

# Japan's ODA: Rolling Plan for the Republic of Azerbaijan

As of June30,2011

[Diplomatic Consideration, etc.]

- Since Azerbaijan is an oil-and gas-producing country, and is located in the place where the pipelines run through from Central Asia to Europe, attention should be paid to from the viewpoint of securing natural resources and energy security.
- Having borders with the countries like Russia and Iran, Azerbaijan is a geopolitically important country because the regional stability.

[Priority Area] Improvement of Economic Infrastructure (especially in the field of Energy, Transportation and Communication)												
[Development Issue]	[Background]					[Japan's Assistance Policy]						
	<p>*The infrastructures constructed under Soviet regime are aging and deteriorating especially in rural areas. Renovation and improvement of the infrastructures which directly benefit the poor is an important issue for the economic growth and poverty reduction in this country.</p> <p>*Legal frameworks concerning economic and business activities, which were established in the Soviet Era, are in need of revision. The establishment of a new legal system for a market economy is necessary.</p> <p>*High economic growth was recorded until 2008 mainly because of the high oil price, however, it slowed down to 9.3% in 2009 due to the global economic crisis. Although it shows slight recovery after 2010, it is necessary to improve the legal system for the development of the non-oil industries, which is expected to support the sustainable economic growth after the future exhaustion of petroleum.</p>					<p>In order to sustain high economic growth, it is necessary to provide assistance for the development of various kinds of diversified industries, such as agricultural industries (productivity improvement, improvement of food self-sufficiency rate, enhancement of agricultural product for export, development of new agricultural processed products, and so forth), oil related industries, distribution industry and tourism. From this point of view, improvement of socioeconomic infrastructure will be mainly financed by ODA loan.</p> <p>From now on, for sustainable economic growth, infrastructure, such as electricity, telecommunication, port facility, and legal system relating to the economic activities should be upgraded, as Japanese government has assisted the country in renovating power plants and substations through ODA loans and grants respectively so far.</p>						
Improvement of Economic Infrastructure (especially in the field of Energy, Transportation and Communication)	Program	Program Summary	Project	Scheme	Schedule						Assistance Amount (100 Million Yen)	Note
					Before JFY 2010	JFY 2011	JFY 2012	JFY 2013	JFY 2014	JFY 2015		
			Shimal Gas Combined Cycle Power Plant Project (Second Unit)	LA							292.8	
			Training for the modernization of agriculture (2 courses)	TR								
			Training for the field of natural resources and energy(1 courses)	TR								
[Priority Area] Social Sector (especially in the field of Healthcare and Medical Service, Education, and Environment)												
[Development Issue]	[Background]					[Japan's Assistance Policy]						
	<p>*Infrastructure developed under the Soviet regime is still widely utilized. * The gap between the rich and the poor is widening.</p> <p>*Environmental issues, such as solid waste disposal and drainage treatment are also serious concerns.</p> <p>*Public services including medical service should be improved. Especially in rural areas, assistance is necessary for the improvement of both services and equipment.</p> <p>*Although projects through the scheme of Cultural Grant Aid and Grassroots Human Security Grant Aid have been implemented in the education sector, it is still an issue of high priority to develop human resources through the educational cooperation (especially vocational training) for the economic growth and poverty reduction in this country.</p>					<p>*It is prioritized from the viewpoint of human security to improve the quality of and access to public services, such as healthcare, education and water supply, which directly benefit the poor. Infrastructure development in the field of medical service and water supply will be financed by ODA loans and supported by technical assistance on management of the infrastructure.</p> <p>*Projects will be formulated with the intention of using the results of finished projects.</p> <p>*Projects dealing with environmental issues will be formulated based on local needs and situation.</p> <p>*As for Health care sector, assistance program will be designed in accordance with global health sector strategy 2011-2015</p> <p>*As for education sector, assistance program will be designed in accordance with new educational strategy 2011-2015</p>						
Improvement of the Quality of Healthcare and Medical Service, Education Quality Improvement, and Environmental Improvement	Program	Program Summary	Project	Scheme	Schedule						Assistance Amount (100 Million Yen)	Note
					Before JFY 2010	JFY 2011	JFY 2012	JFY 2013	JFY 2014	JFY 2015		
			Provincial Cities Water Supply and Sewerage Project	LA							328.5	
			Training for the improvement of administrative management (3courses)	TR								
			Training in the field of water resources and disaster prevention(3 courses)	TR								
			Grant Assistance for the Underprivileged Farmers (2KR)	PS							2.6	
			Protection measures from water flood and salinization (Phase2)	PS								
			Grassroots Human Security Grant Aid (15 projects for 2011)	GHGA							1.3	
			Rayon Community and Plumbing Rehabilitation Program	ML	●	●	●				1.95Million USD	World Bank, Japan Social Development Fund (JSDF)

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[Development Issue]	<p>[Background]</p> <p>*Although the introduction of a market-oriented economic reform has been going well, income gap between urban and rural areas is getting visible.</p> <p>*There is a shortage of competent human resources in the sectors that contribute to a market economy, such as smalland medium-sized enterprises (SME), agriculture and local industries.</p> <p>*The central government also lacks staff with knowledge of appropriate social services.</p> <p>*In non-energy sectors, there is also a shortage of manpower to contribute to the development of industries.</p>			<p>[Japan's Assistance Policy]</p> <p>*Regarding the gap between urban and rural areas, and between the rich and the poor, Japan's ODA will contribute to poverty alleviation through economic growth.</p> <p>*Project will be formulated in the field of market economy promotion, such as promotion of SME and local agro products.</p> <p>At the same time human resources development in the central government will be prioritized, with the focus on the public services which directly contribute to economic growth.</p> <p>*For the development of non-energy sectors, capacity development of the private sector is regarded as an important area.</p>									
Human Resource	Program	Program Summary	Project	Scheme	Schedule						Assistance Amount (100 Million Yen)	Note	
					Before JFY 2010	JFY 2011	JFY 2012	JFY 2013	JFY 2014	JFY 2015			
		In line with the policy of Azerbaijan, intellectual assistance for SME promotion, improvement of economic system, human resource development will be main activities of this program.	Training in the field of Tourism Promotion(2 courses)	TR	---								
			Training for the human resource development (2 courses)	TR	---								
	Human Resource Development Program		Enhancing Financial Disclosure Standards	ML	•							0.6 Million USD	Asia Development Bank (ADB) Investment Climate Facilitation Fund(ICFF)
			Corporate and Public Sector Accountability	ML	•	•						3 Million USD	World Bank, Japan Policy and Human Resources. Development Fund (PHRD)
			Agricultural Development and Credit Project	ML	•	•						1.61 Million USD	PHRD
Others	IDP Youth Support Project	ML	•	•	•					1.94 Million USD	JSDF		

Legend: [PS] = Preparatory Survey, [TCP] = Technical Cooperation Project, [TCDP] = Technical Cooperation for Development Planning, [EXP] = Expert, [EQ] = Equipment, [CTR] = Country-focused Training, [TR] = Issue-based Training / Area-focused Training / Training Program for Young Leaders, [JOCV] = Japan Overseas Cooperation Volunteers, [SV] = Senior Volunteers, [TEXP] = Third-country Expert, [TTR] = Third-country Training, [STC] = Science and Technology Cooperation on Global Issues, [xx-TA] = Technical Assistance implemented by organizations other than MOFA and JICA, [GA] = Grant Aid (other than specific grant aid schemes listed below), [NPGA] = Non-Project Grant Aid, [GHGA] = Grassroots Human Security Grant Aid, [JNGA] = Grant Aid for Japanese NGO's Projects, [CGA] = Cultural Grant Aid, [GCGA] = Grassroots Cultural Grant Aid, [LA] = Loan Aid (Yen-Loan), [ML] = Multilateral Cooperation, Line [ ] = period of implementation, Line [ --- ] = expected period of implementation, round [ • ] = Year of the implementation of Multi Project