

Central Asia and the Caucasus

— An Internationally Spotlighted Resource-Rich Region Newly Open to Asia and Europe

The Central Asia and the Caucasus region, located in roughly the center of the Eurasian continent, comprises five Central Asia countries—Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan—and three Caucasus countries—Armenia, Azerbaijan and Georgia that gained their independence from the former Soviet Union in 1991.

Achieving balanced development of the entire region is an important global issue because of the increase in economic disparities within this region. Furthermore, Afghanistan, a country that is still unstable, is located nearby.

Special Feature

Program Goals and Overview

Concrete Initiatives

Cooperation Modality

Operation, Management and Evaluation

Data and Information

Key Aid Strategies

Supporting Intra-Regional Cooperation for Stable Economic Development

In this region, JICA is concentrating on intra-regional cooperation and the promotion of democracy and market economies. Cooperation priorities are: (1) programs for improving the electric power and transportation infrastructures in the Central Asia and (2) programs to enhance market economies by activating the private sector.

contributes to expanding the private sector by nurturing human resources for businesses and other measures through the Uzbekistan-Japan Center for Human Development; and (3) providing cooperation in the priority fields of strengthening water use associations and improving water resource management, which raise incomes in rural areas, and expanding and improving healthcare and education.

Country Overviews and Priority Issues

Uzbekistan

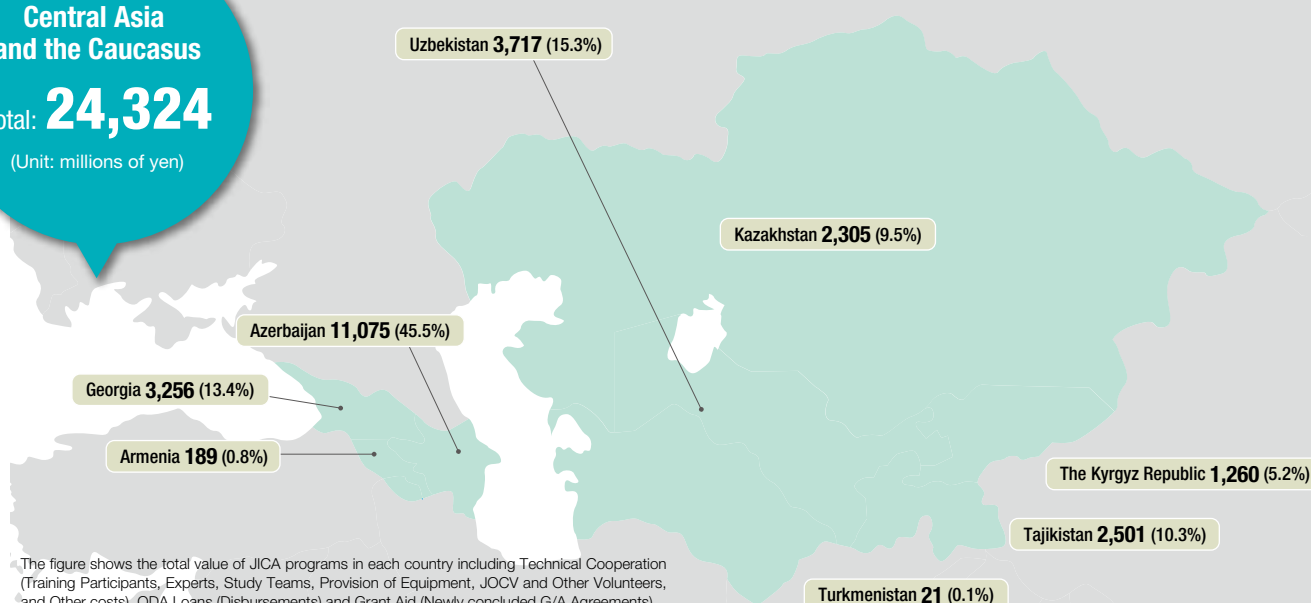
Uzbekistan maintains a robust economic growth rate underpinned by the high international commodity prices of natural resources, such as natural gas and gold. To ensure the country's continued firm development, JICA is providing aid in three sectors: (1) improving and building economic infrastructure, such as modernizing thermal electric power stations and constructing new railway lines; (2) supporting human resources development and system-building that

Kazakhstan

Kazakhstan is endowed with abundant natural resources, including the world's second largest uranium reserves. Seeking to change its resource-dependent economic structure, the country is pursuing industrial diversification to achieve balanced and sustained economic growth. With an eye to strengthening business relationships between Kazakhstan and Japan, JICA is assisting in development of business persons through the Kazakhstan- Japan Center for Human Development and building economic infrastructure that serves as a foundation for

JICA Programs in Central Asia and the Caucasus (Fiscal 2012)

Central Asia and the Caucasus
Total: **24,324**
(Unit: millions of yen)



The figure shows the total value of JICA programs in each country including Technical Cooperation (Training Participants, Experts, Study Teams, Provision of Equipment, JOCV and Other Volunteers, and Other costs), ODA Loans (Disbursements) and Grant Aid (Newly concluded G/A Agreements).

Note: Figures in parentheses denote the percentage share of overall JICA programs in the region.
Note: Figures exclude JICA's cooperation for multiple countries and international organizations.

industry. Utilizing Japan's knowledge and technology, JICA is also providing aid for human resource development in the fields of disaster prevention/management and energy conservation.

● Tajikistan

Neighboring on Afghanistan, Tajikistan is positioned on the juncture between Central Asia and Southwest Asia. Following a civil war after its independence from the former Soviet Union, the country has been working on achieving economic and social stability while enacting structural reforms. JICA's basic policy is to assist the departure from poverty and transition to growth path by building a foundation for sustainable economic growth through the correction of living standard disparities and building of infrastructure. JICA priority areas for assistance include improving rural development including essential social services in Khatlon Province bordering on Afghanistan and establishing transport and small-scale electric power infrastructure at the crossroads between Central Asia and Southwest Asia.

● The Kyrgyz Republic

After its independence from the former Soviet Union, the Kyrgyz Republic was one of the earliest countries in the region

to actively pursue a market economy. However, a mountainous country with few significant natural resources other than gold, the Kyrgyz Republic has been unable to attain stable economic growth. The goal of JICA's assistance is to achieve "Economic development and poverty eradication by strengthening export competitiveness and Promoting Business." With that in mind, JICA is focusing on the priority fields of developing agriculture and business and building transportation infrastructure. Among other areas, JICA is providing aid such as the One Village One Product Project, joint forest management, human resource development for the business sector through the Japan Center for Human Resource Development and strengthening road administrative and maintenance capacity.

● Turkmenistan

In recent years, Turkmenistan has been strengthening ties with the United States, Europe and neighboring countries, with its economy supported by large reserves of natural gas. JICA's cooperation concentrates mainly on supporting the development of the economy and society through training that enables government officials to learn about Japanese experiences. Training is provided in such fields as

Case Study Revitalizing Sericulture in Uzbekistan

Collaborating with University to Provide Wide-Ranging Aid for Revitalizing Sericulture in Uzbekistan

As one of the transit points on the Silk Road, Uzbekistan has had a silk industry since ancient times. However, the country's thread technology has not kept up with the times since the dissolution of the Soviet Union and its number of internationally competitive raw silk and silk fabric products is falling. Furthermore, in recent years, cocoons produced from low-grade foreign-bred silk worms are being exported to China at low prices. This trend is reducing the revenues of the silk industry making it increasingly difficult to continue traditional silk production in Uzbekistan.

To address these issues, JICA has been extending cooperation to Uzbekistan since 2009 in revitalizing their sericulture industry in collaboration with Tokyo University of Agriculture and Technology.

Although Uzbekistan continues to achieve solid economic growth, improving incomes in rural areas and regional disparities remain issues. For that reason, revitalizing sericulture—done by farmers in between growing cotton, Uzbekistan's major domestic industry—is extremely important. Lending a hand with reviving the silk industry is Tokyo University of Agriculture and Technology, famous for its research on sericulture and silk reeling.

Graduates from that university were dispatched as JICA senior overseas volunteers to Uzbekistan's national sericulture research institute. Receiving recommendations from the university based on the serious condition of sericulture in Uzbekistan, JICA initiated Revitalization of the Silk Road Silk Industry in Uzbekistan—Developing a Rural Income Generation Model by the Improved Sericulture in Fergana Valley as a grassroots Technical Cooperation project in 2009.

The project replaced the conventional strains of silk worms, progressive mixing of which with foreign strains had lowered quality.

Introducing Japanese sericulture technology and providing guidance to improve feeding methods, the project contributed to raising the income of silk farmers. To raise awareness of Uzbekistan's traditional Atlas silk fabric in Japan, The project held a design contest for products using this silk fabric. The most outstanding of the approximately 300 bags and other products submitted were displayed in many places in Japan. Moreover, as a steppingstone to development of the market, The project began selling Atlas silk products at One Village, One Product markets in Narita International Airport and Kansai International Airport in Japan.

Taking into account the results, in March 2013, JICA started a new project as the next step in the process. The project involves the development and management of a high quality strain based on the transfer of such Japanese sericulture technology as managing the original strain and distinguishing male from female; establishment of an autonomous production system, from egg collection to supply of larvae; the set up, management and planting of the mulberry fields that provide the larvae with food; application for mulberry

materials (scrap wood); and development of instructors. JICA plans to continue to provide a wide range of aid through the spread of Japanese sericulture technology and industry promotion to improve the lives of residents of rural areas of Uzbekistan.

A View from Our Partner

Project representative

Sericulture can produce harvests in a single month, making it a good side-business for farmers.

Putting the spotlight on high quality raw silk and silk products, we are looking to transfer the technology from successful cases in the east area of the country to other areas. As a result, there is hope that we can improve the sericulture technology of Uzbekistan and increase the revenues of sericulture farmers.



Locally raised cocoons



Atlas Design Contest product

transportation, healthcare, agricultural development and promotion of small and medium-sized enterprises (SMEs).

● Azerbaijan

With large reserves of oil and natural gas driving continued economic growth, Azerbaijan has built up its international standing as a natural resource exporter to neighboring countries and Europe. However, the country needs to diversify its industries to achieve sustainable economic growth. Focusing on renewing economic and social infrastructure indispensable for maintaining economic growth, JICA is providing aid for the construction of a power plant near the capital of Baku, the construction of water and sewer systems in provincial cities and building foundations for agriculture. In addition, JICA is assisting with developing human resources to support industrial development.

● Armenia

Linking Central Asia, the Caspian Sea region and Europe, Armenia has proactively pursued democratization and a market economy since its independence from the former Soviet Union.

Given the dilapidated infrastructure built during the Soviet era and the country's location in an earthquake zone, one of the issues facing Armenia is strengthening disaster reduction measures. Therefore, JICA is focusing on assistance for economic infrastructure, rural development and strengthening disaster reduction measures, guided by a basic policy of achieving balanced, sustainable economic growth in Armenia.

● Georgia

Situated at the crossroads of Asia and Europe, Georgia is becoming increasingly important as a route for exporting Caspian Sea oil and gas into Europe. Georgia's issues, therefore, revolve around leveraging its geographically advantageous position to develop its trade and transportation industries and to foster the export industry. JICA is giving priority to building economic and social infrastructure and developing human resources as a base for economic development. Among aid efforts, JICA is providing assistance with the improvement of the East-West Highway, the major transport route, and with building up the business environment through training courses.

Case Study Joint Forest Management in the Kyrgyz Republic

Forest Management Agency, Local Government and Forest Users Work to Protect and Cultivate Forests

During the 1940s and 1950s, the forested area of the mountainous Kyrgyz Republic was substantially reduced by large-scale logging, which also lowered the quality of the forests. Since fiscal 2008, JICA has been cooperating with strengthening a system for implementing the Kyrgyz Republic government's targeted joint forest management (JFM).

Compared with a total area of approximately 1.19 million hectares in 1930, the forested area of the Kyrgyz Republic fell to about 0.62 million hectares at one point in later years. However, since 1960s the forested area has been slowly expanding, with the pace of growth steadily rising since the country's independence in 1991 because of the government's reform of the forestry business. Nevertheless, due to financing difficulties and the lack of manpower, the government has not been able to adequately implement proper forestry management. Consequently, there is concern that the quality of the forests is further declining.

Since 1995, the government of the Kyrgyz Republic has been establishing a legal framework regarding forests with the aid of a Swiss donor and proceeding with such reforms as privatizing the state-owned forestry business. As part of that process, the government has introduced joint forest management (JFM). In JFM, a forest management agency, local government and forest users work together to efficiently operate the forestry business in what is called a "triangular approach." To increase its effectiveness, the Kyrgyz Republic government requested JICA's cooperation in improving the capacity of related institutions and in strengthening the implementation system.

In January 2009, JICA initiated a five-year project jointly with the State Agency for Environmental Protection and Forestry and local governments. The project is the first case of bilateral Technical Cooperation in the forestry

sector in Central Asia.

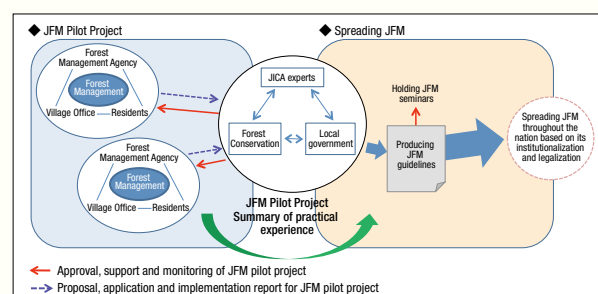
The project objective is to strengthen the framework for spreading the use of JFM through such actions as the dispatch of forest management experts, holding courses for trainees in Japan and providing basic water supply equipment. Through this process, JICA is creating a system whereby local governments and forest users can participate in the decision-making process. Moreover, JICA produced a guideline on promoting forest management by those making a livelihood from the forests and other themes and held seminars and workshops to spread the use of the guidelines with the intent of increasing acceptance and application by the related institutions. At this point, JFM pilot projects have been set up in Chuy, Issyk-Kul and some other provinces. To promote the autonomy and independence of each project, JICA is providing aid based on the operation of the forestry business being carried out using the combined ideas of the forest management agency, local government and forest users.

In the pilot projects, 300 hectares of land were newly planted with trees and managed in a way that increased the incomes of the local residents. The JFM model of three-party

management of the forested land by the public and private sectors made a strong impact on participants and observers. Another extremely significant result of the project was the fact that the model provided a way for residents to operate a forestry business in a sustainable manner on their own without depending on public funds.



Japanese experts working on site



Conceptual Illustration of Triangular Approach