

Rolling Plan for the Republic of Azerbaijan

As of April 2015

Basic Policy of Assistance	Providing Assistance Aiming to Achieve Sustainable Economic Development and Redress Disparities											
Priority Area 1	Improvement of Economic Infrastructure											
Development Issue 1-1 Improvement of Economic Infrastructure (especially in the field of Energy and Transportation)	<p>[Background and current situation] Supported by high oil prices in recent years, the country achieved economic growth at an extremely high rate until 2008. However, the growth rate in 2009 dropped to 9.3% in the aftermath of the financial crisis. While the country's economy has slightly recovered since 2010, it is necessary to provide assistance for the improvement of institutions to promote economic activities in non-oil sectors, considering the future after the depletion of oil. Likewise, as existing economic institutions and other infrastructure established during the Soviet era are not suitable for the current economy, which is in the process of transition to a market economy, it is also necessary to provide assistance to improve such institutions. As infrastructure facilities developed during the Soviet era are deteriorating, it is also an important challenge to renew such infrastructure in order to support sustainable economic growth.</p>			<p>[Strategy] In order for Azerbaijan to sustain the economic growth the country has been experiencing, it is necessary to foster and support various industries such as oil-related industries, distribution and tourism industries. It is also necessary to support advances in the agricultural industry, namely, productivity improvement, improvement of the food self-sufficiency rate, enhancement of the capacity to produce agricultural products for export, development of new agricultural processed products, among others. From this perspective, Japan is committed to providing assistance related to the improvement of social infrastructure. Likewise, Japan has been providing assistance for improvement of basic infrastructure to sustain economic growth, including the renovation of power plants through ODA loans. Japan continues to engage in assistance for the improvement of basic infrastructure for economic activities (electricity, telecommunications, port facilities, etc.) as well as for the further development of institutions to smoothly conduct such activities.</p>								
	Japan's Assistance Program	Program Summary	Project	Scheme	Schedule			Assistance Amount (100 Million Yen)	Note			
	Economic Infrastructure Improvement Program	As infrastructure facilities developed during the Soviet era are deteriorating, Japan works to improve economic infrastructure to achieve economic growth.		Shimal Gas Combined-Cycle Power Plant Construction Project (Second Unit)	LA						292.8	
				Training Program on "Energy Efficiency and Management in Industry"	TTR							
Training in the field of natural resources and energy				TR								

Priority Area 2	Improvement of Social Services											
Development Issue 2-1	<p>[Background and current situation] While the country has achieved economic growth, the disparities between the rich and the poor are widening. Under such circumstances, the improvement of social sectors which directly benefit the poor is needed. However, many sectors are still using infrastructure developed during the Soviet era, and it is a challenge for the country to improve the infrastructure as well as the quality of public services. In particular, in the field of health and medical care in rural areas, assistance for infrastructure and services is needed. Likewise, it is also a challenge for the country to address environmental issues, such as waste disposal and sewage treatment, and to reinforce the capacity to manage natural disaster risk. In the field of education, while Japan has been cooperating with the country through Cultural Grant Aid and Grassroots Human Security Grant Aid, the development of human resources through vocational training as a measure to reduce poverty in local communities still remains as a challenge of high importance .</p>					<p>[Strategy] From the perspective of human security, it is necessary to provide cooperation aiming to improve the quality of, and access to public services which directly benefit the poor (such as health and medical care, education and water supply). Japan is committed to effective cooperation by providing assistance for both improvement of the facilities for medical care, water supply, etc. and development of the capacity to maintain and manage such facilities through technical cooperation. Likewise, it is also committed to formulating cooperation projects related to environmental protection, considering the situation of each region and requests from the people in the region.</p>						
	Japan's Assistance Program	Program Summary	Project	Scheme	Schedule						Assistance Amount (100 Million Yen)	Note
Improvement of Health and Medical Care Services, Education Quality, and Environmental Measures	Program for Improvement of Health and Medical Care Services, Education Quality, and Environmental Measures	Japan works to assist the economic growth of the country and the poverty reduction in rural areas by addressing the issue of deteriorating infrastructures developed during the Soviet era, and through the improvement of social infrastructures directly benefiting the poor as well as the development of human capital (in the healthcare and education sectors, etc.).	Provincial Cities Water Supply and Sewerage Project	LA							328.51	
			Training In the field of water resources and disaster risk management	TR								
			Training in the field of health	TR								
			Training in the field of education	TR								
			Earthquake disaster mitigation and seismic design	CTR								
			Earthquake Engineering and Disaster Management	TTR								
			Project for Improvement of Equipment for Amelioration and Irrigation (Phase 2)	GA							7.8	
			Grant Aid for Grassroots Human Security	GA							1.71	

Development Issue 2-2 Human Resource Development	[Background and current situation] Although the introduction of market-oriented economic reform has been successful, the gap between urban areas and rural areas as well as the income gap is becoming obvious in the country. For sustainable economic development, it is essential to develop human resources, in particular those who support the development of industries in non-energy sectors and those in the sectors that facilitate the introduction of a market-oriented economy, such as the promotion of SMEs, agriculture and local industries. It is also necessary to develop human resources in the public sector, particularly in central government ministries and agencies, those who have sufficient capacity and knowledge to implement policies and administrative management for appropriate provision of public services.			[Strategy] Japan provides assistance to reduce the gap between urban and rural areas as well as the income gap through economic growth. In order to promote industrial development in non-energy sectors, Japan assists Azerbaijan's efforts for the development of human resources with a keen attitude towards economic activities such as the creation of new businesses. In particular, it is committed to creating cooperation projects in areas such as the development of SMEs, agriculture or local industries. Likewise, from a perspective of improving public services which support economic development, Japan extends cooperation to develop capacities of staff in central government ministries and agencies to improve institutions as well as human resources in the fields of medical care and education.								
	Japan's Assistance Program	Program Summary	Project	Scheme	Schedule						Assistance Amount (100 Million Yen)	Note
	Human Resource Development Program	Japan assists Azerbaijan's efforts on human resource development and extends its cooperation for capacity development that will contribute to the vitalization of economic activities, focusing on intellectual assistance in such areas as the development of SMEs, improvement of economic systems and development of human resources.	Training in the field of urban and regional development	TR	Before JFY 2014	JFY 2015	JFY 2016	JFY 2017	JFY 2018	JFY 2019		
			Training in the field of the development of public sector and SMEs	TR								
Training in the field of agricultural and rural development			TR									

Legend: [PS] = Preparatory Survey, [DD] = Detailed Design, [TCP] = Technical Cooperation Project, [TCDP] = Technical Cooperation for Development Planning, [EXP] = Expert, [EQ] = Equipment, [CTR] = Country-focused Training, [TR] = Issue-based Training / Training Program for Young Leaders, [JOCV] = Japan Overseas Cooperation Volunteers, [SV] = Senior Volunteers, [TEXP] = Third-country Expert, [TTR] = Third-country Training, [ICT] = In-Country Training, [STC] = Science and Technology Cooperation on Global Issues, [JPP] = JICA Partnership Program, [xx-TA] = Technical Assistance implemented by organizations other than MOFA and JICA, [PCP-TC] = Private Companies Proposed-Technical Cooperation, [GA] = Grant Aid (other than specific grant aid schemes listed below), [NPGA] = Non-Project Grant Aid, [GGP] = Grassroots Human Security Grant Aid, [JNGA] = Grant Aid for Japanese NGO Projects, [CGA] = Cultural Grant Aid, [GCGA] = Grassroots Cultural Grant Aid, [LA] = Loan Aid (ODA Loan), [ML] = Multilateral Cooperation, [SSM] = Support for Small and Medium-sized Enterprises, Solid Line [-----] = Schedule, and Dash Line [- - - -] = Tentative Schedule