

Central Asia and the Caucasus

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

The Central Asia and the Caucasus region, located roughly in 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 in 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.

Key Aid Strategies Supporting Intra-regional Cooperation for Stable Economic Development

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

the electricity and transportation sector, such as modernizing thermal-electric power stations; (2) supporting human resources development and system-building that 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 income levels in rural areas, and expanding and improving health care and education.

Country Overviews and Priority Issues

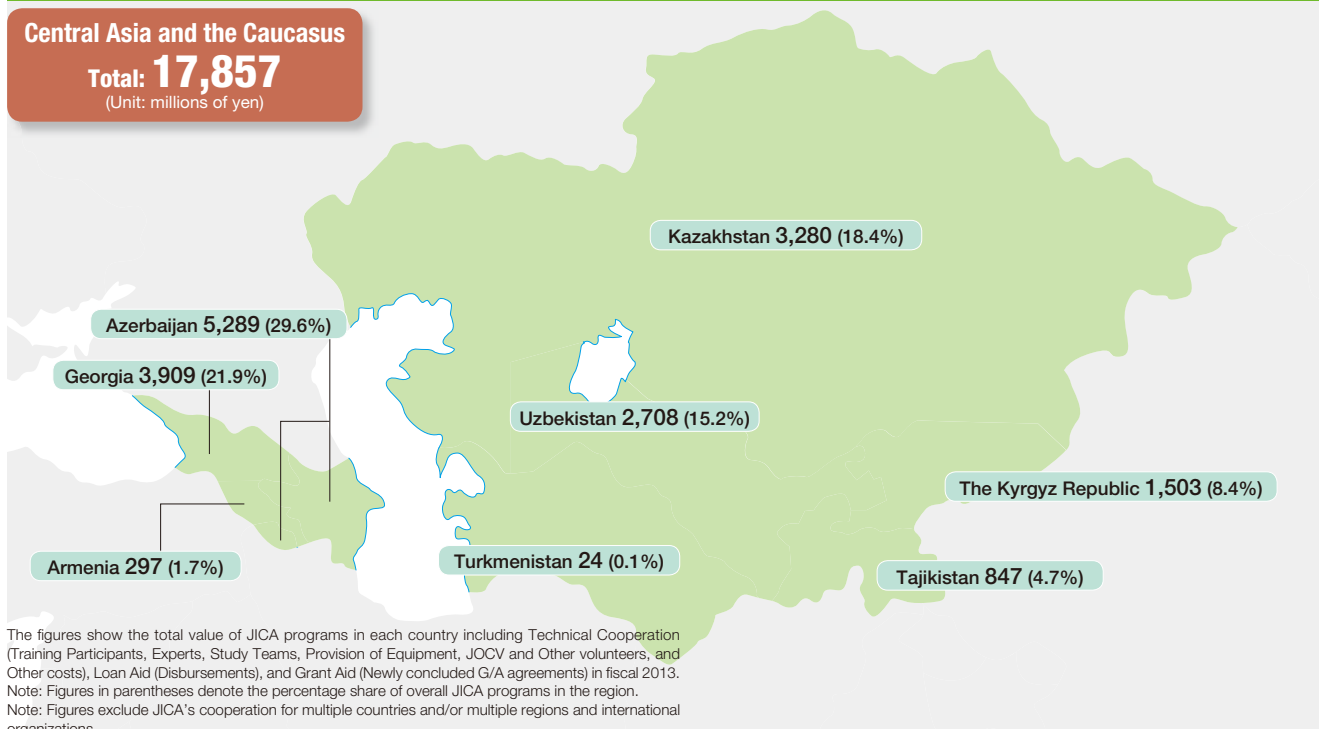
Uzbekistan

Uzbekistan maintains a robust economic growth rate underpinned by high international commodity prices for natural resources such as natural gas and gold. To ensure the country's continued firm development, JICA is providing aid in three areas: (1) improving and building economic infrastructure for

Kazakhstan

Kazakhstan, endowed with abundant natural resources, including the world's second-largest uranium reserves is seeking to change its resource-dependent economic structure, and pursuing industrial diversification to achieve balanced and sustained economic growth. The level of Kazakhstan's economic

JICA Programs in Central Asia and the Caucasus (Fiscal 2013)



development is high, and JICA selects and implements projects in the sectors in which Japan's knowledge and technology can be utilized, with an eye to strengthening business relationships between Kazakhstan and Japan. In specific terms, JICA is providing aid in human resources development in such fields as disaster prevention and management, energy conservation, and production and quality management.

● Tajikistan

Neighboring on Afghanistan, Tajikistan is positioned at the juncture of 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 path of departure from poverty and transition to growth by building a foundation for sustainable economic growth through correction of disparities in living standard and the building of infrastructure. JICA priority areas for assistance include (1) improving rural development, including essential social services in Khatlon Province, bordering on Afghanistan; and (2) establishing transportation and small-scale electric power infrastructure at the crossroads of Central Asia and Southwest Asia.

● The Kyrgyz Republic

After its independence from the former Soviet Union, the Kyrgyz Republic was one of the first countries in the region to actively pursue a market economy. However, as 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 (1) building transportation infrastructure and (2) developing agriculture and business. Therefore, JICA is providing aid such as road and bridge improvements, aid to strengthen road administrative and maintenance capacity, the One Village One Product Project [→ see the Case Study on page 99], support for drafting agricultural policies, and human resources development for the business sector through the Japan Center for Human Resources Development.

● Turkmenistan

Turkmenistan has been strengthening ties with the United States, Europe, and its neighboring countries, with its economy supported by large reserves of natural gas. JICA's cooperation

Case Study Tajikistan: Study for Sustainable Medical Herb Cultivation, Preparatory Survey on BOP Business on Licorice Cultivation

Create Business Opportunities through Cultivation of Licorice, a Precious Herb

Herbs are precious natural resources for Tajikistan, where reserves of oil and natural gas are scarce. They even have potential for creating a new industry sector. JICA extends its support for herb cultivation with two approaches: botanical research and a business model.

The Risk of Exhaustion from Excessive Harvesting

Tajikistan is known as a country with a rich natural environment in the Central Asia region. Rich water resources help to grow a wide variety of plants, including precious herbs that grow wild. Licorice, in particular, is one of the herbs used in a variety of herbal medicines and has great demand worldwide. However, licorice's value as herbal medicine was not recognized in Tajikistan, so large-scale

commercial cultivation has not been developed.

Meanwhile, certain precious herbs, including licorice, face the risk of exhaustion on a global basis from excessive harvesting. JICA supported research on herb cultivation in Tajikistan for two years from 2012. A researcher from the pharmacy department of Iwate Medical University was sent to Tajikistan, and a joint study with local researchers was conducted on wild flora growth and cultivation conditions, quality assessment analysis, and



Briefing on licorice cultivation to a farmers' group.

recommended varieties of herbs, including licorice.

To Improve Farmers' Incomes

In addition to supporting the botanical research, JICA also extends its assistance to a company that is looking into the possibility of creating BOP business through licorice cultivation.

This assistance to Cokey Co., Ltd., a medical materials producer that aims to establish a licorice cultivation business as well as to improve local farmers' incomes, started in March 2013. Through Cokey's personnel, JICA provides its support for building a business model, organizing farmers, giving technical advice, conducting trial cultivation of licorice, and other activities. Farmers' job opportunities and income levels are expected to improve through a farmers' group selling the licorice that it cultivates to Cokey, utilizing leased agricultural equipment and technical advice. Future project development is anticipated.



Farmers harvesting wild licorice. Dried licorice root is used in herbal medicine.

concentrates mainly on supporting the development of the economy and society through training for government officials to learn about Japanese experiences. Training is provided in such fields as transportation, health care, agricultural development, and promotion of small and medium-sized enterprises (SMEs). The Technical Cooperation Agreement was signed between the governments of Japan and Turkmenistan in September 2013, and it is expected to facilitate smooth implementation of technical cooperation more than ever.

● Azerbaijan

With large reserves of oil and natural gas, Azerbaijan has built up its international standing as a natural resource exporter to neighboring countries and to Europe. However, the country needs to diversify its industries to achieve sustainable economic growth. From a viewpoint that renewing economic and social infrastructure and developing human resources supporting industrial development are indispensable to sustaining the country's economic growth, JICA is providing assistance for construction of a power plant near the capital, Baku; construction of water and sewer systems in provincial cities; and training on enhancing public services.

● 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, the issues facing Armenia are infrastructure development and the strengthening measures to reduce the impact of disasters. Therefore, JICA is focusing on assistance for economic infrastructure, rural development and strengthening of disaster prevention measures, guided by a basic policy of achieving balanced, sustainable economic growth in Armenia [→ see the Case Study below].

● Georgia

Situated at the crossroads of Asia and Europe, Georgia is becoming increasingly important as a route for exporting Caspian Sea oil and gas to 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 basis for economic development.

Case Study

Armenia: Project for Seismic Risk Assessment and Risk-Management Planning

Using Japanese Technology to Contribute to Earthquake Damage Reduction in the Capital

Armenia is a mountainous country with high seismic risk, and it has experienced repeated damage from earthquakes. JICA extended its cooperation to reduce earthquake damage in the capital city, Yerevan, where one-third of the country's population resides, utilizing knowledge and technologies obtained through experience with earthquake damage in Japan.

Disaster Prevention Administration Based on Risk Assessment

Proper disaster assessment is a fundamental step in prevention and reduction of seismic damage. Together with the Ministry of Emergency Situations and the National Survey for Seismic Protection, JICA assessed seismic risks and analyzed the scale of seismic disasters based on studies of Yerevan's active faults, ground conditions, and geological features. A

seismic risk map was then created based on damage estimates to human life, buildings, and infrastructure. These disaster scenarios were used to establish a risk management plan for the city of Yerevan. It consists of three steps: disaster prevention, emergency measures, and restoration and reconstruction.

In addition to establishing the plan, JICA also focused on raising disaster-prevention awareness among residents through disaster education, so that people can act with a sense of evacuation necessity when a disaster strikes. This was based on the lessons learned from the Great East Japan Earthquake.

JICA also involved itself in building a system to enable people to understand the risks and to take appropriate actions for disaster risk reduction at the time of a disaster. This led to installation of the Immediate Display System for Seismic Intensity Distribution at the Armenian Rescue Service of the Ministry of



Lively discussions took place every week among the project's core members.

Emergency Situations, which was designed to promptly communicate disaster information to the agencies concerned when an earthquake strikes. This visible solution promotes sharing and usage of seismic information, and is also expected to promote cooperation for disaster prevention among the Government of Armenia and the other agencies concerned.

Cooperation for Landslide Management Started

In fiscal 2014, Technical Cooperation Project for Landslide Disaster Management in the Republic of Armenia, with the entire territory of Armenia as its scope, has launched. Many landslides happen in this mountainous country. The project will cover creation and dissemination of a comprehensive management plan and various guidelines on landslides, and will develop laws and regulations relating to implementation of necessary measures. JICA will continue to contribute to disaster prevention efforts in Armenia, utilizing Japan's disaster prevention technologies and know-how.



Trench survey technology, to study active faults, is transferred to the members of the National Survey for Seismic Protection.