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## **CENTRAL ASIA INVEST**

Boosting private sector development and economic  
diversification in Central Asia



## FOREWORD

Since the early days of their independence, in 1991, the European Union has developed ambitious political, trade and economic relations with the five Central Asian republics, namely Kyrgyzstan, Kazakhstan, Tajikistan, Turkmenistan and Uzbekistan.

During these years, we have witnessed important achievements in each of the five countries, from the reform of the education system, and of the various sectors of the Public Administration, to the progress towards the economic diversification and the development of the private sector. The increasing attention from the Central Asian Republics towards the set-up of a rule-based society, based on the values of inclusiveness, sustainable growth, integration, have allowed us to step up our cooperation in the region.

Today, one year after the adoption of the EU Strategy for Central Asia, we want to move to the next level and invest further in regional cooperation. We firmly believe that an enhanced regional cooperation will allow Central Asian countries to better manage their interdependence, address their vulnerabilities and shared concerns, unlock their economic growth potential, increase their influence in international affairs while preserving at the same time their independence and identities.

With this brochure, we want to showcase an example of regional cooperation through one of our flagship initiatives: the Central Asia Invest (CAI) programme, set up in 2007 to stimulate and support private sector and economic diversification in the region through partnerships between EU and Central Asian Business Intermediary organisations. The brochure looks at the achievements of the programme through the years and at the increasing role of the European Union Delegations in the region.

Central Asia Invest depends on an enabling policy environment. For this reason, the programme has been developed with the Organisation for Economic Cooperation and Development (OECD) since 2009, drawing on its strong experience in the field of policy reform.

We hope this brochure will be of interest to those involved in private sector development, as well as to a wider audience, interested in how EU funds are contributing to change in Central Asia at a very practical level.

Enjoy your reading!

*Yours Sincerely,*

*Sven-Olov Carlsson*  
Ambassador of the European Union  
to the Republic of Kazakhstan



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# 01

## EU – CENTRAL ASIA: AN EVER-STRENGTHENING RELATIONSHIP

Since thousands of years, Central Asia has been at the crossroads between Europe and Asia, connecting western and oriental Empires through trade and commerce. Central Asia has always been a strategic region with a rich history, diverse cultures and natural environments. The EU therefore carries a strong interest to continue its long-standing co-operation with the region, in particular in the fields of trade, energy and tourism.

Following the breakup of the Soviet Union and the subsequent gained independence of the five Central Asia countries in 1991, the EU established individual diplomatic relations and began to provide financial support through the Development Cooperation Instrument (DCI), which later evolved into partnerships and cooperation that keep on growing and deepening ever since.

Though the Partnership and

Country	Partnership and Cooperation Agreement (PCA)	Enhanced Partnership and Cooperation Agreement (EPCA)
Kazakhstan	In force since 1999	Signed in 2015, ratified in 2020
Kyrgyzstan	In force since 1999	Negotiations launched in 2017
Uzbekistan	In force since 1999	Negotiations launched in 2018
Tajikistan	In force since 2010	Tajiks request to open negotiations in 2018
Turkmenistan	Signed in 1998 but not yet ratified	

Sources: World Bank (2018): Population, GNI per capita PPP (current international \$), United Nations Development Programme (2019): HDI, IHDI, GDI, CIA Factbook: Tajikistan's population estimation (July 2020) and GNI per capita (2017)

Cooperation Agreement (PCA) with Turkmenistan was signed in 1998, it has not been ratified yet. The ongoing relations with Turkmenistan are governed by the Interim Agreement on Trade and trade-related matters, which entered into force in 2010. In 2019, the EU opened a full-fledged delegation to Turkmenistan in Ashgabat.

### The EU Strategy on Central Asia

Over these past years, the Central Asian region has transformed due to political changes and its increased attractiveness linked to the launch of the 2013 Belt and Road Initiative. To further support its transition, in 2019, the EU adopted its new Strategy on Central Asia with more ambitious goals for a stronger, modern and broader partnership with Central Asian countries, focused on the enhancement of prosperity, stability and resilience of the five countries. According to this Strategy, the EU support is focused on:

- Cooperation on environmental issues
- Strengthening the rule of law and legal capacity
- Cooperation on the regional

Sources: World Bank (2018): Population, GNI per capita PPP (current international \$), United Nations Development Programme (2019): HDI, IHDI, GDI, CIA Factbook: Tajikistan's population estimation (July 2020) and GNI per capita (2017)

security and stability

- Supporting a sustainable socio-economic development

The Central Asia Invest programme is part of these relations reinforcement dynamics.

### EU-CENTRAL ASIA COUNTRIES RELATIONS

#### 1991:

Independence of Central Asia countries, start of EU-CA countries official relations

#### 2007:

First EU Strategy on Central Asia

#### 2015:

Appointment of the EU Special Representative for Central Asia

#### 2017:

Reaffirmation of the EU Strategy on Central Asia

#### 2019:

New EU Strategy on Central Asia

# 02

## CENTRAL ASIA COUNTRIES – INFORMATIVE MAP

**UZBEKISTAN (2019):**  
Population: 32.96 million  
GDP growth: 5.6%  
HDI: 0.710  
Unemployment rate: 5.9%  
Gender-related Development Index (GDI): 0.939  
57 business associations

**TURKMENISTAN (2019):**  
Population: 5.85 million  
GDP growth: 6.3%  
HDI: 0.710  
Unemployment rate: 3.9%  
Inequality-adjusted HDI (IHDI): 0.578  
Gender-related Development Index (GDI): n/a

**TAJIKISTAN (2019):**  
Population: 8.87 million  
GDP growth: 7.5%  
HDI: 0.656  
Unemployment rate: 11%  
Inequality-adjusted HDI (IHDI): 0.574  
Gender-related Development Index (GDI): 0.799  
18 business associations

**KAZAKHSTAN (2019):**  
Population: 18.28 million  
GDP growth: 4.5%  
HDI: 0.817  
Gender-related Development Index (GDI): 0.999  
Unemployment rate: 4.6%  
181 business associations

**KYRGYZSTAN (2019):**  
Population: 6.32 million  
GDP growth: 4.5%  
HDI: 0.674  
Unemployment rate: 6.3%  
Inequality-adjusted HDI (IHDI): 0.610  
Gender-related Development Index (GDI): 0.959  
39 business associations

Central Asia map is based on a map licensed under the Creative Commons Attribution-Share Alike 3.0 Unported license and created by Themightyquill, who used map from the NASA and CIA.  
[https://en.wikipedia.org/wiki/File:Central\\_Asia\\_-\\_political\\_map\\_2008.svg#filelinks](https://en.wikipedia.org/wiki/File:Central_Asia_-_political_map_2008.svg#filelinks)

Sources: World Bank (2018): Population, GNI per capita PPP (current international \$), United Nations Development Programme (2019): HDI, IHDI, GDI, CIA Factbook: Tajikistan's population estimation (July 2020) and GNI per capita (2017)

# 03

## THE CENTRAL ASIA INVEST PROGRAMME (CAI)

Based on its first Strategy on Central Asia, in 2007, the EU launched an ambitious regional programme – CENTRAL ASIA INVEST– to support private sector development in the five countries of Central Asia, with a particular emphasis on the growth of Small and Medium-sized Enterprises (SMEs).

Over the past decade, all Central Asian countries experienced rapid economic growth. The private sector and in particular SMEs have experienced substantial growth and the national governments recognised them as crucial partners for development. In fact, SMEs can play a vital role in the economy and poverty reduction as generators of new employment opportunities, sources of income, goods and services for larger parts of the population; and thus, improve living conditions of the population, transform the market and reduce the informal economy. Conditions conducive to a healthy private sector are therefore required.

The governments of all Central Asian countries have launched reforms to diversify the economy and encourage entrepreneurship. Nevertheless, the Central Asian business environment is still not far from favourable for business development.

The main obstacles for SMEs are:

- Lack of information on business knowledge and technology transfer
- Limited access to finance, as banks are more reluctant to provide credits to SMEs
- High-level administrative costs and taxes that impede their competitiveness
- Cumbersome legislation and non-conducive regulatory environment
- Difficulties in accessing new markets and expanding their businesses

A healthy private sector requires a reliable network of Business Intermediary Organisations (BIOs), which can support its members and

act as a reliable source of the diverse private sector. In Central Asia, BIOs remain limited, resulting from both internal (skills, funding) and external challenges (business environment, informality), as well as the Soviet legacy, in which all firm interaction was intermediated by planning institutions. Businesses nowadays may therefore less likely join a BIO. Similar to the SMEs they represent, BIOs therefore face with constrained access to finance, business information and know-how, directly impacting their ability to engage in public-private dialogue and advocacy work.

Moreover, the region of Central Asia still shows an unequal development and diversity in terms of political, economic and social systems across the countries. Many important issues that require national and regional solutions remain unsolved, these include ensuring sustainable and inclusive growth, overcoming environmental risks, coping with the demographic growth pressure and

empowering women in business and more broadly in the society.

In this context, the Central Asia Invest Programme has the following objectives: 1) to support private sector development in the region through reinforcement of the role and capacity of BIOs, whilst increasing their number; 2) to improve the business environment for SMEs by promoting and supporting policies that strengthen competitiveness, facilitate investments and access to finance, open new markets and reduce red tape.

All actions supported by the CAI Programme promote female entrepreneurship and preservation of national heritage, culture and traditions.

### The programme is working at two levels:

- The meso-level: to support local BIOs to improve their services to SMEs.
- The macro level: to support the economic reforms through analysis and regional policy dialogue.

## 2 LEVELS

01

### MACRO LEVEL OECD POLICY COMPONENT

aimed at policy makers to  
improve the legal framework

02

### MESO LEVEL EU GRANTS

to support local BIOs

#### What is a Business Intermediary Organisation (BIO)?

*It is an independent organisation (private/public) representing interests of SMEs. It could be a chamber of commerce, a professional association an employers' federation or agency promoting trade, investment and commercial activities, non-governmental organisation, or a sector-based agency concerned with working with SMEs.*

#### What is the role of BIOs?

*BIOs help SMEs develop their technical and business capacity, support them in discovering and taking advantage of new business opportunities or entering foreign markets, advocate on their behalf to ensure that the state policy is supportive of SMEs and the private business sector as a whole, and much more.*

## THE MESO-LEVEL

In this first component, the CAI Programme provides grants to put in place projects aimed at enhancing the capacity of local BIOs so that they can further stimulate the business sector and support enterprises. This is ensured through partnerships between EU and Central Asian BIOs. By improving the capacity of BIOs and creating bridges between the governments and the private sector, the CAI Programme contributes to the national reform agenda of Central Asia towards a market economy, civil society development and poverty reduction.

The involvement of BIOs in the projects allows reaching a higher number of SMEs through direct contacts. Furthermore, having the Central Asian BIOs to act as project partners and not just as beneficiaries ensures that the support is more responsive to the actual needs and that its benefits will be maintained over time.

### A fundamental element of the grant projects is the **PARTNERSHIP** between EU and Central Asia BIOs.

CAI projects are focused on various sectors. The most represented sectors are tourism, handicraft and food-processing. These sectors reflect

the priorities set by the CAI; they are also among the priority sectors as determined by the countries of Central Asia. The main project activities are general support and advocacy assistance to BIOS, export activities and standards. All the projects also tackle relevant cross-cutting issues such as human resources, gender equality and women empowerment.

## PRACTICAL INFORMATION

Following a competitive two-step call for proposals, in conformity with the relevant contract procedures for EU external actions.

First, a call for proposals is launched to receive concept notes for potential projects from the applicants. Second, those applicants, whose concept notes have been pre-selected, are invited to submit a full project proposal. The best proposals are identified by the selection committee based on the clearly-defined selection criteria, and the grants are then awarded.

Eligible applicants must be not-for-profit legal entities, operating as business intermediaries representing SMEs and promoting trade and investment between Europe and Central Asia, or as regional/local public agencies. Applicants must be established in

the EU, Central Asia, in EU candidate countries or European Economic Area member states.

Applicants are directly responsible for the preparation and management of their projects. Each project should be put forward by partnerships formed by a minimum of two partners, at least one BIO from Europe and one from Central Asia.

The projects implemented in all Central Asian countries are managed by the EU Delegations present in the region with the overall management of the initiative being under the responsibility of the EU Delegation to Kazakhstan.



EU co-financing is around **85%** of the total eligible costs of the project.



Project duration is between **32** and **48** months.



Project applicants and partners should be not-for-profit business intermediaries.

*For more information, please visit:*  
[www.eu-cai.org](http://www.eu-cai.org)

## THE MACRO-LEVEL

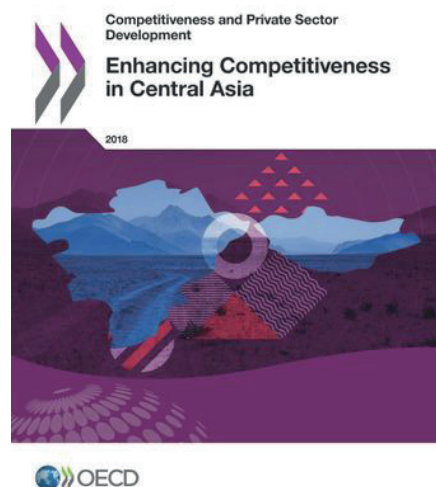
This second component is implemented in the framework of the OECD Eurasia Competitiveness Programme – Central Asia Initiative that is co-financed by the EU. This Programme is focused on sustaining the improvements of the business climate for SMEs and promoting economic integration in Central Asia by supporting the advancement of economic reforms through country-specific analysis, recommendations, and monitoring of implementation; regional policy dialogue and peer exchanges; and capacity building policy dialogue.

### The OECD policy component has been carried out in four phases:

In the **first phase (2009-2012)**, the OECD developed a Competitiveness Outlook for Central Asia. The Outlook identified barriers to competitiveness in Central Asian economies and highlighted three major challenges on which policy reforms should focus, namely: human capital for development, access to finance for SMEs, and investment policy and promotion.

In the **second phase (2013-2015)**, the OECD developed country-specific strategies. The regional dialogue was maintained through a peer review of

competitiveness reforms designed at the country level, namely in Kyrgyzstan and Tajikistan.



In the **third phase (2015-2018)**, the OECD supported national governments in Central Asia in their work to design, implement and monitor policies to enhance competitiveness. The OECD prepared assessments and recommendations of selected competitiveness policies. In 2018, the OECD published the Report on “Enhancing Competitiveness in Central Asia”, which highlights the risks inherent to Central Asian countries: reliance on minerals’ exports and remittances, underlined by the challenge to achieve more stable and inclusive growth. OECD

work revealed that to enhance the competitiveness of their economies, diversify the production structures and improve the resilience to external shocks, the countries of Central Asia need to carry out ambitious reforms in three areas: governance, connectivity and the business environment. The report also presented a brief overview of OECD work with Central Asian countries on access to finance, business internationalisation and skills development that are the result of country-specific projects carried out by the OECD, hand-in-hand with the governments of Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. The OECD also organised in country-specific workshops and public-private consultations to prepare the country specific peer reviews and monitoring.

In the **fourth and current phase (2019-2022)**, the OECD is operating in three workstreams:

- that can address market failures such as: access to finance for small and medium firms; investment promotion; export promotion and facilitation; and entrepreneurship support policies.
- legal environment reforms to support domestic businesses and foreign investors such as:
- legal and regulatory framework

for investment; dispute resolution; operational environment for small firms; tax legislation and administration; expropriation regime; land legislation; and exit mechanisms.

- supporting the EU in co-ordinating CAI stakeholders, in particular BIODs, and ensuring they can voice their concerns. BIODs are systematically invited to the OECD’s working group meetings, workshops and capacity building seminars. Furthermore, once a year the OECD organises a networking event convening all BIODs that have a stake in the EU CAI Programme to discuss policy challenges and potential solutions.

Throughout all the work streams of the ongoing component, the OECD and BIODs work hand-in-hand: BIODs raise their policy concerns to the OECD, which allows the OECD to convey targeted messages to the governments of the Central Asian countries.





**CENTRAL ASIA INVEST**

CAI Networking Meeting in the framework of the High level conference on 'Enhanced Integration for Prosperity in Central Asia, 27-29 November 2019 - Nur-Sultan, Kazakhstan

**NETWORKING MEETINGS**

On top of its other functions, the CAI Programme is also facilitating the dialogue on private sector development among EU and Central Asian BIOs and policymakers by organising annual CAI networking meetings. These meetings serve as platforms for CAI stakeholders to exchange knowledge, share experiences and approaches to strengthening the key role to be played by BIOs. This helps to further develop the private sector in the region and more broadly to support the region's economic integration. Meetings are also an important opportunity to receive feedback from stakeholders. In these meetings, BIOs can directly suggest practical improvements to the CAI programme,

in order to enhance its overall impact.

Since its launch, Central Asia Invest Programme has held three networking meetings (2017, 2018 and 2019). On 27-29 November, the Enhanced Integration for Regional Prosperity in Central Asia event took place in Nur-Sultan (Kazakhstan). During this event, two meetings were organised:

- Launch of the EU Regional Projects to support Competitiveness, Trade and Rule of Law in Central Asia
- The 2019 Central Asia Invest Networking Meeting

The two meetings brought together representatives from Central Asian governments, the European Union and the programme implementers

– ITC, Council of Europe, BIOs and the OECD, as well as other relevant development partners.

The 2019 Central Asia Invest Networking Meeting took stock of the progress made during the fourth phase of the Central Asia Invest Programme, presented the key achievements and lessons learnt, explored synergies between EU-funded projects and discusses arising challenges for BIOs to increase their role and impact for SME development. The meeting also presented the new phase of the CA Invest Programme.

The event convened high-level representatives from Central Asian governments, the European Union and all EU Delegations to Central Asian countries, OECD, partners implementing EU-funded projects,

including International Trade Center (ITC), Council of Europe, European Bank for Reconstruction and Development (EBRD), Border Management Programme in Central Asia (BOMCA); the private sector through BIOs from Central Asian and European countries, and other private companies (Beeline, PWC, Ernst and Young) and experts; EU members' embassies to Kazakhstan, including several Ambassadors; and development partners, such as the World Bank, Asian Development Bank (ADB), German Corporation for International Cooperation (GIZ), UN agencies.

# 04

## OVERVIEW OF THE CAI PROGRAMME

The Central Asia Invest Programme supported 41 projects since 2008 with a total budget of €26.2million, throughout the Central Asian countries over 5 phases.

 41 projects

 26,2 million

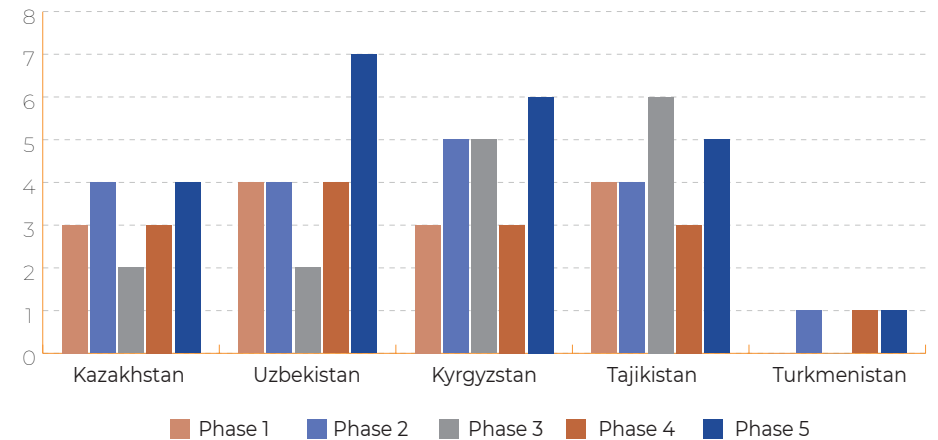
Tajikistan has so far benefited most from the CAI Programme with 22 projects, followed by Kyrgyzstan and Uzbekistan with 21 projects and Kazakhstan with 16 projects. Turkmenistan benefitted from three projects overall.

The main goal of the programme is

to provide support to SMEs and BIOs, but also to all actors of the economy, such as national representatives who actively participated in these projects, through training, capacity-building and know-how transfer, advocacy and awareness-raising activities in various domains such as:

INNOVATION RESOURCES GENDER  
SUSTAINABILITY ■ AWARENESS  
COMPETITIVENESS WOMEN ENTREPRENEURSHIP  
HUMAN MARKETING  
FAIR TRADE & EXPORT  
INTERNATIONAL STANDARDS CERTIFICATION  
FOOD SAFETY PRODUCTIVITY  
AND TRACEABILITY ORGANIC PRODUCTION  
GENDER AWARENESS CLIENT RELATIONS  
STARTING UP A BUSINESS PRACTICES AND STANDARDS

Evolution of the CAI programme support by countries



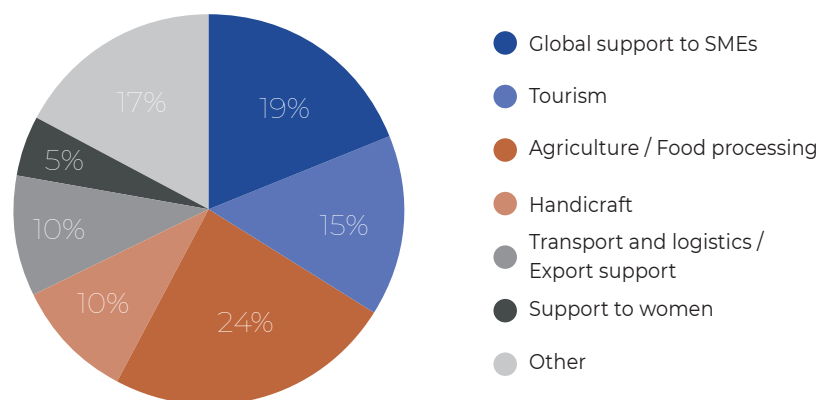
### Between 2008 and 2019, thanks to the Central Asia Invest Programme:

- More than 8,000 people have been trained
- Over 800 BIOs have benefited from the CAI actions and improved their services to SMEs
- Above 38,000 SMEs have received trainings, capacity building assistance, etc.
- Around 20 information, training, support and network offices have been set up
- More than 15 business associations have been founded
- Hundreds of jobs, SMEs and BIOs have been created
- 15 SMEs or staff members of SMEs and BIOs have received international certifications
- Over 100 beneficiaries have received national certifications (touristic accommodation, etc.)
- Around 20 study tours have been organized
- Beneficiaries participated in international events including the World EXPO in Milan (2015) and the ITB in Berlin, the largest global travel fair

## SECTORS SUPPORTED BY CENTRAL ASIA INVEST

During all its phases, the CAI Programme has been providing much-needed support to the whole private sector and SMEs in Central Asian countries. Sectors were selected, if they were identified as: strategic sectors for the national

economic and private sector development and more widely for the sustainable development of the country and improvement of the income sharing among the population and reduction of social inequalities.



### AGRICULTURE AND FOOD-PROCESSING

Agriculture plays a key role in the economy of Central Asia, particularly in Kyrgyzstan and Tajikistan, where this sector accounts for 20% of the GDP and almost 50% of the labour force. Moreover, in these

two countries, this sector is facing similar difficulties, including low productivity, informality, and limited access to inputs. As a result, the Central Asia Invest Programme has been supporting this sector throughout its various phases, with a particular focus on Kyrgyzstan and Tajikistan. An emphasis has been put

on sustainability through sustainable management of natural resources, through organic production practices, which reduce adverse impacts on climate change and enhance natural biodiversity compared to intensive agriculture practices.



### HANDICRAFT

The handicraft sector has a large potential for development, especially in Kyrgyzstan and Tajikistan. In these two countries, the socio-economic situation is fragile, and the economy is heavily dependent on remittances. In these rural-based economies where unemployment is high, the handicraft sector represents an alternative source of income for a large part of the population. Moreover, it preserves local traditions and culture and strengthens the links between community members. Most handicraft artisans are women, so by supporting the handicraft sector, the Central Asia Invest Programme is also supporting the empowerment of women.

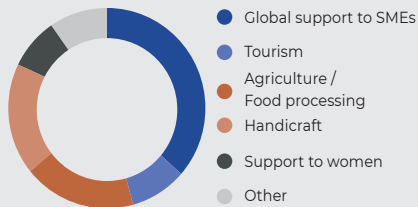


### TOURISM

The Central Asia region is rich of biodiversity that offers a vast variety of landscapes – from deserts to endless steppes, from green mountain pastures to pristine lakes and impressive high peaks. But it is also rich of cultures, traditions and heritage sites, which have witnessed a succession of civilisations. Such richness offers a high potential for tourism, with this sector already widely contributing to the economic development of the region. At the same time, the development of this sector still faces numerous challenges, including limited connectivity, difficulties to obtain visas (in particular in Tajikistan), and underlying perceptions of the region all together.

# THE DIFFERENT PHASES OF CENTRAL ASIA INVEST

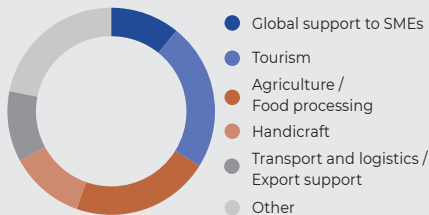
## Phase 1 (2008-2011)



**€4.2 Million for 11 projects** equally divided between the countries of the region

- A priority was given to the global support to the private sector, the BIOs and SMEs by providing them a first base of knowledge and know-how from Europe.
- One project specially dedicated to Uzbek women.

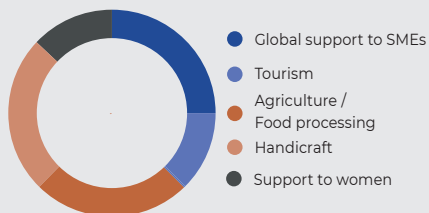
## Phase 2 (2010-2013)



**€4 Million for 9 projects** equally divided between the countries of the region

- While overall support to the private sector, BIOs and SMEs was still provided, tourism, agriculture and handicraft are the sectors that benefited the most, a trend that continued in the following phases.

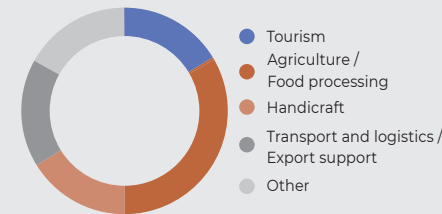
## Phase 3 (2013-2016)



**€ 3.8 Million for 9 projects**, with Kyrgyzstan and Tajikistan being the main beneficiaries

- The main focus was on three strategic sectors that are crucial for the Kyrgyz and Tajik economy.
- One project specially dedicated to Tajik women.

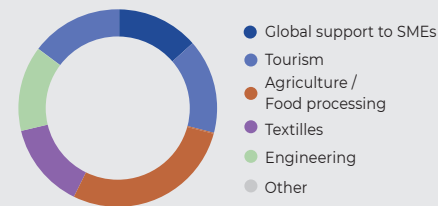
## Phase 4 (2016-2019)



**€ 7.1 Million for 6 projects**, evenly distributed among the different countries of the region.

- Tourism, Agriculture and Handicraft are still the main focus sectors.

## Phase 5 (2020-2023)



**€ 7.1 Million for 7 projects**, with Uzbekistan and Kyrgyzstan being the main beneficiaries.

- In this new phase, the range of beneficiary sectors expands to include textiles and engineering.

# 05

## CENTRAL ASIA INVEST PROGRAMME AND IMPLEMENTATION OF THE SDGS



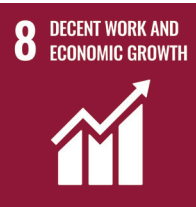
**«End poverty in all its forms everywhere.»**

The overall goal of the CAI Programme is to foster the diversification of the Central Asian economies and to improve the income sharing among the population by supporting the private sector and entrepreneurship development.



**«Achieve gender equality and empower all women and girls.»**

Gender equality is one of the guiding principles for this Programme. Each project is to support gender equality by providing training on woman entrepreneurship, by targeting women in some specific projects or even by having dedicated projects to the empowerment of women in business.



**«Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.»**

The CAI Programme is aimed at promoting diversification and economic growth in the. Moreover, through capacity building assistance, training and policy dialogue, the legal, regulatory and corporate frameworks are being improved. This contributes to enhanced work conditions.



**«Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.»**

The CAI projects support the development and enhancement of Central Asian industries, thereby promoting innovation in every sector. Innovations are always promoted in any sector.



**«Reduce income inequality within and among countries.»**

Most of the CAI projects are targeting vulnerable groups, such as women, youth, internally displaced persons and ethnic minorities. By promoting such sectors as community-based-tourism or handicraft, the CAI Programme contributes to a better sharing of income, since these sectors often represent an alternative source of income for a large part of the population.



**«Make cities and human settlements inclusive, safe, resilient, and sustainable.»**

In the recent phases, the PROHOUSE and PROMHOUSE projects have aimed to improve the energy efficiency in Central Asia's housing sector, thus making communities more sustainable and offering better living conditions.

12 RESPONSIBLE  
CONSUMPTION  
AND PRODUCTION



**«Ensure sustainable consumption and production patterns.»**

The CAI projects always promote more sustainable activities, production and consumption through fair-trade development.

13 CLIMATE  
ACTION



**«Take urgent action to combat climate change and its impacts by regulating emissions and promoting developments in renewable energy.»**

In the food processing sector, the CAI Programme has been promoting organic cultures and techniques that are more respectful of nature, which reduce adverse impacts on climate change and enhance natural biodiversity.

17 PARTNERSHIPS  
FOR THE GOALS



**«Strengthen the means of implementation and revitalise the global partnership for sustainable development.»**

This programme is working on developing international cooperation between EU member states and Central Asian countries, between EU BIOs and partners and Central Asian BIOs in addition to the participation of the OECD.

CURRENT EU-CAI  
FUNDED  
**PROJECTS**

## TOURISM IN SERVICE FOR SUSTAINABLE GROWTH AND RURAL DEVELOPMENT IN CENTRAL ASIA



Mrs Zulfiya Myrsamykova, with 2 guests from Germany



In March 2018, I participated in the largest international tourist exhibition ITB Berlin, where I made good business contacts. I also joined a study tour in Latvia organised by the Latvian Rural Tourism Association. This inspired me to improve my guesthouse towards the expectations of the European market.

Since I'm raising three children on my own, the project has supported me a lot. In one season (May-August) I earned about KZT 600,000 (EUR 1,500). This has improved my economic status and helped me prepare for the long winter (buy coal and firewood).



Mrs Zulfiya Myrsamykova, Karanganda Region, Kazakhstan

**Implementation period:**  
February 2017- January 2020  
**Total budget:** €1,370,707  
**EU Contribution:** €1,300,000  
**Countries involved:** Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan

### Project title: Strengthening rural and community tourism Business Intermediary Organisations for Inclusive Economic Development in Central Asia

The tourism sector has a strong potential in Central Asia and has developed in recent years. In order to ensure that the growth of this sector within the Central Asian economies benefits as many people as possible, the Central Asia invest oriented its support since the third phase to the community-based tourism (CBT) that this project promoted at country and regional level through the support to BIOs and SMEs working in CBT.

Community-based tourism (CBT) is a community ownership and management approach to tourism, intended to deliver wider social, economic and environmental benefits. It is one of the sectors in Central Asia that has strong potential to contribute to inclusive, sustainable growth and rural development. This project strengthened the

beneficiaries' institutional skills and helped them develop and integrate quality and sustainability standards through study tours to Europe and many training sessions on hospitality standards, sustainability standards, financial management, marketing and promotion, waste management, energy, but also on how to inform customers on culturally appropriate behaviour or on how to link nature protection, tourism and community development. The project participated in the liberalisation of the legal framework to promote small-scale tourism accommodations in rural areas. It also promoted coordination and cooperation between regional CBT BIOs, especially between protected areas, and also with European BIOs and partners through the beneficiaries' participation in conferences and study tours in Germany and Latvia in which they met regional rural tourism associations and tourism boards.

#### PROJECT ACHIEVEMENTS:

- Tourism offer has been diversified in terms of regions, accommodations, experiences for tourists by involving local communities
- Standards have been aligned in



Mrs Fauziya Rakhmetova, Lepsinsk



A few months before retirement I was invited to a CBT information workshop organized by Kazakh Tourism Association (KTA). Inspired by the idea of creating a guest house, I bought a neighbour's house in complete disrepair (no windows, no doors, no floors, etc.). I repaired the house. I isolated the floors with empty glass bottles, which I collected all over the village, thereby clearing Lepsinsk of scattered bottles. I used about 20 thousand bottles.

In 2019, we hosted foreign guests from Poland, Czech Republic, China, Germany, Russia. This year, KTA and the Kazakh CBT Association carried out certification of our guest houses and 8 guesthouses successfully passed. Now as a novice guest house owner, I earn about EUR 300-500 per season.



Ms. Fauziya Rakhmetova – Almaty Region

the participating Central Asian countries.

- National Uzbek and Kazakh CBT Marketing Associations have been created.
- 150 Community Based Tourism SMEs established.
- More than 600 participants (guest house managers and other service providers) trained.
- More than 100 accommodations received government accreditation
- 180 new jobs created in the rural areas.

- Partnership agreements signed between the Latvian Rural Tourism Association and Central Asian Associations.
- The beneficiaries from Central Asia participated in the European Rural Tourism Conference in Lithuania where they met representatives of Airbnb and Booking.com.
- 10 representatives from Community Based Tourism associations and tour operators from Uzbekistan, Kazakhstan, Kyrgyzstan and Tajikistan joined ITB Berlin, the largest global travel fair.

## A MORE COMPETITIVE AGRICULTURAL SECTOR IN KAZAKHSTAN AND UZBEKISTAN



Ms Aliya Zhumatayeva, Karaganda Region, Kazakhstan

Ms Aliya Zhumatayeva from Abay District in Karaganda Region (Kazakhstan) has business in growing mushrooms. Following the trainings held by the project, she realized that processed goods have more value. Now she plans to open a factory to produce canned mushrooms, which would create new jobs in her home village and cover a bigger segment of the value chain. Aliya's business is an example of the competent use of industrial waste: mushrooms grow on a husk of seeds that she buys from a seed processing company. This creates a double benefit: one enterprise correctly utilizes, and another correctly uses this waste. Her mushrooms are in great demand, as they are grown in an environmentally friendly way, without any chemical additives.

### Implementation period:

March 2017–July 2020

**Total budget:** € 1,499,993

**EU Contribution:** € 1,424,993

### Countries involved:

Kazakhstan, Uzbekistan

### Project title: AGROCOMP – Value chain competitiveness of agro-business and food processing SMEs through sustainable development and eco-innovation in Uzbekistan and Kazakhstan

The agricultural sector represents a growing part of the economy of Kazakhstan and Uzbekistan. However, the sector is dominated by large companies that leave limited space for SMEs, which could stand out thanks to innovative and more environmentally friendly agriculture.

The AGROCOMP project promoted sustainable and eco-innovative production of agro-business and food processing enterprises in six regions across Kazakhstan and Uzbekistan, to foster the value chain competitiveness of the involved SMEs.

The services provided project cycle management training, including monitoring and evaluation of individual projects, as well as gender awareness classes, accommodating



psychological counselling for women would-be entrepreneurs from rural areas.

During the training on the topic "Agriculture and business: promising areas today. The basics of business planning and state support measures", participants agreed to send a joint letter to the Ministry of Agriculture and the Ministry of Ecology, Geology and Natural Resources with a proposal to develop a special programme for the treatment of urban plantations against pests and diseases, as well as a National Programme for monitoring the use of pesticides and transition to biological products. Both Ministries responded to the joint letter. The reply from the Ministry of Ecology, Geology and Natural Resources gives a hope that the proposal will be considered in earnest and real changes will follow.

#### PROJECT ACHIEVEMENTS:

- 2 professional expertise networks involving 79 trained representatives of various BIOs (48 in Uzbekistan and 31 in Kazakhstan) established
- 300 representatives of BIOs trained in business development, internationalisation, value chain competitiveness, food safety, quality, EU standards, green financing, sustainable development
- Pilot actions of training and consultancy advice for 470 entrepreneurs launched in Kazakhstan in October 2019
- 100 women received individual psychological consultations and 60 entrepreneurs were consulted by lawyers
- 119 representatives of BIO successfully completed the EU Benchmarking and Networking Programmes in Italy



*Study visit of Uzbek entrepreneurs in Italy to the Fattorie Cremona*



*Ms Botagoz Toxanbaeva, a researcher at the Kazakh Research Institute for Agro-Food and Food-Processing Industries, Kazakhstan*

Ms Botagoz Toxanbaeva, a researcher at the Kazakh Research Institute for Agro-Food and Food-Processing Industries, got inspired with the idea of developing a national brand for milk products while conducting an internship in Italy as part of the AGROCOMP project. She now applies the newly acquired experience and skills in her daily work. She has teamed with her fellow researchers to submit an application to the Ministry of Agriculture for processing sheep's milk to produce semi-hard and hard cheeses under the priority area "Sustainable development of the agro-industrial complex and safety of agricultural products" for 2021-2023.

## EXPORTING KYRGYZ AND TAJIK FRUITS AND VEGETABLES



*Thanks to the CANDY project, my employees have learned a lot about the food safety certification. We are currently putting what we have learned into practice. This is how we improve the quality of our apricots. This will help to improve the image of Tajik fruit and vegetable production and promote economic development in our region.*



*Mr Daler Dustmatov,  
Director of an apricot processing company,  
Tajikistan*

**Implementation period:**  
December 2016 – December 2019  
**Total budget:** €1,474,781  
**EU Contribution:** €1,401,042  
**Countries involved:**  
Kyrgyzstan, Tajikistan

### Project title: CANDY IV – Advanced Support Programme to Central Asian Business Intermediary Organisations – Specialised and Integrated Services for Export-Oriented Food Processing SMEs

Building on the experience and results of previous projects in the food sector in Kyrgyzstan and Tajikistan, the CANDY-IV project contributed to increasing the role and competency of Central Asian BIOs as service providers for fruit and vegetable processing SMEs. Now, they can better support the food-processing SMEs on product promotion, innovative methods of production and diversification, quality improvement, international food safety standards, organic farming and principles of Fairtrade.

To this end, the project enhanced BIOs' influence on economic policies and business regulations in the food sector through the establishment of national technical groups, which

allowed to involve BIOs in the policy dialogue. The project also fostered the integration of CA countries into the global economy and trade system.

#### PROJECT ACHIEVEMENTS:

- The BIO network has grown to over 15 BIOs from Tajikistan, Kyrgyzstan, Uzbekistan and Kazakhstan and is now connected to BIOs from the European Union
- The involved BIOS improved their advice on introducing international food safety standards and improving the product quality and promotion along the value chain to SMEs and farmers by at least 60%
- 22 value chain actors (550 persons) from cooperatives, farmer groups and SMEs were enabled to introduce international standards: Global GAP, Organic
- 2 farming co-operatives passed state registration and introduced three standards into production practice: Global GAP, Organic & Fairtrade
- The Regional Working Group for Promotion of Quality and Commercial Standards of Agricultural Produce in Central Asia was established
- CANDY IV facilitated the

signing of the Memorandum of Understanding among the State Agencies for Standardization of Tajikistan, Uzbekistan and Kyrgyzstan for cooperation in promoting quality and safety standards in Central Asia

- 2 national knowledge alliances, involving 42 actors from the private sector, BIOs, and universities, were established in Kyrgyzstan and Tajikistan



Thanks to the CANDY project, our organisation has considerably strengthened its capacity – we obtained extensive knowledge and skills in food safety and quality standards and now we offer three completely new services to SMEs – introduction of FSCC 22000, introduction of GLOBALG.A.P option 2, pre-export quality inspection of agriproducts. Thanks to the project, we also expanded the geographical area of our services and now have 2 contracts with SMEs in Iran and Uzbekistan. With the new laboratory equipment, we offer a number of additional types of analysis, such as analysis of moisture content, of nitrate and nitrite, of allergens and micro toxins, etc. – such service is in high demand among agribusinesses.



Mr Mirzoravshan Qobilov,  
 Director of Public Consulting Organization “Markazildorakunii Sifat”  
 (Quality Management Centre) (MIS), Tajikistan



The Farmer, Nasriddinov Tuychiboy, after becoming a member of the cooperative on Organic and Fair-trade production and participating in practical trainings on biological protection, began to process his garden only with biological agents and thereby saved 1200 somoni per year for the purchase of chemicals.



Terkashev Farkhod from the Markhamat village of Ashtdistrict, produced apricot in accordance with the requirements of the standard of Fair trade and Organic and received a good quality product. In 2019, with the assistance of Neksigol Mushovir, Farhod exported 360 kg of his dried apricot to Germany. This was his first experience selling products to European countries.



## BOOSTING THE HOUSING MANAGEMENT SECTOR IN KAZAKHSTAN AND UZBEKISTAN



*The Pro-House project trained professionals and members of the Shanyrak Association in technologies for managing residential and non-residential property in EU countries. The Shanyrak Association has managed to unite representatives of SMEs engaged in real estate management. The Association was given the right to speak on their behalf at the Parliament and Government of the Republic of Kazakhstan. The Association won a work order from the Government of the Republic of Kazakhstan to develop legislation in the field of construction, housing and communal services. This work is financed by the World Bank.*



*Mr Saken Makhambetov, Shanyrak Association of housing sector management entities, maintenance and energy service providers.*

### **Implementation period:**

December 2016 – December 2019

**Total budget:** €826,488

**EU Contribution:** €702,515

**Countries involved:**

Kazakhstan, Uzbekistan

### Project title: “PRO HOUSE” – Professional Housing Manage- ment in Kazakhstan and Uzbek- kistan

In the context of the region's economic development, the construction sector has experienced steady growth. However, the sector needs reforms, especially on housing management, particularly when it comes to energy-saving issues, since most buildings are in urgent need for refurbishment.

The PROHOUSE project aimed to empower and strengthen private companies in the housing management sector in Kazakhstan and Uzbekistan, and also to provide high-standard maintenance of residential buildings, support and initiating energy-efficient refurbishments, and keep in constant dialogue with homeowners and homeowner associations.

The project offered training and study tours to housing managers, SMEs and

BIOs, which allowed an exchange of good practices in housing management and energy-efficient refurbishment from all stakeholders through their knowledge and experience. PROHOUSE promoted innovation in maintenance techniques, technologies and materials, and supported a political dialogue to improve the legal and institutional framework by drafting recommendations on further improvements.

### PROJECTS ACHIEVEMENTS:

- 362 people (157 women, 205 men) were trained on various subjects such as business development services, housing management, maintenance, modernization and energy efficient refurbishment, managing, financing & controlling in professional housing management companies, customer acquisition, computer & presentation skills.
- The project contributed to improve the legislation on housing management. In Uzbekistan, the Legislative Chamber adopted the Law «On the management of apartment buildings» on August 6, 2019, which was approved by the Senate on October 11, 2019. In Kazakhstan, a draft law is

examined in Mazhilis of the Parliament.

- An outreach campaign comprising of 10 events (conferences, seminars and meetings) and gathering 552 people allowed a constructive discussion between homeowners, managers, politicians, government representatives and business representatives.
- 5 international conferences were held with a total of 538 participants (169 women, 369 men). Colleagues from various countries (Armenia, Belarus, Estonia, Germany, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Tajikistan, Ukraine, Uzbekistan) took part in the conferences as speakers and experts. Thus, the Associations (BIOs) of housing managers from Central Asia have joined a network of housing managers from Eastern Europe, the Baltic countries and Germany.



Ms Rakhima Ortikova

Germany is a very energy-efficient, beautiful and developed country. Strong memories from this study visit have remained with me, and I am returning to my native Uzbekistan with better experience and knowledge in the area of housing management. I hope that we will have further co-operation with the IWO, and I wish the best of luck, clear skies and good wishes to our partners and the people of Germany.

Ms Rakhima Ortikova, Executive Director, Association of Housing Management Organisations of Uzbekistan

## A MORE DEVELOPED PRIVATE SECTOR IN TAJIKISTAN AND KYRGYZSTAN

**Implementation period:**  
March 2017–February 2020  
**Total budget:** € 1,643,835  
**EU Contribution:** € 1,499,999  
**Countries involved:**  
Kyrgyzstan, Tajikistan

**Project title:** NICE-TAK – Networking Intermediaries & Competitive Enterprises in Tajikistan and Kyrgyzstan

This project is the continuation of the projects “Handicraft and Business through Regional Integration and Fair-Trade Market” and “Tajik Women Economic Empowerment” that were successfully implemented in the previous phases.

NICE-TAK overall objective was to promote private sector development in Tajikistan and Kyrgyzstan. To achieve this goal, the project assisted local BIOs in developing their capacities of supporting the development of SMEs in three key areas: advocacy, developing needed services for SMEs and competitiveness on domestic and international markets. NICE-TAK targeted any BIOs in the two countries that have a high potential for reaching out to SMEs, witha



special on the competitiveness of the Handicraft sector.

The project created a BIO Management Academy that offers training, workshops, seminars and networking opportunities for BIOs and SMEs, but also a Business School of Design & Handicraft in three locations: Dushanbe, Khujand and Bishkek. The main goal of this school is to assist a pool of leading craft BIOs and market leaders in the development of new collections. Participants receive guidance and advice at all stages of the selected value chains and will run Schools in other cities to spread the practices and the system in the regions, enhancing the impact of the action. NICE-TAK branded regional craft by launching an initiative to gain four leading craft districts, two for each

country, the UNESCO World Craft Council's seal of Craft Cities label. The project has also been at the initiative of policy dialogue on Financial Inclusiveness.

#### PROJECT ACHIEVEMENTS:

- 254 staff from 101 BIOs trained
- 196 staff, from 61 BIOs recipients of technical assistance interventions, involved in the actions
- 10 BIOs have launched new business services, based on cluster analysis, good cooperation and networking among BIOs
- 94 bottlenecks identified in the craft industry; on 57 the expected impact assessed, finally endorsed, and the related interventions funded



## SUPPORTING EXPORTS

FROM UZBEKISTAN AND  
TURKMENISTAN

**Implementation period:**

January 2017 – June 2020

**Total budget:** € 882,352

**EU Contribution:** € 750,000

**Countries involved:**

Turkmenistan, Uzbekistan

### Project title: Strengthening Transport and logistics BIOs in Central Asia

With the increase of exports from China and the development of the new Silk Roads, Uzbekistan and Turkmenistan are at the very heart of this important route, and their Transport and Logistic companies are in a unique position to benefit from this conjuncture.

The Project supported logistics-focused BIOs and SMEs to improve their logistics supply chain, storage and distribution of goods, jobs creation and staff training, by developing the trade and investment potential of BIOs, enhancing the managerial and entrepreneurship skills of SMEs, and transferring EU experience in business development. The ultimate goal was to stimulate SME growth and expand exports in Central Asia by providing trade-related and investment promoting technical assistance.

To achieve these goals, the project

provided many training and capacity building roundtables in the region of Central Asia and in Riga, but also a study visit to Germany, where representatives of BIOs and SMEs met German experts.

#### PROJECT ACHIEVEMENTS:

- Enhanced regional economic integration of Central Asia transport and logistics sector and strengthening the trade relations with the EU
- Increased membership for participating BIOs – new SMEs joining business associations
- Improved the managerial and entrepreneurial skills of targeted SMEs working in the transport and logistics sector
- 13 training and capacity building roundtables provided
- 1 study visit to Germany

## TOURISM IN CENTRAL ASIA: DISCOVERING NATURE AND THE LOCAL POPULATIONS

**Project title:** Silk-Road CBT initiative: Connecting Central Asian Community-Based Tourism and European Markets



**Implementation period:**  
January 2020 – January 2023  
**Total budget:** €1,281,388  
**EU Contribution:** €1,089,180  
**Countries involved:**  
Kyrgyzstan, Tajikistan, Uzbekistan

Tourism is a sector of the region's future. This sector has already benefited from numerous projects in the previous phases of the CA Invest Programme that rapidly oriented its support to the development of Community-Based Tourism. Thus, based on the success of these previous projects, this new project will continue to strengthen the Community-Based Tourism (CBT) sector and its competitiveness of its SMEs until January 2023.

To achieve this, the project will offer capacity-building assistance to the Community-Based Tourism

Associations (CBTAs), so that they can operate as effective BIOs by representing and supporting SMEs and provide them with business development services, marketing, promotion, and advocacy.

The project will widen the service portfolios of BIOs and support them in developing their income-base while becoming more sustainable. Moreover, the project will work with MFIs to improve SMEs' access to finance for service upgrades.

The CBT sector growth will be reinforced through regional

cooperation and promotion of Central Asia as a regional tourism destination to the European and international tourist market. Regional cooperation will be developed across project activities, bringing together actors from across Central Asia to share knowledge and capacity building, while focusing on empowering women-led businesses and ensuring gender inclusiveness throughout the initiative.

Throughout the project, the online platform <http://visitcentralasia.org/> will be developed, strengthened, and used to share news and updates on the outputs and impact of the project.

*The accommodations of Nurmambek Dilbara, Naryn Region, Kyrgyzstan*



**PREVIOUS EU-CAI**  
FUNDED PROJECTS

# SUSTAINABLE AND ORGANIC PRODUCTS FROM KYRGYZSTAN, TAJIKISTAN AND UZBEKISTAN TO EU TABLES

Ferghana Valley, Kyrgyzstan / Pixabay

**Project title:** Expansion of Kyrgyz, Tajik and Uzbek local smallholder organic agriculture and forest-based food products to EU Markets

**Implementation period:**  
January 2020 – December 2022  
**Total budget:** € 1,100,000  
**EU Contribution:** €990,000  
**Countries involved:**  
Kyrgyzstan, Tajikistan, Uzbekistan

The project emphasizes gender equality and sustainable economic development by targeting women, youth, internally displaced persons (IDPs) and ethnic minorities through long-term stable employment.

In February 2020, a meeting took place between EU traders and Central Asian food producers to establish a list of manufacturers and their farmer and forest suppliers to kick start the three-year collaboration. The project also visited the biggest fair on organic products in the world—BIOFACH in Nuremberg. Over 3,000 exhibitors ranging from manufacturers and wholesalers to retailers and start-ups presented their innovative products. The project established new collaborations and future perspective contacts for further expansion of Central Asia products to the European Union.

In the previous CAI phases, several projects have already strengthened and enhanced capacities the BIODs and SMEs in particular in management, marketing, food quality and safety to obtain international certification and to have a better access international market. This new project aims to raise the competitiveness of SMEs in the agri-forest-food sector of Kyrgyzstan, Tajikistan and Uzbekistan through increasing the efficiency and sustainability of production and processing of food products from smallholder farming and forest

management operations.

The project will promote sustainable management of natural resources, in particular of agricultural, forest and pasture lands, through organic production practices, which reduce adverse impacts on climate change and enhance natural biodiversity compared to intensive agriculture practices. Sustainable high-quality value chains will be established for Central Asian food products to EU markets through improving collaboration and coordination

between smallholder producers, food processing and manufacturing enterprises and traders in EU markets.

To offer SMEs the best chances on local and international markets, this project, as well as previous ones, will continue to promote certification of food products in accordance with quality and hygiene standards, but will also boost the SMEs marketing capacities. Moreover, an online knowledge platform will be put in place to facilitate the entrepreneurial capacity of local smallholders.

## PROMOTING INTERNATIONAL TRADE IN THE CENTRAL ASIAN AGRICULTURAL SECTOR

### Project title:

CANDY V – Regional Integration  
and Capacity Building to  
Boost Agribusiness MSMEs  
Competitiveness and Trade  
Promotion in Central Asia

**Implementation period:**  
January 2020 – December 2022  
**Total budget:** €1,375,000  
**EU Contribution:** €1,100,000  
**Countries involved:**  
Kazakhstan, Kyrgyzstan,  
Tajikistan, Uzbekistan

In keeping with the CANDY IV project, this new project will contribute to the growth of agribusiness MSMEs (Micro, Small and Medium enterprises) in Tajikistan, Kyrgyzstan, Uzbekistan and Kazakhstan, thus fostering the integration of CA countries in the global trade. Trade facilitation can reduce costs, increase opportunities for MSMEs, and spark competitiveness, productivity, innovation and growth.

To this end, the project will consolidate capacities of the BIOs and MSMEs active in the agribusiness sector, including on food production, processing and export, commercial quality standards, food safety and

traceability, product promotion, clustering and interaction of business and education research, and knowledge management.

Capacity building assistance, workshops and study tours will be organised in order to empower at least 50 BIOs in Tajikistan, Kyrgyzstan, Uzbekistan and Kazakhstan to promote and sustainably support an enabling environment for 150 agribusiness MSMEs, focusing on the promotion of intra-regional and international trade.

In February 2020, the project's kick-off Meeting took place in Bishkek



*Kick-off Meeting in Bishkek, Kyrgyzstan, 2020*

(Kyrgyzstan) to discuss the project's expected outputs, activities, action plan, monitoring framework and indicators.

Two comprehensive capacity building workshops will be organised later this year in Almaty (Kazakhstan) and Tashkent (Uzbekistan) to improve the participants' knowledge in the field of geographical indications.

## ENHANCING THE ENGINEERING SECTOR IN KAZAKHSTAN AND UZBEKISTAN

### Project title:

Capacity building of industry associations serving engineering companies in Kazakhstan and Uzbekistan

**Implementation period:**  
December 2019 – April 2023  
**Total budget:** €1,061,002  
**EU Contribution:** €954,902  
**Countries involved:**  
Kazakhstan, Uzbekistan

The project aims to improve the capacity of industry associations to provide versatile and competitive services to engineering companies in Kazakhstan and Uzbekistan, as well as to introduce engineering certification to ensure high-quality standards in investment projects and develop SMEs' presence in new areas. The project focuses on sharing European knowledge and demonstrating the experience of international experts in the field of civil engineering to promote European and Central Asian co-operation through facilitation and transfer of high-quality European standards. For this purpose, the project will organise training courses,

certification programme to improve SMEs' competitiveness and share European experience. The European experience will also be shared during study tours in Europe, in particular to Riga (Latvia), during the first year of the project implementation.

In March 2020, the grand opening and presentation of the project was held in Tashkent (Uzbekistan). This event was attended by the target audience and stakeholders of the project, including the Ambassador Extraordinary and Plenipotentiary of the Republic of Latvia to the Republic of Uzbekistan and representatives from the European Union Delegation



*Opening of the project in Tashkent  
(Uzbekistan)*

to the Republic of Uzbekistan, SMEs, civil engineers, project partners and specialists from Latvia. Another kick-off meeting will take place in Nur-Sultan (Kazakhstan). Both events aim to establish a strong partnership involving all triple helix stakeholders responsible for civil engineers' education, certification and quality control in Central Asia.

## BOOSTING THE HOUSING MANAGEMENT SECTOR IN CENTRAL ASIA

### Project title:

“PROMHOUSE” – Promoting professional housing management in Kazakhstan and Uzbekistan

**Implementation period:**  
December 2019 – June 2023  
**Total budget:** €962,898  
**EU Contribution:** €866,609  
**Countries involved:**  
Kazakhstan, Uzbekistan

Based on the experience and achievements of the PROHOUSE project from the previous phase, the new PROMHOUSE project carries on the empowerment and reinforcement of private companies in the housing management sector. This new project is no longer limited to Kazakhstan and Uzbekistan as it covers all five Central Asian countries.

This project aims to enhance the capacities of SMEs and BIOs to represent their interests and encourage them to take an active role in housing policy decision-making processes. It also stimulates SMEs development and job creation through organisational

and institutional capacity-building assistance to BIOs.

The innovation will be supported through testing and disseminating new building and maintenance technologies, materials, and also through involvement in local networks and clusters. The project will also strengthen links and networks between European and Central Asian BIOs and local authorities.

PROMHOUSE will analyse the potential of professional housing management on the countries' economies and provide for the implementation of professional housing management, including



professional standards and staff qualifications. A new version of the Guide on housing management and energy-efficient refurbishment will be developed and published. The project will also organise training and study trips to Germany and Estonia. Moreover, in all its activities the project will promote female entrepreneurship and gender equality.

In February 2020, the first meeting of partners and a roundtable took place in Nur-Sultan (Kazakhstan). It allowed to elaborate the overall work plan for the project and the activities planned for the first year in the presence of representatives of the

Ministry of Industry and Infrastructure Development of Kazakhstan, the Kazakhstan Centre for Modernization and Development of Housing and Communal Services, the Polytechnic College, the Atameken National Chamber of Entrepreneurs of the Republic of Kazakhstan. In Uzbekistan, the Karshi Polytechnic College in Kashkadarya Province has been identified as a pilot; an agreement has already been signed with the college on work within the project. A meeting was held with representatives of the college, during which the goals and objectives of the project were discussed.

## ADVANCING SUSTAINABILITY IN THE KYRGYZ AND UZBEK ECONOMIES

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### Project title:

BOOST – Businesses and Organizations in Uzbekistan and Kyrgyzstan operate sustainably

### Implementation period:

February 2020 – February 2023

**Total budget:** €1,128,480

**EU Contribution:** €1,015,632

### Countries involved:

Kyrgyzstan, Uzbekistan

Building on the NICETAK project from the previous phase, this new project will strengthen BIOs in their capacity to offer services specifically in the area of energy efficiency as well as quality and standards of products relevant for SME growth and job creation in Uzbekistan and Kyrgyzstan. This project will focus on the textile, agri-business and food processing sectors, in which it will enhance the enabling business environment and increase the professional capacity of entrepreneurs and job seekers. In February 2020, a planning workshop with all project partners was held in Tashkent (Uzbekistan) to prepare the first annual activity plan. For 2020, the

main objective is to sensitize Kyrgyz and Uzbek SMEs and BIOs in the fields of energy efficiency and quality and standards and to train staff. In 2021, training will be organized for member companies.

## BOOSTING CENTRAL ASIA'S TEXTILE INDUSTRY THROUGH DIGITALISATION

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### Project title:

“D-TEX” – Digitalization of supply chains in the textile industry in Central Asia

### Implementation period:

January 2020 – December 2023

**Total budget:** €1,200,000

**EU Contribution:** €1,080,000

### Countries involved:

Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan

The textile sector has always been important in Central Asian countries' economy. In this region, the textile industry is on the rise. Due to international competition, however, it still lacks competitiveness that the digitalisation of the supply chain could tackle by reducing production costs. This project aims at strengthening and enhancing the potential of BIOs, reinforcing and expanding the capacities of SMEs, members of BIOs, as well as job seekers by creating a digital platform and digitalization of the textile supply chains in Central Asia. To this end, a trading ecosystem and an effective smart infrastructure for the export of goods and services

will be created, including optimized supply chains by providing all participants in international trade with a new system in the form of a constantly updated digital platform called “Digital Textile”. This digital platform will provide an opportunity for textile producers to expand their sale markets by digitally presenting their textile products and their subsequent sale. It will also lead to a reduction in production costs and an increase in turnover, which will lead to an increase in profits.

FIND OUT MORE:

Central Asia Invest website: [www.eu-cai.org](http://www.eu-cai.org)

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