekistan's. With Afghan central bank assets frozen in accounts abroad, including in Geneva, the Afghan state lacks the ability to provide guarantees for Afghan commercial banks, let alone large-scale infrastructure projects. International financial institutions could unfreeze Afghan assets under strict conditions and only to ensure funds are directed towards humanitarian purposes and economic stabilisation. There is little confidence in the Afghan banking system and financial infrastructure (Isar 01/2025). Uzbekistan does not have the financial resources to support the projects on its own. It is also worried about the risk of a unilateral approach with Afghanistan, and the impact of US President Donald Trump's recent executive order on the World Bank and the Asian Development Bank's portfolio is still unclear.

OUTLOOK

Uzbekistan will continue to engage with the ITA with a long-term perspective for security and economic reasons while avoiding close association with the ITA.

Even though multilateral banks are expected to increase their footprint in Afghanistan in 2025, this is unlikely to generate immediate momentum behind large-scale infrastructure and economic development initiatives, with the exception of CASA-1000. CASA-1000 is a renewable energy project that transfers surplus electricity from Kyrgyzstan and Tajikistan to Afghanistan and Pakistan, supporting efforts to improve electricity access, expand markets, increase trade, and provide sustainable water management solutions (CASA-1000 accessed 28/02/2025). Afghanistan-related humanitarian efforts and economic projects will continue to compete with other crisis zones for funding, and the recent freeze of US foreign aid will only increase this competition.

Considering that changes to the international sanctions regime or the ITA's domestic policies (e.g. human and women's rights) are unlikely, the relationship between Uzbekistan and the ITA will continue to develop in a slow, incremental, and careful fashion. Expanding smaller-scale and financially manageable cross-border projects such as the Termez free trade zone could be a promising way forward. A crucial question shaping the two countries' bilateral relations will be the handling of transboundary waters, particularly relating to the effects of the Qosh Tepa Canal on lower riparian countries, including Uzbekistan and Turkmenistan.

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