



A Kyrgyz Republic farming family stripes unnecessary leaves from harvested nappa cabbage to prevent the vegetables from drying out. [Photo by Shinichi Kuno]



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Assistance Customized to Each Country and to Vitalizing Private Sector

In East Asia, JICA is expanding its assistance to Mongolia that is experiencing rapid economic growth, while concentrating on mutually beneficial cooperation in China. In Central Asia and the Caucasus, JICA is providing assistance that matches conditions of each country, while also assisting in infrastructure development that promotes intra-regional cooperation. This strategy addresses the polarization of the income levels between resource-rich and resource-poor countries in Central Asia and the Caucasus.

Since the start of the new millennium, Mongolia's economy has been growing steadily, supported by mineral resources and other factors. In 2011, the country's annual economic growth rate exceeded 17%. In 2012, Mongolia issued its first-ever government bonds (Genghis bonds), beginning to mobilize funds through means other than foreign assistance. On the other hand, new challenges have emerged as a result of this rapid growth. Against this backdrop, we have placed our priorities on the sustainable development of the country's mining sector and strengthening its governance, the diversification of industrial structure and the improvement of basic social services, and strengthening the functions of Ulaanbaatar City. In 2012, the construction of an elevated bridge, nicknamed the Sun Bridge, was completed under Japan's grant assistance, winning acclaim from the Mongolian people for the high-level of Japanese technology. The bridge is expected to reduce traffic congestion in Ulaanbaatar City.

In Central Asia and the Caucasus, disparities have been widening between resource-rich countries, such as Kazakhstan, Uzbekistan and Azerbaijan, and countries still lagging behind such as Tajikistan and the Kyrgyz Republic. We developed implementation strategies for each country during fiscal 2012, and endeavored to provide highly customized assistance based on conditions and priorities in each country. At the same time, we attach importance to electric power and transport

infrastructure with a mind to reinforcing regional connectivity.

We are also promoting collaboration with Japanese companies in order to vitalize private sector in the region. To this end, we organized investment seminars on Mongolia and the Caucasus region during fiscal 2012.

In fiscal 2013, we will strive for formulating projects to strengthen higher education in Mongolia, so that the sector can be the engine of economic growth. Another target is to reduce disparities in the country. Moreover, construction of a new international airport is currently ongoing under a loan from Japan. In Central Asia and the Caucasus, our priorities will be on such areas as agriculture and rural development with a view to strengthening value chain, and the development of transportation infrastructure. We will continue to utilize Japan Centers to develop human resources in businesses. To develop private sector, we will also promote cooperation with Japanese small and medium-sized enterprises (SMEs) and BOP* businesses.

In China, taking into consideration the state of economic development of the country, we will cooperate in selected areas that both China and Japan commonly face, or have direct influence on Japan, such as cross-border air pollution and infectious diseases. In doing so, we will utilize our experiences and assets of the past cooperation with China.

*BOP: Base of the Economic Pyramid (People living in poverty with income below US\$3,000 a year).