



# **Central Asia Regional Development Partners Matrix**



## CENTRAL ASIA REGIONAL DEVELOPMENT PARTNERS MATRIX

Sector/Theme/Area	Activities
<p><b>Regional Strategy</b></p>	<p><b>Asian Development Bank (ADB):</b> Regional Cooperation Strategy and Program is being updated for consideration in October 2005.</p> <p>The <b>Central Asia Regional Economic Cooperation (CAREC) Program</b> is an ADB-supported initiative which was created in 1997 and seeks to encourage economic cooperation among countries in the Central Asian region. The Program has focused to date on financing infrastructure projects and improving the region's policy environment in the priority areas of transport (especially road transport), energy (including the water-energy nexus), trade policy, and trade facilitation (especially customs cooperation).</p> <p>The Program consists of ADB's member countries in the Central Asia region, namely: Azerbaijan, People's Republic of China (focusing on Xinjiang Uygur Autonomous Region), Kazakhstan, Kyrgyz Republic, Mongolia, Tajikistan and Uzbekistan. ADB has strong relationships with each of these partners focusing on the region's long-term development needs. Afghanistan and the Russian Federation are expected to join CAREC in October 2005 as full participants.</p> <p>In 2003, the Program expanded to include the European Bank for Reconstruction and Development, International Monetary Fund, Islamic Development Bank, United Nations Development Programme, and World Bank.</p> <p>ADB's CAREC Unit (CARECU) has served as program secretariat since March 2000. To enhance ADB's presence in the region to further regional cooperation, a field office in Almaty, Kazakhstan, was opened in November 2004.</p> <p>During October 2000 – June 2005, ADB approved 11 loans totaling \$275.1 million for seven CAREC-related projects, and leveraged cofinancing in support of these projects totaling \$140.7 million. During this period, ADB also approved 23 technical assistance grants totaling \$17.4 million. In 2006-2008, ADB plans to process support for investment projects totaling \$943 million and technical assistance grants totaling at least \$9.0 million.</p> <p><b>European Bank for Reconstruction and Development (EBRD):</b> According to the EBRD action plan for 2001, renewed focus on Central Asia will concentrate on (i) supporting institution building to improve the business environment; (ii) expanding finance for small and medium enterprises (SMEs) and microbusiness; (iii) increasing use and expansion of the trade facilitation program to sustain trade in the region; (iv) supporting business development and attracting foreign direct investment (FDI) to key industries like mining, metal processing, and textiles; and (v) supporting critical infrastructure development based on commercialization and private participation.</p> <p><b>European Union (EU):</b> The Central Asia Indicative Program for 2005–2006 builds on the results of the Indicative Program for 2002–2004 and related Technical Assistance for the Commonwealth of Independent States (TACIS) Action Programs for 2002–2004, which aim to promote the stability and security of the countries of Central Asia by eliminating sources of political and social tensions, and to assist them in pursuing sustainable economic development and poverty reduction, in particular by improving the climate for trade, investment, and energy supplies.</p> <p>Reflecting the interests expressed by the Central Asian countries and progress made in 2002–2004, the European Commission (EC) will step up assistance programs for regional cooperation in justice and home affairs, the oil and gas sector, and the environment. At the country level, the focus will be on strengthening the links between assistance and political dialogue within the</p>

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	<p>partnership and cooperation agreements (PCAs), with particular emphasis on trade-related and civil service development. Poverty reduction schemes will be consolidated into comprehensive medium-term development plans for the pilot target areas.</p> <p>The indicative budget for 2005–2006 is €120 million, an increase of 20% over the previous period. For 2004 the TACIS budget for Central Asia was €50 million.</p> <p>TACIS will continue to follow the three-track approach adopted in the Central Asia strategy, as follows:</p> <ul style="list-style-type: none"> <li>(i) <b>Track 1: A regional cooperation program in “variable geometry format.”</b> The program covers justice and home affairs issues, e.g., border management, trafficking and organized crime, oil and gas, transport networks, environmental protection, and sustainable development of natural resources.</li> <li>(ii) <b>Track 2: A regional support program at the national level.</b> This includes: facilitating investment and trade through PCA implementation including World Trade Organization (WTO) commitments, civil service and judicial reform and capacity building, Institution Building Partnership Program (IBPP: Civil Society and NGOs), assistance to heighten the impact of the EC’s Food Security Program, reform of education systems (general and higher education), and extraordinary macro-finance assistance for Poverty Reduction Strategy Papers (PRSPs).</li> <li>(iii) <b>Track 3: Pilot poverty reduction schemes in selected areas.</b> This follows the EC principle of linking relief, rehabilitation, and development (LRRD), and also seeks to prevent conflicts.</li> </ul> <p>A key element of TACIS is civil society participation in public decision making and oversight of government actions, as well as strengthening of democratic institutions.</p> <p>Other EC instruments in Central Asia are the European Initiative for Democracy and Human Rights (EIDHR), Food Security Program (FSP), and European Community Humanitarian Aid (ECHO). These provide two to three times more funding than TACIS to the Kyrgyz Republic and Tajikistan and constitute the EC’s major poverty reduction assistance to these countries.</p> <p><b>Germany:</b> The policy of the German Government in Central Asia is aimed at contributing to sustainable internal and external stability and balanced development in the region.</p> <p>Poverty reduction as an overarching, cross-sectoral goal will be given top priority in German bilateral technical and financial cooperation with partner countries in Central Asia.</p> <p>German development policies will continue to support the Government’s crisis prevention objectives, in line with the express wishes of its partners, whose ownership is a key precondition for successful and sustainable development cooperation, and the specific needs of individual countries.</p> <p>Measures intended to reduce poverty and cushion its impact will provide support in three areas:</p> <ul style="list-style-type: none"> <li>(i) Democratization, the rule of law, and civil competition;</li> <li>(ii) Socially and ecologically acceptable economic reforms; and</li> <li>(iii) Basic social services, particularly health and education.</li> </ul>

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	<p>German development cooperation with Central Asia will continue to focus on the Kyrgyz Republic, Tajikistan, and Uzbekistan. These three countries are particularly hard hit by the effects of poverty—the Kyrgyz Republic and Tajikistan because of their lack of resources, Uzbekistan because of the adverse political environment. Kazakhstan, on the other hand, intends to reduce its international indebtedness and will therefore cut down on its external borrowing.</p> <p>German development policy complements bilateral cooperation with individual countries with regional programs. These bilateral projects and programs can be made more effective through intensified regional cooperation and better networking.</p> <p>As part of the regional cooperation for tuberculosis (TB) control in Central Asia, Kreditanstalt für Wiederaufbau (KfW), the German Development Bank, plans to organize a regional international TB conference in Tajikistan in early 2006.</p> <p>As part of the regional cooperation for tuberculosis (TB) control in Central Asia, Kreditanstalt für Wiederaufbau (KfW), the German Development Bank, plans to organize a regional international TB conference in Tajikistan in early 2006.</p> <p><b>Deutsche Gesellschaft für Technische Zusammenarbeit GmbH (GTZ, the German society for technical cooperation):</b> GTZ is strengthening the capacity of government and other institutions in Kazakhstan, the Kyrgyz Republic, and Uzbekistan, to remove trade barriers and promote regional trade. It supports regional cooperation in the fight against desertification, in vocational training, and in legal reform.</p> <p><b>DFID:</b> Zarafshan Regional Development Initiative: A 1-year intervention to test approaches to supporting pro-poor growth in the Tajik part of the Zarafshan Valley and sharing the lessons and benefits of this work with the neighboring Samarkand oblast on Uzbekistan's side of the valley. UNDP is supporting this activity in both countries. DFID is providing £500,000 (£250,000 for Uzbekistan and £250,000 for Tajikistan) for this.</p> <p><b>Islamic Development Bank (IsDB):</b> IsDB is reviewing its strategy until 2020 (Vision 2020) and this may affect its development program for the Commonwealth of Independent States (CIS). The results of a regional workshop in Almaty on Vision 2020 suggest that IDB will concentrate on the following areas:</p> <ul style="list-style-type: none"> <li>(i) Poverty eradication and infrastructure development,</li> <li>(ii) Private sector development,</li> <li>(iii) Development of intra- and interregional trade,</li> <li>(iv) Development of Islamic financing and the banking sector, and</li> <li>(v) Development of human capital and capacity building.</li> </ul> <p><b>Japan Bank for International Cooperation (JBIC):</b> Recognizing that peace and stability in the region is extremely important for the stability and prosperity of Eurasia and the entire international community for that matter, the Japanese Government is endeavoring to strengthen its ties with this region, which consists of Central Asia and the Caucasus. The key tasks here are to upgrade and improve aging economic and social infrastructure, overcome the negative impact of such disparities as income gaps that resulted from the transition to a market economy and gaps between cities and rural areas, and reduce poverty. Considering the constraints imposed by the region's inland location and harsh natural environment, JBIC's focus will be on effective water and energy use, transport efficiency, and human resource development to keep pace with the growth of the market economy. JBIC will cooperate with international organizations; extend intellectual cooperation and technical assistance to improve and strengthen</p>

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	<p>policies, systems, and organizations; and also promote regional cooperation. JBIC is increasingly emphasizing regional cooperation, especially in Central Asia, in view of the “Central Asia plus Japan” initiative of the Government of Japan.</p> <p><b>Japan International Cooperation Agency (JICA):</b> Japan has launched a new Central Asia policy, the “Central Asia plus Japan” Dialogue, which is aimed at achieving peace, stability, and prosperity in the region through the economic development of individual countries in the region. The policy rests on two pillars: (i) continuing the effort to further strengthen bilateral relationships, and (ii) promoting dialogue and cooperation with Central Asia as a whole. Japan is ready to be a “catalyst” of regional cooperation through bilateral agreements and technical cooperation.</p> <p>In August 2004, the foreign ministers of the Central Asian countries and then Minister for Foreign Affairs of Japan, Ms. Yoriko Kawaguchi met at the first “Central Asia plus Japan” Dialogue and Foreign Ministers Meeting in Astana. Challenges for the region as a whole were divided into 10 spheres: five short-term (terrorism prevention, mine clearing, drug seizure, poverty reduction, and health-care system improvement) and five long-term challenges (environmental problems, water, energy, trade and investment promotion, and transportation). Japan is represented in all these spheres in the Central Asian countries through JICA (technical cooperation), JBIC (yen loans), and the Japanese embassies (grant aid). Also, since 1999 Japan has donated \$88 million to international organizations such as the World Bank, EBRD, and the Asian Development Bank (ADB).</p> <p>Each year JICA invites prospective trainees from Central Asia and the Caucasus countries to attend 21 training courses specially designed for them. The courses are in health care, transport, finance, environment protection, business management, statistics, government and human resources management, energy industry, water use, accession to WTO, disaster prevention, and other areas.</p> <p><b>United Nations Development Programme (UNDP):</b> UNDP’s third regional program document (2006–2010) for Europe and the Commonwealth of Independent States (CIS) places an important focus on Central Asia with programs to promote regional cooperation. In the next 4 years, UNDP’s assistance in the region will continue to focus on: economic reforms, democratic governance, environmental sustainability, and conflict prevention and preparedness. An analytical report on UNDP’s work in Central Asia, <i>Central Asia Human Development Report: Regional Cooperation for Human Development and Security</i>, is being prepared in close partnership with ADB and the World Bank. The report will be published in early December 2005.</p> <p><b>United Nations Special Programme for the Economies of Central Asia (SPECA):</b> An international conference was held in Astana, Kazakhstan, on 25–27 May 2005 for SPECA member countries and their neighbors, EU, UN organizations, international financial institutions, regional and subregional cooperation organizations, and bilateral donor agencies. The participants underscored the need to strengthen subregional economic cooperation, as it is a key precondition of sustainable development among the SPECA countries, their rapid transition to full-fledged market economies, and more rapid integration into the world economy. SPECA, the participants stressed, provides key support for economic and environmental cooperation among its members, their integration into the world economy, and the achievement of the Millennium Development Goals (MDGs). The commitment of the SPECA member countries to stronger economic cooperation with one another and with other countries and regional and international organizations was welcomed, as was the SPECA work plan for 2005–2007. The Economic Commission for Europe (ECE), the Economic and Social Commission for Asia and the Pacific (ESCAP), and other partner organizations and agencies were invited to collaborate toward the effective implementation of the plan. The SPECA member countries emphasized that the proposed SPECA projects and activities reflect their technical cooperation needs in transport, water and energy use, environment protection, trade, statistics, and the use of ICT, and have their full support. The SPECA member countries called on</p>

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	<p>international financial institutions and UNDP to take full advantage of the collaboration between the Central Asia Regional Cooperation Program (CAREC, an ADB-supported initiative) and SPECA.</p> <p><b>United States Agency for International Development (USAID):</b> USAID is developing a new assistance strategy for the Central Asian countries for 2007–2011. Assessments and consultations are being held. Meanwhile, the assistance strategy for 2001–2005 has been extended for one more year to 2006. During the implementation of this strategy, USAID significantly expanded its activities with supplemental funds from the Congress in the aftermath of the events of 11 September 2001. The strategy is focused mainly on: a better environment for small and medium businesses, democracy and free media, education, conflict prevention, energy and water use, health care, and prevention and control of infectious diseases, including HIV/AIDS.</p> <p><b>World Bank (WB):</b> WB prepared a regional framework paper in February 2004 to (i) help provide a shared vision of regional issues and ways of addressing them within the World Bank group, (ii) make national programs more effective by maximizing synergies between regional objectives and national assistance strategies, and (iii) lay the foundation for a productive dialogue with countries and donors. The framework identifies critical issues, e.g., trade and transport, water and energy, shared ecosystems, natural and man-made hazards, communicable diseases, drugs and labor migration, and cross-border issues like knowledge sharing, civil society, microfinance, education, and MDGs. WB opened a regional office in Almaty in 2002.</p>
Transport	<p><b>ADB: Objective:</b> To develop an integrated and efficient transport system in the CAREC member countries and thus help achieve sustainable economic growth and poverty reduction.</p> <ul style="list-style-type: none"> <li>(i) Southern Transport Corridor Road Rehabilitation (Kyrgyz Republic) (\$32.8 million) (expected completion: 2009). Rehabilitation of the road linking Andijan, Uzbekistan; Osh, Kyrgyz Republic; and Kashgar, People's Republic of China (PRC).</li> <li>(ii) Almaty-Bishkek Regional Road Rehabilitation Project (Kyrgyz Republic) (\$5 million) (ADB/TRACECA) (expected completion: 2005). Rehabilitation of the Bishkek–Georgievka road and two bridges, improvement of customs facilities, and construction supervision.</li> <li>(iii) Regional Road Development Project (Mongolia) (\$37.1 million) (expected completion: 2009). Construction of 428-km two-lane asphalt concrete road between Choyr and Zamyn Uud, and 3.3-km four-lane asphalt concrete road between Zamyn Uud and the border with the PRC.</li> <li>(iv) Second Roads Development Project (Mongolia) (\$25.0 million) (expected completion: 2006). Upgrading of 200-km section of Nalaikh–Choir, and procurement of road maintenance equipment.</li> <li>(v) Dushanbe–Kyrgyz Border Road Rehabilitation (Phase 1) (Tajikistan) (\$15 million ADB, and \$6 million OPEC Fund) (expected completion: 2008). Rehabilitation of 140 km of the Dushanbe–Nurobod section of the Dushanbe–Kyrgyz border road, and 77 km of rural roads serving poor villages.</li> <li>(vi) Southern Transport Corridor Road (Osh–Sary Tash–Irkeshdam) Project, Phase 2, Project Preparatory Technical Assistance (PPTA) (Kyrgyz Republic) (\$0.50 million) (expected completion: 2006). Rehabilitation of the road linking Andijan, Uzbekistan; Osh, Kyrgyz Republic; and Kashgar, PRC.</li> <li>(vii) Altai Transport Corridor (Mongolia) PPTA (\$0.15 million) (expected completion: 2005). Pre-feasibility study of the north–south Altai road transport corridor.</li> </ul> <p><b>EC:</b> Under the Transport Corridor Europe–Caucasus–Asia (TRACECA, a multilateral organization supported by the EU) action program for 2004, the EC will finance the pre-feasibility and feasibility studies for the Nimich–Sary Tash road rehabilitation (Kyrgyz Republic and Tajikistan). The budget is €1.5 million.</p>

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	<p><b>IsDB:</b> Transport remains a key area for IsDB in the region, since the countries are all landlocked. To date, it has provided \$190 million for the transport sector in the region (28% of its operations in Central Asia). IsDB stands ready to finance or cofinance infrastructure projects with other international financial institutions (IFIs) and the Arab Coordination Group to promote trade, investment, and development.</p> <p><b>JBIC:</b> JBIC has financed two road projects in Kazakhstan (West Kazakhstan Road Rehabilitation Project) and the Kyrgyz Republic (Bishkek–Osh Road Rehabilitation Project), which have regional implications.</p> <p>Three regional airports (Samarkand, Bukhara, and Urgenchi in Uzbekistan), Manas International Airport (Kyrgyz Republic), and Astana Airport (Kazakhstan) are also financed with JBIC loans. The ongoing Tashguzar–Kumkurgan Railway Project in Uzbekistan will benefit neighboring countries by shortening travel time and improving access to rail traffic.</p> <p><b>JICA:</b> Since 2003 JICA has been holding a yearly training course on transport policy in Japan for Central Asian officials. Every year 12–15 persons take the course, which uses lessons from Japanese experience.</p> <p><b>Germany:</b> In Uzbekistan KfW has been supporting the rehabilitation of the airport in Tashkent, including its security standards, as well as the electrification of the Tashkent–Angren railway.</p> <p><b>UNDP:</b> The Silk Road Area Development Project (SRADP) has taken steps to encourage regional dialogue on priority issues affecting transit, customs, trade, and investment. In 2003 UNDP also started to implement the EU border management program for Central Asia.</p> <p><b>WB:</b> The WB has done a study on regional trade and transport facilitation in Central Asia, “Reducing the Economic Distance to Markets.” It has also recently reviewed the air transport sector in Central Asia and explored the scope for liberalizing civil aviation services including passengers, freight, airports, and navigation.</p> <p><b>SPECA:</b> The tenth meeting of the SPECA Project Working Group on Transport and Border-Crossing Facilitation (PWG-TBC), in Issyk-Kul, Kyrgyzstan, on 24 March 2005, agreed to focus on the following areas in its work program for 2005–2006: planning and design of SPECA road and rail networks; creation of national transport facilitation committees and commissions; accession to and implementation of international conventions recommended by the working group; establishment of databases on international routes, major investment projects, and border-crossing issues; analysis of major selected routes within the SPECA region using the ESCAP time/cost methodology; and bilateral consultations between SPECA member countries on border-crossing issues. In 2005–2007, the following UN activities in transport and trade facilitation are ongoing:</p> <ul style="list-style-type: none"> <li>(i) Capacity building for the development of interregional land, and land and sea, transport linkages (Developing Euro-Asian Transport Linkages component);</li> <li>(ii) Technical assistance for the development of an intergovernmental agreement among the Shanghai Cooperation Organization member states to facilitate international road transport;</li> <li>(iii) Institutional capacity building to facilitate international trade and transport in landlocked and transit countries;</li> <li>(iv) Facilitation of the participation of the Central Asian and Caucasus countries in the meetings of the ECE Inland Transport Committee (ITC);</li> <li>(v) Demonstration runs of container block trains, to Central Asia and other destinations.</li> </ul>



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	(vi) Policy advisory services to interested SPECA member countries on the implementation of ECE transport-related conventions, standards, and regulations.
Trade Facilitation	<p><b>ADB: Objective:</b> Strengthen market integration within the region and with world markets.</p> <p><b>Activities:</b></p> <ul style="list-style-type: none"> <li>(i) Regional Customs Modernization and Infrastructure Development Project for the Kyrgyz Republic and Tajikistan (\$22.75 million loan package approved in November 2004): To further support customs reform, modernization, and regional customs cooperation.</li> <li>(ii) Regional Trade Facilitation and Customs Cooperation Program, Phase 2, RETA (\$900,000, approved in 2004): To promote concerted legal reforms and harmonization of customs procedures, and to strengthen regional customs cooperation.</li> <li>(iii) Several studies on regional trade and a sector study on customs entities and procedures in the region.</li> <li>(iv) Regional Trade Facilitation and Customs Cooperation Program: Approved in 2002, this includes a program loan (to the Kyrgyz Republic for \$15 million and to Tajikistan for \$10 million) and a regional technical assistance.</li> </ul> <p><b>EBRD:</b> Since 1999, the trade facilitation program (TFP) of EBRD has been providing guarantees for trade finance instruments and short-term advances to banks to facilitate foreign trade. EBRD also supports SME development through its direct investment facility and management and business advice program. EBRD has been trying to expand the TFP and SME facility with the cooperation of other donors, including ADB.</p> <p><b>Eurasian Economic Community (EEC):</b> Regional trade facilitation and customs cooperation; improvement of regional customs services</p> <ol style="list-style-type: none"> <li>1. Establishment of a uniform customs area, uniform standards and procedures, and legal documents <ul style="list-style-type: none"> <li>- Fundamentals of the customs legislation of EEC member countries (2006);</li> <li>- Agreement to terminate customs clearance and specific forms of customs control at internal borders of EEC member countries (2006);</li> <li>- Joint program for 2001–2005 to improve checkpoints at external borders of countries participating in the Customs Union (2005); and</li> <li>- Comprehensive program to strengthen the external borders of the member countries of the EEC.</li> </ul> </li> <li>2. Establishment of a uniform automated information system for the customs units of EEC member countries: simplification of customs procedures and documentation in EEC member countries, standardization of electronic forms, transition to uniform administrative records <ul style="list-style-type: none"> <li>- Use of a unified customs database in EEC member countries (uniform electronic records) (2006);</li> <li>- Agreement on uniform principles of information exchange between the customs services of EEC member states (2006);</li> <li>- Agreement on uniform approaches to the use of information technology for the customs control of the movement of goods and vehicles across the borders of the EEC member states (2006);</li> <li>- Joint interstate program to equip the borders of EEC member countries with facilities for the customs control of heavy transport and containers; and</li> <li>- Joint interstate program to establish a uniform automated information system for the control of transit transportation by the customs services of EEC member states.</li> </ul> </li> </ol>

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	<p><b>EU:</b> In 1997 the EU completed its trade facilitation project, which harmonized documentation and simplified customs procedures. The EU now provides TA grants for a project to harmonize border-crossing procedures and a pilot project, Central Asian Road Border Crossing, through TRACECA. In the near future, EU plans to extend this pilot project to the most heavily trafficked section of the TRACECA corridor in Central Asia.</p> <p><b>Germany:</b> KfW supports the promotion of SMEs by providing credit lines to private commercial banks in Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan.</p> <p><b>IsDB:</b> IsDB supports the Trade Cooperation and Promotion Program, which matches trade opportunities among companies in the region and is strengthening capacity for trade. In April 2005, IsDB organized a Forum on Trade and Counter-trade Promotion between Central Asia and other Organization of Islamic Conference (OIC) member countries, in Almaty. Participants discussed restraints on trade between CIS and other OIC members. Various OIC entities are taking action on their observations and recommendations, particularly with regard to providing more information about the goods and services available from OIC countries (including those in Central Asia). IsDB has also provided a credit line for trade in Kazakhstan and will do the same in other CIS countries.</p> <p><b>International Trade Center (ITC):</b> The Trade Promotion Program in Central Asia comprises projects in Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan. The projects, which are funded by the Government of Switzerland (State Secretariat for Economic Affairs), follow the same design and are jointly managed. The preparatory phase of the program in 2002–2003 had a budget of \$1.5 million. The first phase of the country projects, with a budget of \$3.3 million, began in 2004 and will continue into early 2006. A second phase, planned for 2006–2008, is now in preparation. The main objective of the program is to expand and diversify SME exports in all four countries. To this end, the program will identify priority needs in cooperation with the individual governments and business sectors. Interventions are demand-driven, and are based on three principles:</p> <ul style="list-style-type: none"> <li>(i) promoting the export competitiveness of enterprises in two selected priority sectors in such areas as product design, quality control, and marketing;</li> <li>(ii) improving the business environment for exporters through sector and national trade strategies to strengthen cooperation between private and public stakeholders; and</li> <li>(iii) strengthening organizations that provide business support services by improving the quality and range of their services.</li> </ul> <p>The program is also focused on developing strong linkages and synergy among the four country projects to maximize the positive impact of all activities at the national and the regional level.</p> <p><b>JICA:</b> JICA is holding SME promotion seminars for Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan in 2005. The seminars discuss the following: policy issues, Japan's industrial policy and SME policy experience, SME promotion measures (management consultancy, regional development and SME, innovative SME, guarantee schemes, etc.), worldwide comparisons and lessons learned, and business issues (business potential in Central Asia, cooperation between Central Asia and Japan). JICA plans to continue working in this sphere.</p> <p>Since 1997, JICA has dispatched eight long-term and 57 short-term experts in economic development, to help with economic policy design, WTO accession, etc. Each year, JICA also invites five to six trainees from Azerbaijan and Kazakhstan to participate in the new course "Support to WTO Accession" held in Japan.</p>

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	<p><b>Switzerland:</b> The Government of Switzerland supports customs reforms and regional trade and provides low-interest credit, training, and advisory services to SMEs, especially in the Kyrgyz Republic and Tajikistan.</p> <p><b>USAID:</b> The Trade Facilitation and Investment Project (TFI) has been operational in Kazakhstan and Kyrgyz Republic since July 2001, in Tajikistan since December 2001, and in Uzbekistan since October 2002. To improve the trade and investment environment for small and medium-sized enterprises, activities are being carried out to (i) reduce investment constraints, and (ii) facilitate trade, including accession to and active participation in the WTO. The current project ends on 31 May 2006. The total budget for the five-year project is \$19.7 million. The TFI Web site is at <a href="http://www.ca-tfi.net">http://www.ca-tfi.net</a>.</p> <p>The Trade Facilitation component is focused on making it easier for businesses to bring their products to market. To accomplish this objective, the project</p> <ul style="list-style-type: none"> <li>(i) Provides technical assistance to the governments of Kazakhstan, Tajikistan, and Uzbekistan in their accession to the WTO, and to the Kyrgyz Republic in its post-accession commitments;</li> <li>(ii) Supports customs reform by helping host countries bring their customs legislation into compliance with WTO requirements and international best practices;</li> <li>(iii) Works to facilitate transit by reducing barriers to the cross-border movement of goods and conveyances in the region; and</li> <li>(iv) Provides assistance in developing trade services for importers and exporters, such as customs brokers and freight forwarders.</li> </ul> <p>Some results of TFI's activities in this area are:</p> <ul style="list-style-type: none"> <li>(i) Development and adoption of new customs codes in Kazakhstan, Kyrgyz Republic, and Tajikistan;</li> <li>(ii) Development of an international trade guide and integrated tariff for Kazakhstan and Kyrgyz Republic, and electronic publication of the guide at <a href="http://www.ca-trade.com">www.ca-trade.com</a>; and</li> <li>(iii) Creation of customs consultative councils in Kazakhstan, Kyrgyz Republic, and Tajikistan, to facilitate dialogue among customs officials, traders, and other stakeholders and the resolution of trade-related issues.</li> </ul> <p><b>SPECA:</b> <i>See also under Transport.</i></p> <p>A SPECA Working Group on Trade is being established. In addition to the SPECA members countries, ECE, and ESCAP, other international organizations are welcome to participate, including the World Bank and regional development banks, Economic Cooperation Organization (ECO), and the Shanghai Cooperation Organization, to name a few.</p> <p><b>WB:</b> WB prepared an interregional study on trade facilitation, which looked at the key impediments to trade and transport between Central Asia and the neighboring regions of Europe, East Asia, and South Asia. The study outlined a broad range of actions required to improve trade and transport links between these regions.</p>
<b>Trade Policy</b>	<p><b>International Monetary Fund (IMF):</b> In relation to its financial programs for the Kyrgyz Republic and Tajikistan, and surveillance for all CAREC member countries, IMF supports bilateral policy discussions and research on liberalizing international trade and removing barriers to regional trade.</p> <p>CAREC's Trade Policy Coordinating Committee (TPCC), coordinated by the IMF, met for the second time in April 2005 to discuss papers, and the policy implications, on barriers to trade in Central Asia (ADB), regional trade agreements and WTO accession (IMF), and potential comparative advantage in trade for Central Asia (World Bank). The TPCC, led by ADB, is now analyzing the</p>

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	factors that delay entrance or transit or add to its costs. The TPCC, with the Government of Kazakhstan taking the lead, is also reviewing barriers to border trade and will propose measures to lower these barriers.
Energy	<p><b>ADB: Objective:</b> To rehabilitate and expand the regional energy infrastructure (investment projects), and to help establish the economic and institutional conditions for the optimal use of such infrastructure (technical assistance).</p> <p><b>Activities:</b></p> <ul style="list-style-type: none"> <li>(i) Regional Power Transmission Modernization Project (an ADB loan of \$90 million—\$20 million to Tajikistan and \$70 million to Uzbekistan—with potential cofinancing from EBRD). Intended to restore the high-voltage transmission system in Tajikistan and Uzbekistan. The loan was terminated in July 2005 because the Power Trade Relations Agreement between the two countries was not signed.</li> <li>(ii) Project preparations for the rehabilitation of the Uzbekistan–Dushanbe gas pipeline. The regional technical assistance (RETA) for the project was approved in 2002. When implemented (by 2008), the project is expected to improve the supply of natural gas in Tajikistan during winter, when domestic hydropower capacity is low.</li> <li>(iii) Diagnostic Review of Regulatory Approaches and Challenges (DRRAC), prepared by the CAREC Members Electricity Regulators Forum (CMERF) under ADB. The review highlighted deficiencies in the commercial discipline of electricity distribution companies, and inappropriate industry structures in general. The results were discussed at a CMERF meeting in Beijing in July 2005. CMERF will be formally established by the end of 2005, and has prioritized four other areas of study over the next year.</li> <li>(iv) Regional Gas Transmission System Improvement Project: A feasibility study in the amount of \$900,000 was approved in March 2002.</li> </ul> <p><b>Central Asian Cooperation Organization (CACO):</b> The concept for an international Water and Energy Consortium (IWEC) was approved by CACO heads of state in May 2004. As proposed, WEC would manage regional reservoir operations, mobilize investments in hydropower infrastructure, and coordinate power generation and the export of electricity. A working group met in Almaty in February 2005. Greater consensus among the participating countries is needed to move this proposal forward. WB has provided technical assistance for the preparation of a draft agreement for the WEC, plus briefing notes on compliance mechanisms, and compatibility between national water and energy legislation and the WEC.</p> <p><b>EBRD:</b> EBRD has been involved in energy and power sector reforms in the individual countries, and has a project stock of €145 million. New projects being considered focus on district heating with a substantial potential for energy conservation, and on the Syrdara power plant in Uzbekistan. EBRD intended to cofinance ADB's regional power transmission modernization project and actively participated in project preparations and discussions of the power trade agreement between Uzbekistan and Tajikistan.</p> <p>The North–South Transmission Line Project in Kazakhstan will help ease electricity shortages during winter in southern Kazakhstan. When complete (by 2009), it will strengthen power exchange primarily between northern and southern Kazakhstan, but also with the Russian Federation and Central Asian power systems. The project is being implemented in three phases by the Kazakhstan Electricity Grid Operating Company (KEGOC). Financing for the first section (\$89 million) was closed in 2004 with EBRD and Development Bank of Kazakhstan funding. KEGOC has sought World Bank, EBRD, and Development Bank of Kazakhstan (DBK) financing for the second and third sections of the new line, which is now undergoing appraisal and approval. EBRD is implementing a \$1 million technical assistance to the Anti-Monopoly Agency in Kazakhstan for the fixed network and utility sector (heat and power, oil and gas, railways, and telecom). The objectives, among others, are to review and recommend further improvements in regulated tariff methodologies and strengthen the regulatory body, in line with international best practices.</p>

Sector/Theme/Area	Activities
	<p><b>EU:</b> Since 1995, the EU has implemented the Interstate Oil and Gas Transport to Europe (INOGATE) program, whose main objectives are to promote the regional integration of the oil and gas pipeline system and to facilitate the transport of oil and gas within the region and to Europe. To this end, INOGATE has provided TAs for feasibility studies on existing oil and gas pipelines in Central Asia, and is now implementing a small-scale investment project to modernize gas metering stations in Kazakhstan and Uzbekistan.</p> <p><b>Germany:</b> KfW is supporting the rehabilitation of a switchyard at the 500/220 kV Nurek hydropower plant in Tajikistan with €20 million. Cofinancing will be required to rehabilitate the other switchyard. The contract for the feasibility study has already been awarded.</p> <p>With €10.4 million in investment and supporting TA, KfW will help reduce the high losses at Severelectro, the Kyrgyz Republic's largest electricity distribution company. The project, which starts in 2006, will supply meters, improve the billing system, and rehabilitate the network. The project is closely connected to the loss reduction program supported by the World Bank and the Swiss Development Cooperation, which helps electricity distribution companies reduce their technical and commercial electricity losses. Other financial arrangements in the energy sector (to increase the capacity of the Bishkek power supply network and commercialize the distribution companies), contingent on significant progress in energy reforms, are being discussed with the Government of the Kyrgyz Republic and the donor community.</p> <p><b>IsDB:</b> The energy sector has attracted the bulk of IsDB regional financing (\$182.2 million), emphasizing the importance given to this sector by the bank. IsDB's energy portfolio (future, active, and completed) includes the construction of transmission lines, power plants, and substations. The bank pays special attention to energy conservation and the efficient and sustainable use of water and energy resources. IsDB also actively participates in regional initiatives (e.g., the Water and Energy Consortium under CACO).</p> <p><b>JBIC:</b> JBIC is financing the ongoing renovation of Severnaya–Shimal power stations 1 and 2 in Azerbaijan and Tashkent power station in Uzbekistan. JBIC has also done comprehensive studies on the power sector in both countries, including focus on regional cooperation (reports available in English). Separately, as part of the “Central Asia plus Japan” initiative, JBIC did a brief study on the prospects for intra-regional cooperation in the water and power sectors in Central Asia (2005; report now available only in Japanese, but English version is being prepared).</p> <p><b>JICA:</b> JICA has specially designed a training course on the energy industry (oil and gas) for participants from Azerbaijan, Kazakhstan, Turkmenistan, and Uzbekistan. Through the course (25 days of training in Japan and a week in Malaysia), which deals with the experience of the participants' countries and the future of cooperation, participants gain a better understanding of energy-exporting and energy-importing countries.</p> <p><b>Switzerland:</b> The Government of Switzerland is supporting the rehabilitation of the power distribution system in the Kyrgyz Republic and Tajikistan.</p> <p><b>SPECA:</b> Energy was among the first work areas of SPECA and was addressed by the Working Group on Water and Energy Resources. The result was a strategy for the efficient use of water and energy resources in Central Asia. Some SPECA member countries expressed interest in expanding the scope of SPECA work in energy beyond hydropower to include broader issues, such as common energy markets among the SPECA member countries and energy security in the Caspian Sea region. The revised terms of reference of the SPECA Working Group could ensure effective follow-up to the work already done in this sector. Ongoing and planned UN activities in the group's work plan for 2005–2007 include:</p>

Sector/Theme/Area	Activities
	<p>(i) Capacity building for air quality management and the use of clean coal combustion technologies in Central Asia, and</p> <p>(ii) A feasibility study on the establishment of an international Water and Energy Consortium for Central Asia.</p> <p>(iii) Policy advisory services in energy efficiency, and implementation of ECE environmental standards.</p> <p><b>USAID:</b> The Regional Energy Market Assistance Program (REMAP) has two basic components. It will help (i) institute national policy reforms in regulation, tariff policy, privatization, etc.; and (ii) develop a stronger regional energy market in Central Asia by making the regional transmission grid more modern and reliable, standardizing the commercial operation of the energy market, and developing policies for more transparent and independent regulation of the electricity sector.</p> <p><b>WB:</b> WB has supported comprehensive reforms in the energy sector in individual countries—reforms based on market principles, the strengthening of regulatory and institutional capacity, and the rehabilitation of energy infrastructure. WB has also prepared a paper on the water-energy nexus that explores alternative water-energy trade agreements.</p> <p>A report on the electricity export potential of the region, finalized in January 2005, deals with the feasibility of meeting summer electricity demand in the Central Asian republics through loss reduction, rehabilitation of generation capacity, and regional trade. It also identifies a least-cost generation development plan for meeting regional demand, especially in winter, and possibly exporting electricity to Afghanistan, PRC, Iran, Pakistan, and Russia. The World Bank is leading discussions on public and private financing options for regional power generation and transmission projects, including the Sangtuda hydropower projects in Tajikistan.</p>
<b>Water Resource Management</b>	<p><b>ADB: Objective:</b> To develop a collaborative policy/institutional framework for improved water management (including safe drinking water).</p> <p><b>Activities:</b></p> <p>(i) RETA: Improving Management of Shared Water Resources in Central Asia, approved in December 2003.</p> <p>Two studies completed—one on the management of the shared water resources in the Aral Sea Basin, in preparation for the Third World Water Forum in 2003 in Japan, and the other on the water-energy nexus.</p> <p><b>EBRD:</b> EBRD prepares commercial projects (like the Kujan Water and Waste Water Project) directly with municipal operating companies in Central Asia. Projects in preparation under the EBRD’s Early Transition Countries (ETC) initiative include water and solid waste projects in Dushanbe and Baku, among others. These projects require grant investment cofinancing from donors.</p> <p><b>EU:</b> The EU has supported water resources management through TACIS water resources management and agricultural product (WARMAP) since 1995. It has focused on interstate water agreements and a regional water and land information system.</p> <p><b>Canadian International Development Agency (CIDA):</b> CIDA has supported the Interstate Commission for Water Resource Management (ICWC) training center in Tashkent (2000–2005). Through the regional training network, CIDA hopes to promote good governance and environmental sustainability in the Aral Sea Basin.</p> <p><b>IsDB:</b> Since most of Central Asia is semi-arid or arid and agriculture is heavily dependent on irrigation, IsDB has focused on irrigation and efficient water use in agriculture. The level of cooperation is expected to remain high and will soon exceed current sectoral approvals of \$66.4 million.</p>

Sector/Theme/Area	Activities
	<p><b>JBIC:</b> As part of the “Central Asia plus Japan” initiative, JBIC did a brief study on the possibilities of intra-regional cooperation in the water and power sectors in Central Asia (2005); the report is now available only in Japanese, but an English version is being prepared. There are also plans for a project preparation study for the rehabilitation of the irrigation facilities in Kyzyl Orda region of Kazakhstan in Aral Basin, which will introduce integrated water resource management concepts. Besides the ongoing Water Supply and Sewage Project in Astana (Kazakhstan), another project preparation study is planned, to assess the need for water supply and sewage rehabilitation or improvement in medium-sized cities in Kazakhstan; the intent is to improve water use efficiency at the country level and save water in the international river basin.</p> <p><b>JICA:</b> JICA has completed a technical cooperation project with the Kazakhstan Hydrometeorological Service (KAZHYDROMET) on improvements in water quality monitoring. A study to improve water supply management in various countries in Central Asia is ongoing. The Uzbekistan portion of the study has been completed. JICA is considering a regional study. In 2004 drilling equipment was procured with Japan official development assistance (ODA) (grant aid) to provide drinking water to the people of North Kazakhstan and Akmolinskaya oblasts.</p> <p>Each year, more than 30 people from the Central Asian countries go to Japan to attend specially designed training in water utility management, water quality monitoring, and water users associations (<b>WUAs</b>).</p> <p><b>Germany:</b> With KfW assistance, access to potable water in the rural area of Choresm, Uzbekistan is improving. Furthermore, KfW is financing a drinking water supply project in the Aral Sea region, mainly in the towns of Kasalinsk and Novokasalinsk, as well as in the rural areas of Basykarya, Muratbaeva, Kysl-Tu, and Khumsiek. The project will help reduce to the spread of water-based diseases.</p> <p><b>Switzerland:</b> The Government of Switzerland is implementing a project related to the sustainable use of water in the Fergana Valley to achieve better allocation and use of water among the three countries in the valley (Kyrgyz Republic, Tajikistan, and Uzbekistan).</p> <p><b>UNDP:</b> UNDP supported the Aral Sea Basin Capacity Development Project in 1998–2000 mainly to strengthen the EC International Fund for the Aral Sea (EC IFAS).</p> <p><b>USAID:</b> With the completion of the regional Natural Resource Management Program (NRMP), including several water projects (see <a href="http://www.usaid.kz">www.usaid.kz</a>), the main water activity of USAID now is Water User Association (WUA) strengthening. To this end, USAID supports (i) training in improved water management at the local level, as well as in business operations and the democratic development of WUAs; (ii) policy reforms needed for WUAs to exist and grow; and (iii) a small grants program for infrastructure rehabilitation. All these activities are focused on helping local users manage their irrigation systems more effectively while at the same time improving crop yields and farm incomes.</p> <p><b>SPECA:</b> Water was also among the first work areas of SPECA and was addressed by the Working Group on Water and Energy Resources. The result was a strategy for the efficient use of water and energy resources in Central Asia. Some SPECA member countries expressed interest in continuing activities in the water sector. The revised terms of reference of the SPECA Working Group could ensure effective follow-up to the work already done in this sector. Ongoing and planned activities in the group’s work plan for 2005–2007 include:</p>

Sector/Theme/Area	Activities
	<p>(i) Regional water database for Central Asia,  (ii) Capacity building and subregional cooperation to ensure dam safety in Central Asia, and  (iii) Feasibility study on the establishment of an international Water and Energy Consortium for Central Asia.</p> <p><b>WB:</b> WB has assisted the CARs in rehabilitating their irrigation facilities and promoting the growth of WUAs. At the regional level, WB (with the Global Environment Facility, or GEF) implemented the \$21.5 million Water and Environment Management Project to improve regional water management and address environmental degradation in the Aral Sea Basin. It also financed the Syr Darya Control and North Aral Sea Project (\$64.5 million). More recently, WB approved the Ferghana Valley Water Management program, starting in Tajikistan. Analytical work on water management includes studies on irrigation and poverty in Central Asia.</p>
<b>Others (Environment)</b>	<p><b>ADB:</b> To provide assistance for targeted issues with long-term impact on poverty reduction in the region. Two RETAs, Regional Environmental Action Plan (REAP) in Central Asia and Combating Desertification in Asia, were approved in 2000 and implemented.</p> <p><b>EU:</b> The EU supports environmental protection in Central Asia through the Regional Environmental Program. The program currently supports (i) the preservation of biodiversity in the West Tian Shan, (ii) CAREC, and (iii) the implementation of national environmental action plans.</p> <p><b>WB/GEF:</b> The \$13.6 million Central Asia Transboundary Biodiversity Project supports an integrated set of activities at the local, national, and regional levels with the aim of extending a transboundary protected area covering Kazakhstan, Kyrgyz Republic, and Uzbekistan.</p> <p><b>CIDA:</b> CIDA, through the Climate Change Support Fund, supports initiatives that combat the causes and effects of climate change.</p> <p><b>Global Mechanism (GM):</b> GM assists the CARs in implementing the UN Convention to Combat Desertification (UNCCD), in cooperation with ADB, the UN Environment Program (UNEP), and other bilateral donors.</p> <p><b>JICA:</b> JICA conducts yearly training in environmental management for officials of Central Asian countries. The training promotes awareness of current laws and measures to prevent pollution and their implementation in Japan.</p> <p><b>UNEP:</b> UNEP has taken a lead role in regional environmental management in Central Asia. In particular, since 2000, it has assisted the CARs in preparing REAPs that recommended policy reforms and action programs.</p> <p><b>USAID:</b> USAID, with Eurasia Foundation and the American Energy Systems (AES) Corporation, will establish a Master of Science degree program in environmental management and engineering at the Eurasian National University in Astana, Kazakhstan.</p>
<b>Others (Health)</b>	<p><b>ADB:</b> To provide assistance for targeted issues with long-term impact on poverty reduction in the region. A \$6.85 million project funded by the Japan Fund for Poverty Reduction (JFPR) is being implemented to improve nutrition among poor mothers and children in Central Asia.</p> <p><b>EU:</b> The EU supports the fight against drug trafficking and drug abuse and promotes an anti-drug program. The European Observatory on Health Systems and Policies has recently completed a publication on health-care systems in Central Asia, and is planning a regional workshop around the publication.</p>



Sector/Theme/Area	Activities
	<p><b>DFID:</b> HIV/AIDS: The Central Asia HIV and AIDS Program in Kyrgyz Republic, Tajikistan, and Uzbekistan is being implemented over a 4-year period (2005–2009) with a budget of £5.161 million. GRM International is leading the program implementation. The consortium members—Soros Foundation in the Kyrgyz Republic, the OSI Assistance Foundation in Tajikistan, Counterpart International in Uzbekistan, and EPOS Health Consultants together with GRM International—provide a mix of technical expertise, sound program management, experience in public sector policy, and detailed knowledge of the region.</p> <p>DFID is also providing £1 million directly to the World Bank’s regional AIDS control program (see above).</p> <p><b>IsDB:</b> IsDB’s mandate is to foster social and economic development; health remains a priority sector. So far, IsDB has approved \$83.6 million for the region, mainly for the construction and equipment of specialized medical centers.</p> <p><b>JICA:</b> JICA has implemented the \$5 million Improvement of Regional Healthcare System in Semipalatinsk Region Project for primary and secondary screening and final diagnosis of areas highly affected by radiation.</p> <p>In Uzbekistan, the Master Plan on Health Care System Reform was prepared with JICA assistance, and the Improvement of Nurse Training Project is completed.</p> <p>JICA conducts annual training in Japan in public health-care administration for participants from Central Asian countries. The training is focused on maternal and child health.</p> <p>JICA has held a workshop for K-9 (canine) instructors in Kazakhstan for participants from Central Asian countries and Afghanistan to combat drug trafficking and is considering holding this training yearly. JICA is also conducting a seminar on measures to prevent illegal border crossings for CA countries participants to combat terrorism.</p> <p>The implementation of the Placing of Tokens Project, with Japan ODA (grant aid), is being planned, to prevent accidents from the explosion of mines on the Uzbek-Tajik border.</p> <p><b>Germany:</b> KfW is assisting a TB control program in the Kyrgyz Republic with €8.3 million in investment and supporting TA. The program involves the purchase of medical diagnosis equipment, laboratory equipment, consumables, and tuberculosis drugs for all TB facilities in the country; staff training in the four-fixed-drug combination; and other activities to implement the Directly Observed Treatment, Short Course (DOTS) strategy of the World Health Organization (WHO). Phase 3, which starts in 2006, will contribute to the improvement of basic health infrastructure through the rebuilding of TB hospitals and the national TB lab (Bishkek), procurement of new medical equipment, and training of medical and maintenance staff in hospitals nationwide.</p> <p>A €6.3 million (investment and supporting TA) project, to start in 2006, will help improve the quality of emergency care and the people’s access to health services in Osch oblast and Bishkek through the procurement of new medical equipment, vehicles, communication media, instrument sets, etc.; the training of medical staff in emergency care; information, education, and communication (IEC) campaigns; regional conferences; and the rationalization of the emergency system.</p> <p>It has also allocated €14.2 million (in investment and supporting TA) for maternal and child health programs. These programs contribute to the improvement of basic infrastructure for mother and child care through the procurement of new medical equipment and the training of medical and maintenance staff of oblast and central rayon hospitals, the delivery of medical equipment for</p>

Sector/Theme/Area	Activities
	<p>obstetric and neonatal departments of oblast and rayon hospitals, staff training in the diagnostic and treatment system using the new equipment, and the development and implementation of the health maintenance concept. A similar program is also being carried out in Uzbekistan.</p> <p>To prevent HIV/AIDS, KfW is supporting (with €3.5 million in investment and supporting TA) a project (start date: 2005) that will help improve the diagnosis of HIV infection through coordinated diagnosis, reconstruction of HIV labs, voluntary counseling and testing programs, procurement of new medical equipment and supplies, and training of the medical and maintenance staff of rayon labs.</p> <p>With WB and other donors, KfW will be assisting a health SWAp in the Kyrgyz Republic with €16 million in investment and supporting TA, starting in 2006.</p> <p>KfW is also supporting TB control programs in Kazakhstan and Uzbekistan. The programs will help improve the diagnosis and treatment of the various forms of TB by improving the diagnostic infrastructure (through the DOTS strategy of WHO) and drug supplies. In this way, the chain of infection will be interrupted and the prevalence of TB in Central Asia will be reduced.</p> <p>KfW has likewise allocated €2.6 million for the TB control program in Tajikistan. The funds will be used for the rehabilitation of the Republican TB Hospital in Machedon, the Children's TB Hospital, and the DOTS Center in Dushanbe.</p> <p><b>Switzerland:</b> The Government of Switzerland assists the governments of the Kyrgyz Republic, Tajikistan, and Uzbekistan with health sector reforms, including improvements in the primary health care system.</p> <p><b>WB:</b> WB has prepared analytical reports on HIV/AIDS and tuberculosis in Central Asia. In May 2005, WB launched a \$25 million regional AIDS control program, which will be implemented under the auspices of CACO.</p> <p><b>United Nations Children's Fund (UNICEF):</b> UNICEF has supported maternal and child health/nutrition programs.</p> <p><b>USAID:</b> The USAID health program emphasizes primary health care, maternal, child, and reproductive health, and infectious disease control. USAID has assisted and continues to assist the Central Asian republics in improving the financial sustainability, efficiency, and quality of their health-care systems. It supports the US Centers for Disease Control and Prevention (CDC) in strengthening laboratory diagnostics and quality assurance and surveillance activities related to tuberculosis control, HIV/AIDS, and blood safety. It also supports a regional Applied Epidemiology Training Program through CDC. USAID's regional drug demand reduction program and HIV/AIDS prevention and control projects address HIV/AIDS prevention, treatment, and control through technical assistance and training, as well as support for the implementation of grants from the Global Fund to Fight AIDS, Tuberculosis (TB) and Malaria (GFATM). The regional TB control program supports DOTS implementation and GFATM grants, and a pilot project on multi-drug-resistant TB in Almaty, Kazakhstan, and TB in prisons in Karaganda oblast.</p>
<b>Others (Education)</b>	<p><b>ADB:</b> To provide assistance for targeted issues with long-term impact on poverty reduction in the region. A RETA for \$750,000, Regional Cooperation in Managing Education Reform, was implemented from March 2001 through 2002 to promote education reform in the CARs.</p> <p><b>EU:</b> The EU supports education reforms in Central Asia—in particular, higher and technical education—through curriculum development, modernization of institutional structures, and skills-related training.</p>

Sector/Theme/Area	Activities
	<p><b>Germany:</b> GTZ supports vocational education by providing training in new professions, consultancy, training materials, and textbooks. It facilitates the establishment of a vocational training network to enable training institutions to offer demand-oriented training, and retraining for jobless people.</p> <p>KfW supports vocational training in IT, housing, and communal infrastructure in Uzbekistan.</p> <p><b>IsDB:</b> The social sectors remain key sectors of intervention for the bank. For various reasons, however, IsDB has not been very active in this sector in Central Asia (\$23.1 million). The level of cooperation in this area is expected to grow, especially in construction and equipment projects in support of secondary and college education systems.</p> <p><b>JBIC:</b> The Senior Secondary Professional College (Agriculture) Project in Uzbekistan has just been completed. Follow-up studies for the improvement of curricula and the operation and maintenance of the facilities and equipment are planned. Separately, a sector study on the education sector in Uzbekistan has been done, and the results have been shared with other donors.</p> <p><b>JICA:</b> JICA is implementing Japan Center for Human Development projects in Kazakhstan, Kyrgyz Republic, and Uzbekistan.</p> <p><b>WB:</b> WB is currently developing a Central Asia education partnership initiative aimed at addressing the crisis in education across the region. It also supports an ongoing knowledge-sharing initiative through global distance learning centers in each CAR.</p> <p><b>SPECA:</b>  <b>Statistics.</b> In the reformed SPECA, there will be a strong need for monitoring economic and social change in the SPECA member countries and for assessing the progress achieved in integration and cooperation. To this end, countries will have to produce reliable, relevant, and timely statistical data on a wide range of economic and social areas, with special emphasis on indicators related to the MDGs. To monitor the implementation of the program, and to coordinate with other multilateral technical cooperation programs on statistics in the SPECA member countries, a SPECA Working Group on Statistics is being set up, with the participation of SPECA member countries, ECE, ESCAP, and other international organizations. Also, a UN project that will strengthen the statistical capacity of the Central Asian countries to produce indicators for monitoring progress toward the MDGs will start in early 2006.</p> <p><b>ICT.</b> ICT development is a key condition for bridging the digital divide and can offer effective solutions to economic and social development problems, particularly in the remote and mountainous regions of the SPECA member countries. It can also help to overcome some of the problems related to the countries' landlocked status. In this connection, a SPECA Working Group on ICT for Development is being formed. Planned activities in the work plan for 2005–2007 include:</p> <ul style="list-style-type: none"> <li>(i) Capacity building for ICT policy making,</li> <li>(ii) Improvement of business opportunities through ICT access points in the SPECA region, and</li> <li>(iii) Capacity building for space-enabled community e-centers in the Central Asian and neighboring countries.</li> </ul> <p>Other possible areas of SPECA cooperation are: gender and development, development of regions and remote areas, and sustainable tourism.</p>

Sector/Theme/Area	Activities
	<p><b>USAID:</b> Through its participant training project, USAID provides training to around 5,000 Central Asian citizens each year in specialized assistance areas.</p> <p>The Primary, Secondary Education Program for 2003–2007 supports  (i) the introduction of child-centered early childhood methodologies and interactive teaching and learning methods through in-service teacher training in Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan; (ii) community mobilization to address education issues; and (iii) the introduction of a pilot project in per capita finance to increase efficiency and equity in school funding mechanisms.</p> <p>The Secondary Civic Education activity in Kazakhstan, Kyrgyz Republic, and Tajikistan includes the development of a textbook, teacher training, and extracurricular activities such as democracy summer camps and student action committees.</p> <p>Economics and business education (2004–2006) will build on earlier work in this area to develop a sustainable mechanism that will allow university instructors to network, develop professionally, and do advocacy in the field of economics and business education; assist business and economics programs in becoming more responsive to the needs of businesses and the economy; and effect educational reforms to bring economics and business degree programs into conformity with international educational standards.</p> <p>USAID, with Eurasia Foundation and the American Energy Systems (AES) Corporation, will set up a Master of Science degree program in environmental management and engineering at the Eurasian National University in Astana, Kazakhstan. In the Kyrgyz Republic, USAID and the Open Society Institute support an endowment for Bishkek’s American University of Central Asia (AUCA). Also in Kyrgyzstan, USAID supports a national standardized scholarship test to eliminate corrupt practices in university admission.</p> <p>The community-based Sports and Health Education Program (2002–2006) in Uzbekistan encourages healthy lifestyles and advocates individual responsibility among youth.</p>
<b>Others (Agriculture)</b>	<p><b>USAID:</b> The AgFin+ project in Kyrgyz Republic, Tajikistan, and Uzbekistan is linking farmers to markets. The project works through business associations to overcome barriers to specific crops through the value chain for those crops in terms of credit access, inputs, extension services, and processing.</p> <p><b>Germany:</b> KfW supports the development of the financial and banking sector through its participation in the First Micro-finance Bank (FMFB) of Tajikistan and the Kyrgyz Investment and Credit Bank (KICB). These banks are expected to support nationwide access to professional financial services and make loans more accessible to micro entrepreneurs and SMEs.</p> <p>KfW supports the banks and the promotion of micro entrepreneurs and SMEs by:  (i) administering the equity participation of the government in the bank,  (ii) refinancing loans, and  (iii) providing technical assistance to the bank.</p> <p>KfW provides technical assistance to AKB in the Kyrgyz Republic and supports SME development through a credit line. A similar SME line in Uzbekistan will later include microfinance and mortgage loan components.</p> <p>GTZ supports the development of a rural financial system (credit unions) to give the rural population access to financial services.</p>

Sector/Theme/Area	Activities
	<p>The Village Investment Project , financed by KfW in the Kyrgyz Republic, is intended to make economic and social services more accessible to the poor population of Jalal-Abad and Osh. The individual project measures are planned and executed by the village population itself with the support of the project executing agency, ARIS. KfW is cofinancing the project with the WB, with €8 million in KfW investment and supporting TA.</p>
<p><b>Others (Democracy and Conflict Prevention)</b></p>	<p><b>ENVSEC : UNDP/UNEP/OSCE and NATO</b> – Environment and Security Initiative further info <a href="http://www.envsec.org">www.envsec.org</a></p> <p><b>USAID:</b> Democracy and media programs in all five Central Asian countries focus on working with grassroots organizations and citizens to build a culture of democracy in the region and promote greater openness, competitiveness, and accountability in governing structures and electoral systems.</p> <p><b>USAID:</b> USAID’s conflict mitigation programs work in targeted communities at risk with the goal of mitigating violent conflict from spreading and escalating. The Community Action Investment Program (CAIP), a three-year, four-country (Kazakhstan, Kyrgyz Republic, Tajikistan, and Uzbekistan) intervention, is focused on community mobilization and prioritization of infrastructure and social projects. The Peaceful Communities Initiative (PCI) is a cross-border conflict mitigation program focused mainly on the volatile Ferghana Valley region (Kyrgyz Republic, Tajikistan, and Uzbekistan) and Penjikent, Tajikistan. In Tajikistan, USAID’s Conflict Prevention Program supports economic development interventions and targeted infrastructure projects in water and energy; local government capacity building; youth development; and information dissemination strategies.</p>
<p><b>Others (Food Security)</b></p>	<p><b>IsDB:</b> At the request of the Government of Kazakhstan, the IDB has supported the establishment of a Food Consortium within the framework of the Central Asian Cooperation Organization (CACO). IsDB hired legal consultants to assist in the development of legal documentation for the establishment of the Food Consortium. The draft documentation is being considered by CACO members.</p>
<p><b>Others (ICT)</b></p>	<p><b>CIDA:</b> CIDA has supported locally initiated regional networks for information and communication technologies (government to government, including south Caucasus), youth volunteerism (in five Central Asian countries), and mountain farming (four Central Asian countries).</p> <p><b>Germany:</b> KfW supports the development of vocational training in Uzbekistan in the fields of IT.</p>
<p><b>Others (Private Sector Development)</b></p>	<p><b>Germany:</b> GTZ supports SMEs by strengthening business associations, other service providers, and governmental institutions. It supports promising efforts of governmental agencies to improve the business climate, as well as the establishment of self-help institutions for farmers such as cooperatives and credit unions.</p>
<p><b>Others (Finance and Banking)</b></p>	<p><b>Germany:</b> KfW supports the development of the financial and banking sector through its participation in the First Micro-finance Bank (FMFB) of Tajikistan, as well as the Kyrgyz Investment and Credit Bank (KICB). These banks should support the country-wide access to the professional financial services and make loans more accessible to micro entrepreneurs respectively SMEs.</p> <p>KfW supports the banks and the promotion of micro entrepreneurs and SMEs by:</p> <p>(i) administering the equity participation of the respective government in the bank,</p>

Sector/Theme/Area	Activities
	<p>(ii) refinancing loans, and (iii) providing technical assistance to the bank.</p> <p>Furthermore, KfW supports AKB Kyrgyzstan and the promotion of SMEs by financing loans for investments through provision of a credit line and providing technical assistance to the bank. A similar SME line is being realized in Uzbekistan which in the future will include a microfinance and eventually a mortgage loan component.</p> <p>GTZ supports the development of a rural financial system (credit unions) to provide the rural population with access to financial services.</p> <p><b>JICA:</b> JICA conducts yearly training in finance and banking for officials of Central Asian countries. The training promotes awareness of current banking laws and measures and their implementation in Japan.</p>
<b>Others (Poverty Reduction)</b>	<p><b>Germany:</b> GTZ integrates the poor farmers of Osh and Jalal-Abad regions into economic activity. It builds capacity at the government, self-government, and community level in Batken oblast to increase food security, promote regional cooperation, and lower the conflict potential.</p>
<b>Others (Governance)</b>	<p><b>Germany:</b> GTZ supports the National Statistical Committee in the agricultural census and in the rationalization of agricultural statistics. It supports legal reform with a regional program for transition countries.</p>