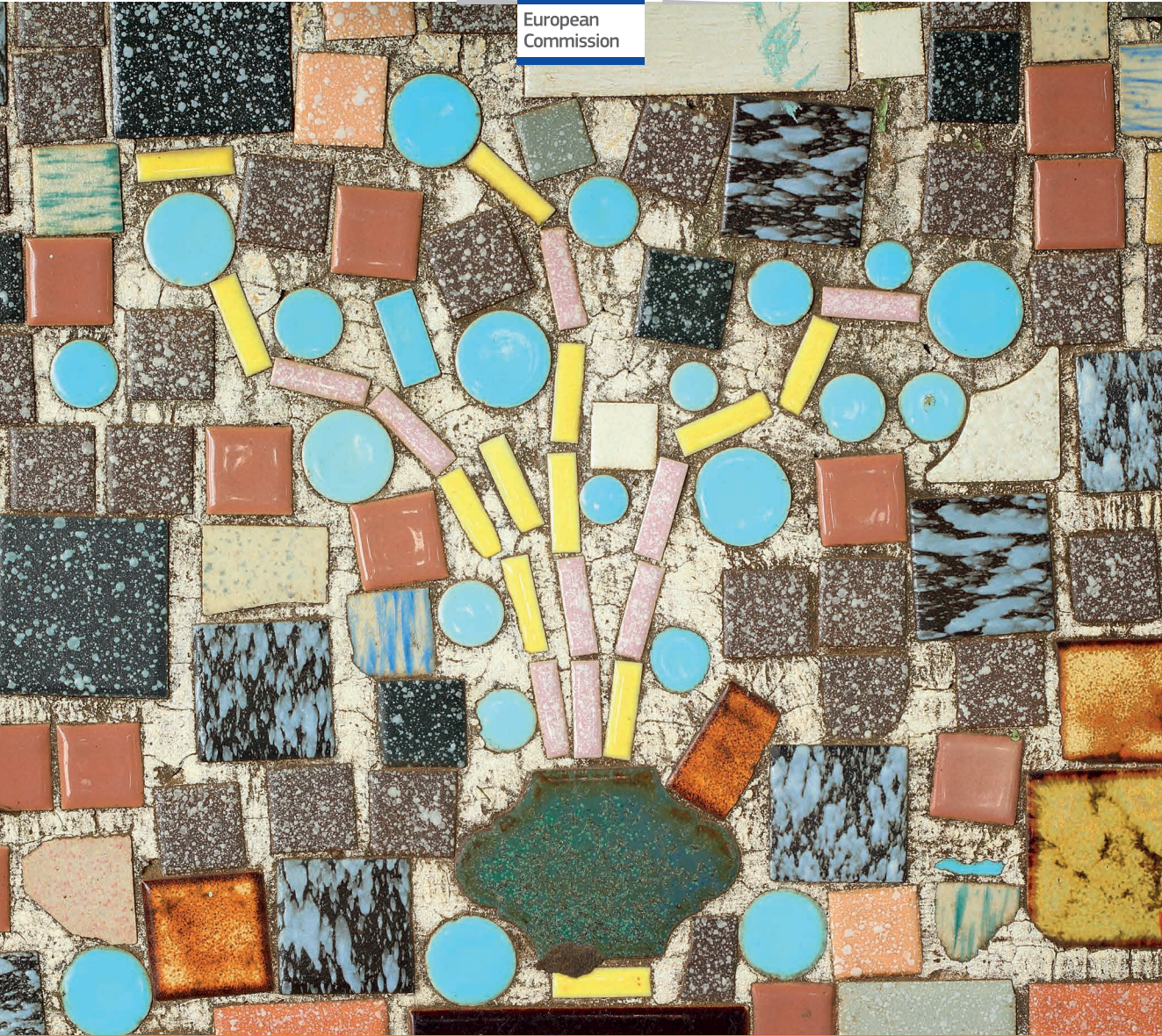




European  
Commission



# Central Asia Invest

*Boosting small business competitiveness*

International  
Cooperation and  
Development

## European Commission

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## Foreword

*The European Union's continuous enlargement to 28 countries, with a population of over 500 million, has moved its borders closer to those of Central Asia – a region comprising Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan.*

*Promoting stability and prosperity is important to both regions, as a basis for peaceful, sustainable growth. The European Union (EU) and Central Asia are both keen to deepen economic, political and cultural ties to help reach these goals.*

*Since 2007, Central Asia has been supported by the EU's Development Cooperation Instrument through national and regional programmes. One of the areas targeted is private sector development, in recognition of the potential of small and medium-sized businesses to be effective drivers for socio-economic development at a local level.*

*This brochure looks at the Central Asia Invest programme, set up in 2007 to stimulate and support Small and Medium Sized Enterprises (SMEs), and presents its achievements to date. To have as wide an impact as possible, Central Asia Invest targets Business Intermediary Organisations (BIOs), which serve as advisors and advocates for SMEs. Such organisations provide essential support to their members to enhance their competitiveness and exploit new market opportunities.*

*Central Asia Invest also recognises the importance of having an enabling policy environment. For this reason, the programme has been working with the Organisation for Economic Co-operation and Development (OECD) since 2009, making good use of 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, who wish to better understand how EU development funds are creating change in Central Asia at a very practical level.*



**Pierre Amilhat**

Director 'Asia, Central Asia, Middle East/Gulf and Pacific'  
Directorate-General for International Cooperation and Development

# CENTRAL ASIA



<b>KAZAKHSTAN</b>
Population: 17,035,275 million
GDP/capita: € 10,249
Ease of doing business: 77

<b>TURKMENISTAN</b>
Population: 5,240,072 million
GDP/capita: € 6,014
Ease of doing business: n/a

<b>UZBEKISTAN</b>
Population: 30,243,200 million
GDP/capita: € 1,414
Ease of doing business: 141

<b>TAJIKISTAN</b>
Population: 8,207,834 million
GDP/capita: € 781
Ease of doing business: 166

<b>KYRGYZSTAN</b>
Population: 5,719,600 million
GDP/capita: € 951
Ease of doing business: 102

The ease of doing business index is an index elaborated by the World Bank Group. It measures the regulatory environment and its effects on business operation using ten subindices such as starting a business, getting credit, protecting investors, registering property and others. A nation's ranking on the index is based on the average of these subindices. <http://www.doingbusiness.org/>

- Sources:**
1. World Bank 2013, World Development Indicators. <http://databank.worldbank.org/data/views/reports/tableview.aspx#>
  2. Ease of doing business <http://www.doingbusiness.org/rankings>





# Central Asia Invest

*Boosting small business competitiveness*

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## Central Asia - EU support to priorities defined in close discussions with governments

Central Asia is a vast region at the crossroads of Europe and Asia, surrounded by some of the world's largest and fastest-growing economies. Albeit covering an area almost as large as the whole EU, its five countries - Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan - have a population totalling only 65.6 Million people – about 13% of the whole EU-28 population.

Throughout its history, Central Asia maintained a role of strategic geopolitical importance because of its natural resources and position. Its importance steadily increased after the five states of the region declared their independence in 1991.

Since then the region's key economic indicators have significantly progressed, although showing unequal development

and diversity in terms of political, economic and social systems across the countries. Important issues, requiring country and regional solutions, remain unsolved; these include ensuring sustainable and inclusive growth, overcoming environmental risks and coping with the pressure of demographic growth.

Acknowledging the region's importance and its specificities, the EU has maintained close cooperation with all of the region's five countries since their independence, engaging them both at the bilateral and the regional level. EU cooperation in the region is currently guided by its 2014-2020 Strategy for Central Asia. The reform priorities set out in the respective national programmes by the Central Asian countries are broadly aligned to the EU strategy.



Since 2007, the EU cooperation with Central Asia has been mainly funded under the Development Cooperation Instrument (DCI). In the period 2007-2013, the DCI budget for Central Asia reached €660 million. The budget planned for 2014-2020 is €1,068 million.

The main objectives and priority areas of the 2007 EU Strategy for Central Asia remain pertinent. The essential elements of the strategy include:

- trade and energy links between the EU and Central Asian countries and reinforcing cooperation on security and stability, including sustainable management of natural resource;
- democratisation, respect for human rights and the rule of law;
- socio-economic development.

At the bilateral level, the EU's relations with the Central Asian states are based on the multi-annual indicative programmes. Programmes are defined through consultations at the country level, which include relevant stakeholders, the EU Member States and other donors. To achieve the greatest impact, cooperation is limited to three focal sectors per country, in line with the Paris Declaration on Aid Effectiveness.

At the regional level, two focal sectors have been identified:

- Regional Sustainable Development, with initiatives in the areas of Energy, Environment/Water, Socio-economic Development.
- Regional Security for Development, with initiatives in the areas of Integrated Border Management, Fight against Drugs and Crime. Regional Security – Rule of Law.

In particular, and in view of the fundamental importance of the socioeconomic development of the region, the Central Asia Invest (CAI) programme supports the development of the private sector in the Region through the reinforcement of the role and the capacity of Business Intermediary Organisations (BIOs) and the improvement of the business environment for SMEs, by promoting and supporting policies that strengthen competitiveness, facilitating investments and access to finance, opening new markets and reducing bureaucratic complexities.



*Networking events and conferences organised by the CAI III project "Handicraft™ and Business through Regional Integration and Fair Trade Market" along with other project activities resulted in increased sales and other tangible benefits for 4,000 craftsmen in Tajikistan and Kyrgyzstan.*



## Private sector development in Central Asia – challenges and the role of EU in overcoming them

In the past few years, all Central Asian countries have seen their economies growing rapidly. The private sector and in particular SMEs, have also experienced substantial growth and are increasingly seen by governments as crucial partners for developing further.

SMEs can react swiftly to changing market conditions, generating new employment opportunities and improving living conditions of large sectors of the population.

In order to solve existing obstacles and ensure a more balanced and sustainable development all the governments in the region have introduced reforms for diversifying the economies and encouraging entrepreneurship.

Nevertheless, the Central Asian business environment is still not very favourable for SMEs and the private sector. The obstacles include lack of access to affordable finance, high levels of taxation and a cumbersome legislative and regulatory environment. At the same time, SMEs are suffering from limited capacity that is reflected in low product competitiveness, poor marketing and difficulties in accessing new markets and expanding their businesses.

The lack of an enabling business framework and in particular, the absence of a widespread network of qualified and effective BIOs is also one of the serious obstacles. Addressing the obstacles faced by the small businesses in Central Asia requires analysis and initiatives both at



Participants of Central Asia Invest Networking Meeting, September 2014 in Dushanbe, Tajikistan



Marketing initiative group, November 2014, Dushanbe, Tajikistan. (CAI III, Development of the Fruit and Vegetable Processing Sectors in Kyrgyzstan and Tajikistan)

the macro level and the meso level. To maximise its impact the EU, with its CAI Programme, has adopted a two-pronged approach.

At the **macro level**, the EU is a major donor to the OECD Eurasia Competitiveness Programme. The activities propose reforms in the following sectors:

- Investment promotion,
- Access to finance for SMEs,
- Human Capital for financial and business services.

At the **meso level**, the Programme is enhancing the capacity of BIOs so that they can further stimulate the business sector and support enterprises. Central Asia Invest provides grants to partnerships between Central Asian and European BIOs through the launch of Call for Proposals.

The ultimate goal of the Programme is to encourage the growth and expansion of SMEs, the final beneficiaries of the Programme.

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

*It is a public or private sector operator representing SMEs. It could be a chamber of commerce, regulatory body promoting trade, investment or commercial activity, sector-specific trade, industrial and professional association (including local associations of European businesses), 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 a BIO?

*BIOs help SMEs in developing their technical and business capacity, accompany them in grabbing new opportunities or entering foreign markets, advocate on their behalf to ensure that the policy environment are supportive of SME's and the business sector, and much more.*





## Central Asia Invest Projects – Supporting the private sector

### Objectives and practice

SMEs have a key role to play in generating public revenues essential for economic, social and environmental welfare. The SME sector is crucial for transferring the benefits of economic growth to larger parts of the population through jobs creation and by providing incomes, goods and services. Furthermore, a vibrant SME sector makes an important input in advancing innovation. However, the sector can only expand if it is accompanied by a solid network of qualified BIOs supporting SMEs, lobbying and advocating on their behalf for the creation of a favourable business and political climate.

The CAI programme promotes the development of the private sector in Central Asian countries (Kazakhstan, Kyrgyz Republic, Tajikistan, Turkmenistan and Uzbekistan). The Programme approach is two-fold; it reinforces the role and the competencies of Central Asian BIOs and more broadly, sustains the improvements of the business climate in Central Asia.

The **first component** - Capacity Building for BIOs - strengthens the role and the capacity of Central Asian BIOs to provide legal, technical and economic advice, investment promotion and support for export or project management to enter new markets or expand existing ones. The component operates through multi-country grant projects implemented by partnerships of BIOs from Europe and Central Asia and covers all Central Asian countries.

By improving the capacity of BIOs and creating bridges between the governments and the private sector, the Programme contributes to the reform process moving towards a market economy, civil society development and to the reduction of poverty. The participation of BIOs in the projects allows reaching directly higher number of SMEs. 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.



CAI projects are focused on various sectors and themes. The three sectors mostly represented are tourism, handicraft and food-processing. These sectors reflect the priorities set by the programme and correspond to high-potential sectors for Central Asian economies. The themes most addressed are general support and advocacy assistance to BIOs, export activities and standards. Projects also tackled relevant cross-cutting themes such as human resources, gender and female entrepreneurship.

The **second component** - Policy Dialogue - is focused on sustaining the improvements of the business climate for SMEs and promoting economic integration in Central Asia. This component is implemented in the framework of the OECD Eurasia Competitiveness Programme - Central Asia Initiative co-financed by the EU. During Phase I, the OECD worked closely with the Central Asian authorities to identify priority policies at a regional level.

Since its start, the EU has funded the CAI Programme with €14 Million. The resources of the Capacity Building Component have been used in three successive phases and 28 projects were financed - 11 projects with €4.2 Million for CAI I; 9 projects with €4 Million for CAI II; and 8 projects with €3.8 Million for CAI III. The Policy Component has been funded with €2 Million.

## Practical Information

Central Asia Invest projects are awarded following a competitive two-step procedure, in conformity with the contract procedures for EU external actions. Firstly, a project idea is submitted and then, for those ideas which are selected, a full proposal is submitted for final approval. Eligible applicants must be non-profit-making legal entities, operating as business intermediaries representing SME's 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. They are directly responsible for the preparation and management of the project. 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 in the respective countries. More information on Central Asia Invest can be requested at:

[europaaid-ca-invest@ec.europa.eu](mailto:europaaid-ca-invest@ec.europa.eu).

### CAI grant projects – quick info:

- EU co-financing is around 85% of total eligible costs of the project
- Between 32 and 36 months duration
- At least one partner from Central Asia and at least one from Europe
- Project applicants and partners should be not-for-profit business intermediaries

**Central Asia Invest Programme**  
**3** successive phases > Capacity Building Component  
**28** projects financed  
**€14 Million**

CAI I	11 projects	> € 4.2 Million
CAI II	9 projects	> € 4 Million
CAI III	8 projects	> € 3.8 Million
Policy Component		> € 2 Million

# CENTRAL ASIA INVEST PROJECTS





## Central Asia Invest Programme - The results

The CAI programme has proved itself to be versatile and effective. It has reinforced the role of Central Asian BIOs as key actors in the SME sector in the region. It also improved the business climate for SMEs and helped regional integration among Central Asian countries.

Among additional effects of the programme, two deserve mention:

- (1) CAI has promoted female entrepreneurship and gender equality,
- (2) CAI has facilitated innovation while preserving traditions.

The section below presents a general overview of the results of the CAI programme and the two initiatives implemented by OECD.

### Support to BIOs and opportunities for BIOs and SMEs

Building the capacity of BIOs in Central Asia is a lengthy process, but CAI has reached out to viable BIOs, strengthening

their position among business and institutional actors in the respective countries, and has facilitated the creation of brand new ones.

Grant projects funded by CAI have been implemented by 21 BIOs from EU member states and 29 BIOs from all five Central Asian countries. In some cases, Central Asian BIOs have been participating in more than one project, benefiting from the exchange of experience with various EU organisations. Some of these BIOs have become stronger, passing from a “passive” participation in earlier projects to a more active one in projects from the recent call.

CAI has also supported establishing BIOs to multiply the positive effects achieved. In some cases, the new BIOs are small support bodies – for example, a business incubator; a laboratory for analysis of food products, and a centre providing support on ISO, quality and food safety.

In other cases, the Programme contributed to establishing national





*Support to women entrepreneurship-handicrafts exhibition, Osh, Kyrgyzstan February 2014 (CAI III, Handicraft and Business through Regional Integration and Fair Trade Market in Kyrgyzstan and Tajikistan)*

and regional networks representing SMEs and BIOs operating in various business sectors - for example in the handicraft sector (Union of Craftsmen in Tajikistan); in tourism (the regional Central Asia Tourism Association and the National Network of Women-run Tourism Enterprises in Kazakhstan and the Tajik Community Based Tourism Association) or agribusiness sector (setting up a Central Asia regional network of food processing SMEs/BIOs, and a pilot Farm Union in Kyrgyzstan).

CAI provided assistance to BIOs and SMEs in getting access to very important opportunities that otherwise would have not been possible – participating in a study tour to India to learn how fair trade works directly with women engaged in handicraft production; being inspired by training provided by Italian and German Design Consultants; talking one-on-one with Bulgarian colleagues from municipalities about the approaches adopted in EU countries for helping SMEs; attending the annual convention of the



*Study Tour Delegates visiting jam and preserves manufacturer Wilkins of Tiptree, UK, October 2014 (CAI III, Development of the Fruit and Vegetable Processing Sectors in Kyrgyzstan and Tajikistan)*



main international sector association and establishing direct contacts with key players; and much more.

The support also took the form of very specific advice to SMEs. For example, six Kazakh and Uzbek Transport companies have been assisted in getting ISO 9001 certification and more than 20 Kyrgyz and Tajik food processing SMEs have received support in preparing for HACCP/ISO 22000 certification.

### Improvements to the business climate

The CAI Programme has achieved remarkable results in supporting Central Asian countries improve their business climate. At the regional level, a key contribution has been ensured by the OECD, which has implemented the project “Investment and competitiveness in Central Asia”, financially supported by the EU in the framework of the CAI programme.

These results have been complemented by those of some individual projects that at the national level have dedicated resources and conducted activities directly addressing enhancement of the business climate.

The OECD initiative has promoted intra-regional trade and investments by addressing sector-specific business and policy barriers at the regional level. The initiative has been carried out in two phases. In the **first phase** (2009-2012), OECD work led to the development of a Competitiveness Outlook for Central Asia. The Outlook identified barriers to competitiveness in Central Asian economies and highlighted three major challenges where policy reforms’ focus should be put:

- 1) human capital for development;
- 2) access to finance for SMEs;
- 3) investment policy and promotion.

*Field visit to Zhelden-Ata pilot SME, 2011, Issyk-Kul, Kyrgyzstan (CAI II, Reinforcement of the role and competences of Business Intermediary Organisations to increase their capacity to support food processing SMEs in Kyrgyzstan)*



*Twofold approach - supporting both BIOs and SMEs - Poland, Study visit, September 2011 (Reinforcement of the role and competences of Business Intermediary Organizations to increase their capacity to support food processing SMEs in Kyrgyzstan)*



In the second phase (2013-2015), the OECD has developed country-specific strategies. The regional dialogue has been maintained through a peer review of competitiveness reforms designed at the country level, namely in Kyrgyzstan and Tajikistan.

Some individual projects have also actively contributed to the improvement of the business climate at the national level, by undertaking some specific activities that complemented the core ones dedicated to BIOs and SMEs. For example in Kyrgyzstan, the efforts of a project on tourism were instrumental in adopting a visa-free regime that was also extended to EU member states, significantly easing not only visits by tourists, but also visits by business people. Another important achievement was transferring the competence for the tourism sector from a Ministry to separate governmental agencies with more resources, eliminating some bureaucratic obstacles.

In Tajikistan, a law regulating the handicraft sector that tackles some of the existing hurdles has been developed and passed by the Lower Chamber of

the Tajik Parliament. Another project successfully advocated for changes in export procedures by reducing the number of documents required and consequently encouraging the export of Tajik food products.

In almost all projects BIOs have been engaging state institutions in a dialogue for improving the overall conditions in which SMEs operate. In general, a significant success of the CAI programme was that BIOs are now more respected by institutions and SMEs. The role of BIOs and their significance is now well understood and their contributions to improving the business climate are fully appreciated.

### CAI's regional dimension

Central Asia Invest has a comprehensive reach throughout all Central Asia with effects extended to the region and not only to single countries. Thus, projects, implemented under Calls I and II as national projects, have been followed up as projects with cross-border activities. All projects implemented under the Call III involve BIOs from at least two Central Asia countries (and some projects implement few activities in additional countries).





*Participants in the Forum of Young Designers, Osh, Kyrgyzstan, February 2014 (CAI III, Handicraft and Business through Regional Integration and Fair Trade Market in Kyrgyzstan and Tajikistan )*

The outcomes of the projects implemented in the framework of CAI prove that the Programme increased the confidence between the EU and Central Asian BIOs and among local BIOs. The Programme also proved to be effective in supporting the efforts of Central Asian BIOs and institutions to address relevant issues from a multinational perspective.

### **Female entrepreneurship and gender equality**

Central Asia Invest has contributed significantly to advance female entrepreneurship, women's roles in BIOs and more generally gender equality in Central Asia.

Several projects have addressed these aspects, while other projects have run activities that indirectly made a contribution. Through its projects, Central Asia Invest has supported many advocacy activities from high-profile events such as the 2014 Business Women Symposium and Farah - Best Woman Entrepreneur Award, or the round tables with Government officials focused on practical aspects linked with the role of women in the SME sector in Tajikistan and Kyrgyzstan.

CAI projects also offered hands-on support to women-run tourism businesses in Kazakhstan and Uzbekistan and to Kyrgyz and Tajik women producing different handicrafts. Numerous training events, study tours, master classes with experienced craftsmen from the region and consultants from EU countries, are examples of the very practical support which has brought tangible results.

The results are impressive – most of the Central Asian BIOs engaged with CAI have women in leading positions. The CAI projects directly assisted 34 Kazakh and Uzbek women-run tourism businesses; it helped more than 1,500 Tajik women to master the techniques for Suzani embroidery and other techniques for handicrafts development, and much more.

### **Tradition and innovation**

A minor but significant aspect is how CAI Programme has successfully blended tradition and innovation in its interventions. Projects have introduced elements of innovation in sectors such as handicraft that are naturally anchored to traditions. Kyrgyz and Tajik artisans have

*Women of all ages showed great interest in learning new design practices - Forum of Young Designers, Osh, Kyrgyzstan, February 2014 (CAI III, Handicraft and Business through Regional Integration and Fair Trade Market in Kyrgyzstan and Tajikistan)*



received suggestions from European specialists on how to improve the quality and renew the design of their products, while maintaining the characteristic combinations of colours and motif.

During the study tours, Central Asian artisans have been directly exposed to the experience of artisans from other countries. Their products can now be seen on the internet and bought on the e-shops opened with the support of the CAI programme.

However, innovation did not only touch the project focused on handicrafts, it was also introduced in other projects. It included introducing BIOs to the new concepts of fair trade and social responsibility, clustering and value chain approach and their application in the food and processing industry, in tourism and other sectors. It also included presenting how institutions, especially at local/regional level, cooperate with BIOs and SMEs to elaborate policies for developing the private sector.

*The ancient art of jewellery design in Central Asia received new impetus after advises given by European experts invited by CAI projects*







## The project “Investment and competitiveness in Central Asia” of the OECD Eurasia Competitiveness Programme

### Joining efforts to create better policies for sustainable economic development in Central Asia

The EU and the OECD have a long-standing relationship in working together to promote economic development in Central Asia. For example, the ongoing “Investment and Competitiveness in Central Asia” project involves the OECD Central Asia Initiative launched in 2008 and the Central Asia Invest Programme funded by the EU since 2007.

The Central Asia Initiative is part of the OECD Eurasia Competitiveness Programme and covers Afghanistan, Kazakhstan, Kyrgyzstan, Mongolia, Tajikistan, Turkmenistan and Uzbekistan. It shares with the governments of the region the knowledge, experience and good practices of OECD countries to create a sound business climate for investment, enhance productivity, support entrepreneurship, develop the private sector, and build knowledge-based economies. Two successive phases of the “Investment and Competitiveness in Central Asia”

project have been co-financed by the EU under the Central Asia Invest Programme. The project’s first phase included the publication of “Competitiveness Outlook for Central Asia”, which identified barriers to competitiveness in Central Asian economies and highlighted three major policy challenges:

1. the education system;
2. access to finance for small- and medium-sized enterprises;
3. investment policy and investment promotion.

As part of the second phase of the project, the OECD Central Asia Initiative has developed country-specific strategies for Kyrgyzstan and Tajikistan. Country-specific work was initiated with the government of Kyrgyzstan in 2013 and with the government of Tajikistan in 2014, and included public-private dialogue in sector-specific working groups. The second phase resulted in the publication of five Policy Handbooks that were peer reviewed at the OECD Eurasia Competitiveness Roundtable, a policy network that gathers OECD

*Supporting national and regional networks of SMEs and BIOs – Handicraft Fair, June 2011, Dushanbe, Tajikistan (CAI II, Promoting the development of the handicraft sector in Tajikistan through fair trade links and BIO networking)*

members and partner countries from the Eurasia region for knowledge sharing on the implementation of competitiveness reforms.

### Activities undertaken by the OECD Central Asia Initiative in the framework of the "Investment and Competitiveness in Central Asia" project

**Public-private dialogue.** Five dedicated working groups were established (three in Kyrgyzstan, two in Tajikistan) as fora for public-private dialogue. They met on a quarterly basis and were coordinated by the OECD to design targeted policy recommendations, with the input of experts in the relevant fields.

Working groups served as the main operational body for the project, providing the necessary data, developing the analysis and reviewing the materials produced. Project work in both countries was overseen by high-level Steering Groups, with the participation of the Deputy Prime Ministers.

*Policy advice on private sector development in Kyrgyzstan and Tajikistan by the OECD is directed at promotion of economic development in Central Asia*

**Policy advice on private sector development in Kyrgyzstan and Tajikistan was provided by the OECD team.**

- A qualitative policy assessment grid was used to assess the quality of local public policies in three competitiveness policy areas.
- Policy recommendations to improve public policies in specific pilot sectors were presented to the working groups.
- Customised private sector surveys were rolled out to validate the analysis of the country situation and the policy recommendations.

**Key project results were summarised in five Policy Handbooks.** Project results benefited from inputs from OECD and Eurasia countries and a key outcome of the project were five policy handbooks. They were drafted by the OECD with input from external experts, local policymakers, private sector representatives and partner organisations. Each handbook contains the analysis of global trends in the specific policy area at hand, the local situation and policy recommendations. The five Handbooks are listed below and are available online free of charge:

- Improving agricultural supply chain financing in the Kyrgyz Republic;
- Improving skills through public-private partnerships in the Kyrgyz agricultural sector;
- Expanding the Kyrgyz garment industry;
- Increasing Exports in Tajikistan: the Case of Agribusiness;
- Enhancing access to finance for SME development in Tajikistan.

The handbooks were peer reviewed at the OECD Eurasia Competitiveness Roundtable. Kyrgyzstan was peer reviewed at the first meeting of the Roundtable in 2013, and Tajikistan was peer reviewed at the second meeting in 2014.

Policy implementation of the recommendations will be monitored at subsequent meetings of the Roundtable.







## Central Asia Invest's networking meetings

*Participants of Central Asia Invest Networking Meeting September 2014 in Dushanbe, Tajikistan*

Among its other functions, the CAI Programme is also facilitating the dialogue on the development of private sector among EU, Central Asian BIOs and policy makers, by organising the CAI networking meetings.

These meetings are the platforms where the Programme's stakeholders exchange knowledge, share experiences and approaches to strengthening the role played by business intermediary organisations. This helps to further develop

the private sector in the region and more broadly to support the region's economic integration.

The Meetings are also an important opportunity for the EC services to receive feedback from the stakeholders. In these meetings, BIOs can directly suggest practical improvements to the Programme, contributing to enhancing its impact. Since its launch, Central Asia Invest Programme has held three networking meetings, in 2009, 2011 and 2014.

The latest event took place on 24-25th September 2014 in Dushanbe (Tajikistan). The meeting was a great opportunity to appreciate the broadness of the Programme, which involved BIOs from all Central Asian countries and reached many strategic economic sectors. More than 45 people participated, with representatives of the EU and Central Asian BIOs currently engaged in Central Asia Invest Programme, Government officials, as well as EU and OECD representatives.

The event was opened with a plenary session to present the overall programme. CAI projects showcased their activities and results using posters and individual presentations. A reflection on the Programme achievements was stimulated by the findings of the CAI Programme evaluation. OECD closed the first day by highlighting the activities and results of the project "Investment and competitiveness in Central Asia".

The focus of the second day was on how to lead the programme forward and on some practicalities related to financial rules applicable to projects. In three highly interactive workshops, participants and especially BIO representatives, provided their feedback. Participants discussed various aspects specifically relevant for SMEs development in Central Asia and their role in sustaining SMEs. During the final plenary session suggestions for possible improvements to the programme were raised and passed to the EC services for consideration.

# CENTRAL ASIA INVEST PROJECTS

		COUNTRIES INVOLVED				
PROJECT TITLE		Kazakhstan	Kyrgyzstan	Tajikistan	Turkmenistan	Uzbekistan
CALL II PROJECTS	Strengthening Tourism sector enhancing the capacity of BIOs to assist tourism – “Stre.To”					
	Intellectual property services to enterprises to support innovation and market – “CASIP-SMEs”					
	Turkmen-European advanced chamber empowerment – “TEACHER”					
	Integrated approach towards promoting Central Asian Nuts, Dried fruits and honey processing SME – “CANDY”					
	Reinforcement of the role and competences of Business Intermediary Organizations to increase their capacity to support food processing SMEs in Kyrgyzstan in the fields of HACCP, food safety, branding, marketing and international certification aimed at increasing market opportunities					
	Strengthening tourism Business Intermediary Organisations for sustainable economic development in Kyrgyzstan and Central Asia					
	Capacity building towards advancing ISO Standards and quality management in the transport & logistics sector					
	Promoting the development of the handicraft sector in Tajikistan through fair trade links and BIOs networking					
	Strengthening Central Asian - European partnership and co-operation in the fashion sector – “EURASIA-FASHION”					
CALL III PROJECTS	Uniting and strengthening community based tourism associations in Central Asia					
	Development of the Fruit and Vegetable Processing sectors in Kyrgyzstan and Tajikistan – “DFVP”					
	Economic Development in Central Asia through promotion of BIOs and SMEs in the food processing sector – “Ecodev” (with partial engagement from Kazakh and Uzbek BIOs)					
	Investments in the regions as a basis for a competitive state					
	Tajik Women Economic Empowerment – “Tweet”					
	Handicraft and business through regional integration and fair trade market					
	Creation of an extended ecological production by female handicraft cooperatives in the Kyrgyz Republic and Republic of Tajikistan; and a sustainable marketing development in countries of Central Asia, Asia and Europe					
	Strengthening Central Asia entrepreneurship ecosystem					

## CAI II, Strengthening the tourism sector enhancing BIOs' capacity to assist tourism – Stre.To (Kazakhstan, Uzbekistan)

### STRE.To - paving the road for quality tourism in Kazakhstan and Uzbekistan



Astana - Bayterek Monument

Tourism is increasingly relevant in Central Asian countries - it represents a powerful tool for economic development and employment generation. The potential of tourism is quite high for destinations such as Kazakhstan and Karakalpakstan in Northern Uzbekistan, yet so far they have mostly been visited for business purposes and hardly reached by tourists. Tourism is also an excellent entry point for women into entrepreneurship, as there are many opportunities directly and indirectly connected with tourism where women-run business can prosper, in spite of the difficulties that the private sector faces in Central Asia.

Although the potential is high and state institutions put emphasis on exploiting it, the tourism sector and the actors behind it – BIOs and tourism companies – do not have the comprehensive expertise of their counterparts from Italy, Spain and Slovenia, which have a long tradition of tourism. The project “Stre.to” has been conceived precisely to help Kazakh and Uzbek BIOs in building such expertise through a transfer of competencies and experience from the Italian Retecamere and its Spanish and Slovenian partners.

The ultimate goal was to lay good partnership relations between EU and Central Asian Partners. To reach tangible and lasting results, the project has been oriented towards the creation of a network of qualified and environmentally-friendly women-run tourism SMEs. The network has been set up along with the newly

formed tourism assistance desks within the Chambers of Kazakhstan and Uzbekistan. A specific ranking system - the “Stre.to Stars” - evaluating the level of quality and sustainability of the tourism services delivered - was also established. Various capacity building activities have been conducted during the 18 months of the project.

The staff of the Chambers, together with interested SMEs, have been attending trainings related to business development in the tourism sector, together with the quality and environmental aspects of services. “The Stre.to” Network is now up and running, associating 34 women-run small enterprises in Central Asia ready to host new tourists. The Stre.to project has opened a new road to developing tourism!

#### Djienbekova Dulfusa, Director “Massaget Nukus” Ltd

*“StreTo– opens new roads. I received useful information on tourism sector development during the project. Now I am confident that I can start my own business and welcome guests to my country appropriately.”*

#### FACTS AND FIGURES

**Project Title:**  
Strengthening Tourism sector enhancing BIOs capacity to assist tourism – StreTo

**Applicant:** Retecamere S.cons.r.l, Italy

**Partners:**  
Chamber of Commerce and Industry and Navigation of Valencia, Spain;  
Chamber of Commerce and Industry of Slovenia;  
Chamber of Commerce and Industry of Kazakhstan,  
Karakalpak;  
Administration of the Chamber of Commerce and Industry of Uzbekistan;

**Implementation Period:**  
March 2011 to August 2012

**Total value:** €529,858

**EU Contribution:** 84%

#### PROJECT ACHIEVEMENTS

- Network of 34 qualified Women-run Tourism SMEs established with rules and regulations, Network guidelines defined (handbooks published) and endorsed by respective authorities
- More than 60 people (combining representatives of tourism SMEs and Chamber of Commerce staff) trained on: marketing of tourism services, e-marketing, quality, female entrepreneurship, etc.
- Capacity of Chambers of Commerce in supporting touristic SMEs enhanced, with 29 staff member trained (with emphasis on quality and sustainability in the tourism services and female entrepreneurship) and five specific services developed
- 5 visibility events held with more than 150 participants



## CAI II, Intellectual property services to enterprises to support innovation and market – “CASIP-SME” (Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan)

### Intellectual property rights – Intangible assets for tangible results

#### FACTS AND FIGURES

**Project Title:** Intellectual Property Services to Enterprises to Support Innovation and Market (CASIP-SME)

**Applicant:** Chamber of Commerce of Venice, Italy

**Partners:** Association of the Chambers of Commerce of Veneto Region, Italy  
Public Research Centre Henri Tudor, Luxembourg  
Chamber of Commerce and Industry of Kyrgyzstan,  
Chamber of Commerce and Industry of Tajikistan, Almaty Chamber of Commerce and Industry, Kazakhstan  
Chamber of Commerce and Industry of Uzbekistan

**Implementation period:** December 2010 – April 2013

**Total value:** €586,800

**EU Contribution:** 85%

In today's global knowledge economy creativity, innovation and continuous product improvements are some of the factors behind the success of many businesses in the EU and the world. These factors contribute to building the Intellectual Property Rights (IPRs) - know-how, brands, trade patents - of the enterprises. For many EU companies, especially SMEs, the IPRs have become key intangible assets that should be used effectively to reap all possible benefits, but that should also be safeguarded.

In Central Asian countries the appreciation of the importance of IPR and capacity to protect IPR has not yet reached the same level as that in the EU. Problems with counterfeiting could further increase as the legal framework is not yet fully established. The project CASIP SMEs has provided a good contribution to bridging these gaps. Relying on the extensive experience and insight of the Applicant and its EU partners, the project has directly helped Chambers of Commerce and other offices from Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan to conduct IPR awareness activities for the benefit of SMEs. A wide array of focused workshops, six webinars and e-learning tools have been implemented. The capacity of the staff of the partners was enhanced in different aspects – franchising, patenting, IP commercialisation, protection against counterfeiting and many other topics.

Project partners put into practice the acquired know-how in a number of pilot activities targeting SMEs: Open Days, Workshops and other type of events focused on themes connected with IPR – (Franchising, coaching and tailored support for invention, Trademarks and IPR, and others) – directly implemented by Central Asia BIOs project partners for reaching SMEs. Equipped with the new set of knowledge and experience, the Central Asian partners have demonstrated a strong ownership of project outcomes, so that in the years to come the effects of their support for SMEs will be perceivable.

#### Shara Akylbaeva, Chamber of Commerce and Industry, Republic of Kazakhstan

*“It was the first EU-funded project for the Almaty Chamber of Commerce and Industry and we have a very positive impression from this project. The Chamber increased its capacity; the on-line programme for diagnosis of Intellectual Property rights in a company, created during the project, is a great instrument allowing the establishment of close ties with the business actors in Kazakhstan.*

*The seminars organised by the project helped the Chamber to be recognised by the private patent attorneys (the State Enterprise “National Institute of Intellectual Property” of the Committee for Intellectual Property Rights of the Ministry of Justice of the Republic of Kazakhstan - NIIP) and establish good working relations with the public authorities. The open days organised during the seminar proved to be very useful and we continue organising them every two months. Thanks to this innovation, our company has become a platform for exchange of opinions and discussions of the issues with respect to Intellectual Property. The project undoubtedly contributed to the convergence of entrepreneurs and those who provide services for them.”*

## PROJECT ACHIEVEMENTS

- Enhanced capacity of Central Asian partners on IPR awareness and protection through focused workshops, six webinars and other activities
- Organisation of some 20 Pilot Activities – Open Days, Workshops and other events focused on IPR-related themes – (Franchising, coaching and tailored support for invention, Trademarks and IPR, and other)
- Use and adaptation of dedicated E-learning tools and project web-site for Central Asian partners

Nurlan Musuraliev, Vice-President, Chamber of Commerce and Industry of the Kyrgyz Republic.

*“The project brought very useful results and its impact is beneficial. The project participants have learned a lot and gained useful information. The consulting companies, created as a result of this project, operate and provide services to SMEs on a wide range of issues related to Intellectual Property and Innovation”.*

## CAI II, Turkmen-European Advanced Chamber Empowerment – “TEACHER” (Turkmenistan)

### Preparing Turkmen Business Intermediary Organisations for helping SMEs

The economy in Turkmenistan is largely based on the contribution of state-owned oil & gas companies. To ensure its stability, the Government is now promoting some structural changes, developing the SME sector and widening the contribution of other sectors of the economy. In support of this Government orientation, the project “Turkmen-European Advanced Chamber Empowerment – TEACHER” has helped to improve capacity of the two most important Turkmen business intermediary organisations – the Union of Industrialists and Entrepreneurs of Turkmenistan (UIET) and the Chamber of Commerce and Industry of Turkmenistan (CCIT).



Training of Start-up Advisors. Sept., 2011. Ashgabat.

Turkmen partners benefitted directly from EU BIOS' experience. EU partners provided a full-fledged training programme and comprehensive, state-of-art support to central and local branches of the Turkmen BIOS. Project assistance was provided in defining the BIO's strategy, membership management, advocacy, and client relations. Training was organised on starting up a business and female entrepreneurship for SME advisers and advisers on export issues, and much more. The project also offered a comprehensive study tour to Austria and Germany. In regional branches of the Turkmen partners, the project has supported the establishment of specialised desks – for SMEs, start-ups, export and for female entrepreneurs. Trained Turkmen specialists now can further disseminate the new know-how. As Turkmenistan advances to promote an economy where the SMEs will play a greater role, the results of the TEACHER Project show that Turkmen BIOS are ready to bring a quality contribution.

## PROJECT ACHIEVEMENTS

- Comprehensive training programme extended to the UIET and CCIT - some 100 staff are now capable of advising SMEs and start-ups, women-run enterprises, export-oriented businesses
- Contacts established between EU and Turkmen BIOS

## FACTS AND FIGURES

**Project Title:** Turkmen-European Advanced Chamber Empowerment - TEACHER

**Applicant:** Wirtschaftskammer Österreich (Wirtschaftsförderungsinstitut), Austria

**Partners:** Union of Industrialists and Entrepreneurs of Turkmenistan, SEQUA, Germany Hilfswerk, Austria Chamber of Commerce and Industry of Turkmenistan

**Implementation period:** December 2010 to December 2012

**Total budget:** €352,000

**EC Contribution:** 85%

## CAI II, Integrated approach towards promoting Central Asian nuts, dried fruits and honey processing SME – “CANDY” (Kyrgyzstan, Tajikistan)

### *New approaches to pick new markets*

#### FACTS AND FIGURES

##### **Project Title:**

Integrated approach towards promoting Central Asian Nuts, Dried fruits and honey processing SME - CANDY

##### **Applicant:**

Hilfswerk Austria International, Austria

##### **Partners:**

Wirtschaftskammer Österreich (Wirtschaftsförderungsinstitut) WIFI, Austria National Association of Small and Medium Enterprises (NASME), Tajikistan, Association of Scientific and Technical Intelligencija, Tajikistan Association of Fruit & Vegetable Processing Enterprises, Kyrgyzstan Training and Extension System Centre (TES Centre), Kyrgyzstan

##### **Implementation**

**period:** December 2010 to December 2012

**Total value:** €586,800

**EU Contribution:** 85%

The Kyrgyz and Tajik Fruit & Vegetable (F&V) industry has traditionally oriented its sales towards the Russian market and based its competitiveness on a mix of low prices, good quality, and tradition. This approach is not functioning any more and the market niche of Kyrgyz and Tajik producers is being eroded by other countries. The EU experience shows that competitiveness is a combination of many factors. The integration of all the actors along the value chain – not only producers, wholesalers and retailers, but also specialised BIOs – is of particular importance.

Based on the analysis of the F&V industry, the project “Integrated approach towards promoting Central Asian Nuts, Dried fruits and honey processing SME - CANDY” supported introducing the new approach in the nuts, dried fruits and honey subsector. This subsector presented the highest potential for impact. The concentration of resources allowed the project to offer a comprehensive set of activities - training and capacity building actions, advocacy and awareness raising activities - achieving remarkable results.

Project training has reached an impressive number of participants, also presenting topics on safety and certifications that are quite new to the countries. Similar positive results have been achieved by the 15 awareness raising events, engaging participants from the business sector, BIOs and institutions. New solid links have been established between Kyrgyz and Tajik enterprises and BIOs, with positive effects on the competitiveness of the F&V industry of the two countries. Now, thanks to the capacity built by the project, Kyrgyz and Tajik F&V SMEs can confidently approach their markets.



*Dried fruits at Osh Bazar*

#### PROJECT ACHIEVEMENTS

- Expanded the network of specialised BIOs in Kyrgyzstan and Tajikistan – set up the International Association of Tajik producers and exporters, the Quality Management Centre (QMC), and the Central Asian Regional Network of food processing SME and BIOs (now with 15 NGOs from all Central Asian countries)
- Significant enhancement of capacity in F&V industry - implementation of 119 days of training for 900 participants with topics related to food safety and standards, marketing, sales, export, etc., 7 business plans for Tajik SMEs operating in food processing sector; Various brochures on how to export to EU, and Tajik & Kyrgyz import/export procedures for fresh and processed food



## CAI II, Reinforcement of the role and competences of Business Intermediary Organisations to increase their capacity to support food processing SMEs in Kyrgyzstan in the fields of HACCP, food safety, branding, marketing and international certification aimed at increasing market opportunities (Kyrgyzstan)

### *Adopting new standards and improving food safety in Kyrgyzstan*

Even though agriculture occupies a significant role in the economy of Kyrgyzstan, accounting for some 20% of the GDP and almost 50% of the labour force, the food processing sector is not yet well developed and is not operating effectively. Its potential is largely unexploited and constrained by many factors, including poor management practices and lack of compliance with standards and certifications. The lack of Kyrgyz BIOs capable of assisting local food processing companies is also a serious limitation.

To improve this situation, address the constraints and maximise its impact, the project “Reinforcement of the role and competences of Business Intermediary Organisations to increase their capacity to support food processing SMEs in Kyrgyzstan” has been launched under the guidance of the organisation British Expertise precisely to sustain six Kyrgyz BIOs.

The project used a twofold approach, on the one hand supporting BIOS and on the other hand SMEs. Support to BIOs consisted of capacity building and training in marketing, branding, business management, and in relevant aspects of food safety. With a cascade effect, the engaged BIOs have assisted some 50 SMEs, providing consultancy support on matters such as branding and labelling, packaging and new product development. Three pilot SMEs have been selected for specific work focussing on HACCP and marketing. The project has also trained eleven Kyrgyz trainers who are now certified in HACCP/ISO 22000. The outcomes of the project are remarkable. The improved performances of the food processing sector will result in a stronger role in the overall economy of the country and ultimately will have a direct positive impact on the quality of life and food safety of the population of Kyrgyzstan.

### FACTS AND FIGURES

**Project Title:**

Reinforcement of the role and competences of Business Intermediary Organisations to increase their capacity to support food processing SMEs in Kyrgyzstan in the fields of HACCP, food safety, branding, marketing and international certification aimed at increasing market opportunities.

**Applicant:** British Expertise, United Kingdom

**Partners:** Business Intellect Group, Kyrgyzstan

**Implementation period:** January 2011 to July 2012

**Total value:** €592,000

**EC Contribution to:** 83%

### PROJECT ACHIEVEMENTS

- Capacity of 6 BIOs enhanced in the field of HACCP and food safety, certification and branding, with clientele increasing
- Some 50 SMEs received direct benefits through the provision of Consultancy services
- 11 internationally certified Kyrgyz trainers in HACCP/ISO 22000 are available in the country for further multiplier effect



*Studying HACCP - Poland, Study visit, September 2011*

## CAI II, Strengthening tourism business intermediary organisations for sustainable economic development of Central Asia, Asia and Europe (Kyrgyzstan, Tajikistan)

### Tourism – A growing opportunity for Kyrgyzstan and Tajikistan

**Mr. Naut Kusters (Project Manager and Director of the European Centre for Eco- and Agro-Tourism, Amsterdam, Netherlands)**

*“Central Asia’s tourism potential is high and tourism could become one of the main longer-term sources of income for the local populations. I have visited this beautiful area multiple times and realise that improvements in product quality, service level, destination branding and local skills will open the doors for the region to tap further into the European tourism market.”*

Kyrgyzstan and Tajikistan have very diverse and amazing landscapes – from deserts to endless steppes, from green mountain pastures to pristine lakes and impressive peaks. Their rich cultures, traditions and heritage sites have witnessed a succession of civilisations. Such richness makes them highly attractive tourist destinations, though they are still largely unknown to EU tourists and operators.

Now, thanks to the project “Strengthening Tourism Business Intermediary Organisations”, these countries have become more accessible and more prepared to welcome new visitors. The project, implemented by the Dutch ECAT and its Kyrgyz and Tajik partners, has catalysed some major advancement in the tourism sector in Kyrgyzstan, Tajikistan and to certain extent in neighbouring Kazakhstan and Uzbekistan.

#### FACTS AND FIGURES

**Project Title:**

Strengthening Tourism Business Intermediary Organisations for Sustainable Economic Development in Kyrgyzstan and Central Asia

**Applicant:** European Centre for Ecological and Agricultural Tourism, Netherlands

**Partners:**

Kyrgyz Community Based Tourism Association, Kyrgyzstan  
Kyrgyz International Business Council, Kyrgyzstan  
Kyrgyz Association of Tour Operators, Kyrgyzstan  
Tajik Association of Tour Operators, Tajikistan

**Implementation period:** January 2011 to January 2013

**Total value:** €512,027  
**EU Contribution:** 84%

As a result, the Kyrgyz Community Based Tourism Association and other tourism BIOs have improved their organisational structure and capacity to promote their members’ interests towards governmental agencies and to network with national and international tourism service providers. These BIOs now have better-trained managers, familiar with EU tourism practices and standards and capable of applying them in their daily work.

The project has also worked with Government offices, promoting a wider discussion on tourism’s contribution to the economy and ultimately successfully advocating for a key step – abolishing the visa requirements for EU citizens visiting Kyrgyzstan. The abolition of the visa requirement has removed a major obstacle for visitors and become an example for other countries in the region.

The important results achieved by the project will reflect on the quality of the tourists’ experience visiting Kyrgyzstan and Tajikistan in the coming years. These results will also produce increasingly significant effects on the economies of these countries, diversifying them and increasing the potential of the tourism sector as one of the key economic sectors.

#### PROJECT ACHIEVEMENTS

- The Central Asia Tourism Association (CATA) established to foster cooperation among Central Asia tourism associations and tourism companies
- Improved cooperation and linkages established between Kyrgyz and Tajik Tourism BIOs with their European counterparts and tour operators
- The regulatory framework has been improved, reducing obstacles to tourism – Notably no visa requirement for EU passport holders for Kyrgyzstan, working groups on visa procedure simplification in Kazakhstan, Tajikistan and Uzbekistan

## CAI II, Capacity building towards advancing ISO standards and quality management in the transport & logistics sector (Kazakhstan, Uzbekistan)

### Connecting East and West along the new Silk Road

The increase of exports from China and the growing importance of trade for Kazakh and Uzbek economies have renewed the significance of the Silk Road for the EU economy. Kazakhstan and Uzbekistan are at the very heart of this important route and their Transport and Logistic (T&L) companies are in a unique position to benefit from this conjuncture. However, the competition with global players gets tougher. High quality, ISO-certified services are becoming crucial for local T&L companies to stay in the market - a solution that may prove to be too expensive.

The project "Capacity Building towards Advancing ISO Standards and Quality Management in the Transport & Logistics Sector", implemented by GIZ and its partners has provided concrete support for connecting trade between East and West. The project has operated on three strands:

- enhancing general awareness;
- developing the capacity of BIOs,
- providing concrete support to selected SMEs.



The workshops, business fora and study tours organised have successfully informed and engaged numerous stakeholders, developing the demand for consultancy support and also promoted partnerships between BIOs and SMEs from Kazakhstan and Uzbekistan with EU counterparts. The project support to a selected group of 16 consultants, trained to become ISO 9001 quality advisors, has built the capacity to serve local T&L companies using domestic expertise, reducing the cost for certification.

The engagement of these trained consultants in providing focused consultancy assistance to 6 Kazakh and Uzbek pilot SMEs has been a win-win scheme. It has prepared the SMEs to be ready for ISO 9001 certification and at the same time, it enabled consultants to gain the necessary practical consulting experience.

*CAI project has provided concrete support to selected SMEs in the Transport & Logistics Sector in Kazakhstan and Uzbekistan*

#### Bibigul Beisenbayeva, project trainee:

*"After gaining know-how on the ISO standards in logistics I developed my training programme dedicated to this topic and offered it on the market. Now I can be proud that I already won one project on the implementation of ISO standard in a Transportation Company from Kazakhstan. Moreover, I already organised business training for 25 participants dedicated to the topic of quality management in transportation which gives me a good starting position for my own business."*

#### PROJECT ACHIEVEMENTS

- 16 Kazakh and Uzbek trainees were certified as Quality Commissioners 13 also passed the Quality Auditor exam
- Six pilot SMEs have been successfully prepared for ISO 9001 certification and 4 of them have been certified
- Several partnerships between BIOs, businesses and academic institutions, following two Study Tours to Germany and Latvia

#### FACTS AND FIGURES

**Project Title:** Capacity Building towards Advancing ISO Standards and Quality Management in the Transport & Logistics Sector

**Applicant:** Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH (DE)

**Partners:** Chamber of Commerce and Industry of the Republic of Kazakhstan, Chamber of Commerce and Industry of Uzbekistan.

**Implementation period:** January 2011 to December 2012

**Total value:** €560,240  
**EC contribution:** 84%



## CAI II, Promoting the development of the handicraft sector in Tajikistan through fair trade links and BIO networking (Tajikistan)

*Tradition and craftsmanship go hand in hand with development.*



*Exhibition of Tajik handicrafts, June 2011, Dushanbe, Tajikistan*

EU consumers are more and more attracted by products that are not mass produced and are also ethically acceptable as reflected in the principles guiding fair trade. At the same time, fair trade outlets represent an excellent opportunity for Tajik artisans to export their culturally-rich handicrafts, accessing new EU markets and generating new income.

The combination of these elements is the starting point of the project “Promoting the development of the handicraft sector through fair trade links and BIO networking” implemented in Tajikistan by CESVI with the National Association of Small and Medium Business of Tajikistan.

Through study visits, experts’ missions and training, the project has not only raised the awareness of some 12 BIOs and more than 40 handicraft SMEs about fair trade and linked opportunities, but it also enabled the introduction in SMEs of much-needed changes in terms of business orientation, marketing and quality.

The successful organisation of four exhibitions of Tajik handicrafts registered remarkable results in terms of visitors and sales – tangible evidence of the demand for quality crafts. The joint work with the project and the results achieved, motivated four BIOs to develop a primer with their artisans - the “Tajiki” Fair-Trade collection.

The project has also worked intensively on advocacy aspects to consolidate the results and alleviate the burden of the regulatory framework. It has promoted changes in policies and regulations and proposed amendments to law related to handicraft. It has also succeeded in supporting the establishment of the Union of Craftsmen of Tajikistan – an association where craftsmen’s voice can be heard.

### FACTS AND FIGURES

**Project Title:** Promoting the development of the handicraft sector through fair trade links and BIO networking

**Applicant:** CESVI, Italy

**Partners:** National Association of Small and Medium Business of the Republic of Tajikistan, Tajikistan

**Implementation period:** From January 2011 to January 2013

**Total value:** €447,863

**EU Contribution:** 85%

### PROJECT ACHIEVEMENTS

- More than 40 SMEs and 2,000 people directly or indirectly involved in the project
- 12 Tajik BIOs capable of supporting SMEs on issues linked to fair trade, product quality and access to new markets; BIOs are also better skilled and qualified to advocate for adequate policies and regulations for the handicraft sector - 4 BIOs developed the “Tajiki” Fair-Trade collection with their artisans
- SMEs capable of producing crafts responding to changing demand and new markets – 4 exhibitions of Tajik handicrafts organised; 40% increase in sales reported
- Enhanced representations through the newly-established Union of Craftsmen of Tajikistan

## CAI II, Strengthening Central Asian - European partnership and co-operation in the fashion sector (EURASIA-FASHION) (Kazakhstan, Kyrgyzstan, Uzbekistan)

### *Helping Central Asian textiles reach new markets*

The textile and clothing (T&C) sector has a long tradition in Kazakhstan, Kyrgyzstan and Uzbekistan. Chinese records mention that cotton was grown in present-day Uzbekistan nearly two thousand years ago. In the last few years, the T&C sector in these countries has been on the rise, overcoming the difficulties faced soon after independence, but it is still facing some constraints.

The current situation of the sector is characterised by the predominance of low added value activities such as the production of textile raw material and subcontracting clothing manufacture. High added value activities such as the exports of manufactured textile goods are suffering from lack of access to international markets, low competitiveness, and inadequate marketing mixes.

The project “Strengthening Central Asian - European partnership and co-operation in the fashion sector” has addressed these constraints specifically. It has improved the capacity of BIOs to support their associates and SMEs. The project has supported BIOs in better assessing the actual potential of the T&C sector in the respective countries and at the same time it has built the capacity of the BIOs to assist T&C companies.

The capacity of BIOs has been enhanced through training. Furthermore, the project has promoted initiatives directly supporting micro and small scale companies. Direct assistance to SMEs has been provided through various workshops at which 69 representatives participated. The project has organised a brokerage event during the International Apparel Federation’s (IAF) annual convention where the 21 representatives from Central Asia had the opportunity of meeting potential buyers.

The project has successfully supported Central Asian Partners to have a more significant role in developing and influencing policies and it enabled them to source new clients using the wider IAF (International Apparel Federation) specialised networks and through the other project events.



### PROJECT ACHIEVEMENTS

- Three Central Asian BIOs improved their capacity to provide support services and orient/formulate relevant policies. Their international profile significantly improved (IAF members)
- 17 Trainers, in three BIOs (one from each target country), are now familiar with state-of-the-art technologies and trends in the T&C sector, and on how to expand businesses in the world fashion market
- Numerous business contacts established through missions of BIOs to EU, with visits to fairs and meetings with T&C companies; and a mission of Greek and Dutch enterprises to Central Asia - At least 17 companies that participated in IAF are proceeding with trading exchanges

### FACTS AND FIGURES

**Project Title:**  
Strengthening Central Asian - European partnership and co-operation in the fashion sector (EURASIA-FASHION)  
**Applicant:** Hellenic Clothing Industry Association, Greece  
**Partners:** International Apparel Federation, Holland  
Bulgarian Chamber of Commerce and Industry, Republic of Bulgaria  
Chamber of Commerce and Industry of Uzbekistan in Tashkent region, Uzbekistan  
Union of Textile Enterprises, Kyrgyzstan  
Association of Light Industry Enterprises, Kazakhstan  
**Implementation period:**  
From January 2011 to October 2012  
**Total value:** €490,000  
**EU Contribution:** 85%

## CAI III, Uniting and strengthening community-based tourism associations in Central Asia (Kyrgyzstan, Tajikistan)

*Empowering communities for developing tourism in Kyrgyzstan and Tajikistan*

### FACTS AND FIGURES

**Project Title:** Uniting and Strengthening Community-based Tourism Associations in Central Asia.

**Applicant:**

ACTED, France

**Partners:** Kyrgyz

International Business Council, Kyrgyzstan

Tajik Association of Tour Operators, Tajikistan

Kyrgyz Association of Tour Operators, Kyrgyzstan

Kyrgyzstan

Kyrgyz Community Based Tourism

Association, Kyrgyzstan

European Centre

for Eco- and Agro-Tourism (ECEAT), The

Netherlands

**Implementation period:**

January 2014

to December 2015

**Total value:** €576,102

**EU Contribution:** 85%



*Corporate Social Responsibility workshop, Bishkek, October 2014*

Harnessing the potential of Community-Based Tourism (CBT) in Tajikistan to tackle poverty and unemployment - this is the challenge the project "Uniting and Strengthening Community-based Tourism Associations in Central Asia" has been addressing successfully.

Building on the commendable experience of two previous Central Asia Invest projects and Kyrgyz experience with CBT, the project - implemented by ACTED and its partners - is empowering rural and impoverished communities to be engaged in tourism for generating new development opportunities.

To ensure a good and lasting impact, the project has created the national Tajik Community-Based Tourism Association (TCBTA) that provides advice to its members - communities and other tourist service providers - and advocates for improvements in the business environment. The project has worked not only with this umbrella association, but has provided training and other capacity building actions for CBT operators/SMEs preparing them for delivering quality services to tourists. The project has strengthened the cooperation between CBT operators within the two countries, and it has consolidated the collaboration between the TCBTA and its Kyrgyz counterpart - the KCBTA.

**Alia Kydyrmaeva, Project Manager, Kyrgyz Association of Tour Operators**

*"Development of tourism in the beautiful countries of Kyrgyzstan and Tajikistan is not a simple business; it is an activity that makes you happy and at the same time requires you to invest part of your soul. This project not only touched upon the issues related to the quality of tourist services, but also very interesting issues on ecological tourism, which allowed both countries to follow the international tourism trends. At this stage, we are developing proposals for improvements in the tourism regulatory basis in Kyrgyzstan,, which would allow us to widen the framework of our Association and improve tourism services in the whole country. These are all most interesting activities and are yet to be implemented!"*



It has created cross-border synergies promoting Central Asia tourism on the international market, as witnessed by the participation of KCBTA and TCBTA on a joint stand at the ITB Berlin tourism fair.

As the strength of the TCBTA and its members increases, so the number of tourists visiting Tajikistan will increase. Furthermore, tangible effects in terms of employment and income generation for many Tajik communities will be gained.

#### Asylbek Rajiev, Director, Kyrgyz Community Based Tourism Association

*“Through the project we were able to establish working contacts with the Tajik Tourist organisations, in particular with PECTA (Pamir Eco-Cultural Tourism Association, [www.pecta.tj](http://www.pecta.tj)), a member of TCBTA (Tajik Community Based Tourism Association, [www.cbttajikistan.tj](http://www.cbttajikistan.tj)), created during the project. As a result of our cooperation, we were able to create new tourist routes uniting Pamir and South Kyrgyzstan. We are now negotiating the promotion of the new routes and service providers with German Tour Operators.”*

#### PROJECT ACHIEVEMENTS

- The national Tajik Community Based Tourism Association (TCBTA) has been established in June 2014. It unites already existing BIOs working in the CBT and tourism-related fields
- Improved cooperation and linkages between Kyrgyz and Tajik Tourism BIOs with their European counterparts and tour operators
- Strengthened collaboration between the TCBTA and the KCBTA improving the tourism packages offer on the international market

### CAI III, Development of the fruit and vegetable processing sectors in Kyrgyzstan and Tajikistan (Kyrgyzstan, Tajikistan)

#### Spreading the taste of Kyrgyz and Tajik fruit and vegetables



*Representatives of two pilot SMEs (“Dessert”, Kyrgyzstan and “Aqua Juice”, Tajikistan) examining packaging at Fruitapeel, juice manufacturers in Wales, UK Study tour, March 2015*

The Food and Vegetable (F&V) processing sectors of Kyrgyzstan and Tajikistan are very similar. In both countries, the sector has great economic importance and also faces similar difficulties. Its further development is hindered by many obstacles – low productive efficiency, low competitiveness, lack of access to markets, to name a few.

## FACTS AND FIGURES

**Project Title:**

Development of the Fruit and Vegetable Processing Sectors in Kyrgyzstan and Tajikistan

**Applicant:** British Expertise, United Kingdom

**Partners:** Association of Fruit and Vegetable Enterprises of Kyrgyzstan, Kyrgyzstan National Association of Small and Medium Business of Tajikistan, Tajikistan

**Implementation period:** January 2014 to December 2015

**Total budget:** €588,235

**EU Contribution:** 85%

To reduce the effects of these obstacles and support the sector's renewal, British Expertise and its partners are implementing the project "Development of the Fruit and Vegetable Processing Sectors in Kyrgyzstan and Tajikistan". Taking stock of the experience gained with a previous CAI project in Kyrgyzstan, the project works with BIOs from both countries to assist F&V processing SMEs to access national, regional and international markets.

A selected group of BIOs is supported with capacity building and training on various topics - management, business tools, food safety, marketing, international certification of trainers in food safety and other activities. Qualified SMEs will receive advisory services provided by the BIOs strengthened by the project. These advisory services will centre on the practical implementation of HACCP/food safety measures and marketing strategies and on establishing and improving contacts with input suppliers for value chain development. As ancillary activities, the project is also facilitating changes in relevant elements of legislation.

As a result of the project, BIOs will be fully capable of assisting local F&V processing SMEs and advocating for better policies in favour of micro and small scale companies. Kyrgyz and Tajik SMEs will be more successful in their approaches to internal and foreign markets, profiting from the enhanced safety of their products.

## PROJECT ACHIEVEMENTS

- Up to 12 BIOs, 21 SMEs and 15 representatives of other relevant stakeholders master state-of-art food safety and marketing tools
- Improved linkages between Tajik and Kyrgyz BIOs and SMEs created through exchange visits
- Enlarged network/exposure to state-of-art know-how through participation in the UK study tour and in two international sector exhibitions in Russia and Kazakhstan

## CAI III, Economic development in Central Asia through promotion of BIOs and SMEs in the food processing sector – "EcoDev" (Kyrgyzstan, Tajikistan)

### *The fruits of Central Asia ready for EU tables*

The Fruit & Vegetable (F&V) industry is an important component of the Food Processing sector of Kyrgyzstan and Tajikistan. It is one of the most relevant in terms of employment and income generation and it is also one of the agricultural sectors of these two countries with the biggest potential for further expansion. The F&V industry has benefited extensively from Central Asia Invest support under earlier calls. Various interventions have been dedicated to strengthening the technical capacity of the SMEs and the BIOs operating in the sector, putting emphasis on the quality and safety dimensions as levers for maintaining the traditional export market - Russia.

The project "Economic Development in Central Asia through promotion of BIOs and SMEs in the food processing sector (EcoDev)" implemented by Hilfswerk and partners, is building on the effects achieved by previous interventions and focusing on the promotion of the sector's export potential for entering the EU market.



*A study tour for Tajik SMEs representatives on innovative methods of commercial horticulture and dried fruits processing visiting Turkey in the province of Malatya, June 2014*

The project has tangibly improved the business climate in the two countries by engaging Kyrgyz and Tajik institutions in joint work to introduce ameliorations to the tax and customs legislation and bringing the concrete needs of the F&V industry under the spotlight.

The project concentrated on developing the capacity and skills of BIOs to help SMEs introduce innovative methods of production and diversification, fair trade international standards, promotion of markets and many more. The project used a combination of training with the most advanced measures such as setting up a small agro product testing laboratory in Tajikistan. The pilot Fair Trade certification process for an apricot chain in Tajikistan from a Tajik cooperative of producers to processors and exporters up to two German importers has been set up.

## PROJECT ACHIEVEMENTS

- BIOs environment reinforced (Central Asian Regional Network of food processing SME and BIOs expanded to 15 NGOs from all CA countries); pilot farmer union established in South Kyrgyzstan; maintained engagement of project partners with Kyrgyz and Tajik institutions and with SMEs
- Capacity of BIOs and SMEs enhanced through Training activity (22 training days for 124 participants with topics related to food safety and standards, marketing, sales, export, etc.), preparation of 7 business plans for Tajik SMEs; drafting of various Practical guides (on how to export to EU, and Tajik & Kyrgyz import/export procedures for fresh and processed food, establishment of farmer unions & cooperatives, manuals on organic farming and fair trade principles, etc.)
- Innovative actions - Creation and operation of a food analysis Laboratory in northern Tajikistan (food export area of Fergana valley), Pilot implementation of the HACCP-concept in 2 Kyrgyz SMEs and a pilot Fair Trade certification process (FLO-CERT) for an apricot chain in Tajikistan

## FACTS AND FIGURES

**Project Title:** Economic Development in Central Asia through promotion of BIOs and SMEs in the food processing sector (EcoDev)  
**Applicant:** Hilfswerk Austria International, Austria

**Partners:** Wirtschaftskammer Österreich (Wirtschaftsförderungs-institut) WIFI, Austria Association of Scientific and Technical Intelligencija, Tajikistan, National Association of Small and Medium Enterprises (NASME), Tajikistan Association of Fruit & Vegetable Processing Enterprises, Kyrgyzstan Training and Extension System Centre (TES Centre), Kyrgyzstan

**Implementation period:** From December 2013 to December 2015

**Total budget:** €586,800  
**EU Contribution:** 85%



## CAI III, Investments in the regions as a basis for the competitive state (Kazakhstan, Uzbekistan)

*Where BIOs and SMEs thrive, regions develop better*

### FACTS AND FIGURES

**Project Title:**

Investments in the Regions as a Basis for the Competitive State

**Applicant:** ZUBR

Consulting Centre, Kazakhstan

**Partners:** Foundation

“Centre for Entrepreneurship and Executive Development”, Bulgaria  
Centre for Economic Development, Uzbekistan

**Implementation period:**

December 2013 to December 2015

**Total budget:** €492,566

**EU Contribution:** 85%

In the past few years, Kazakhstan and Uzbekistan have attributed more and more importance to the SME sector as a key element for a stable and balanced economic growth. Various policy measures have been adopted to sustain the development of the SME sector and its contribution to the economy of these countries.

At the regional level, these measures have not always achieved the impact expected, because the SME business environment is not yet fully mature. The capacity and experience of local BIOs is still not sufficient to advise SMEs and to collaborate with the institutions to create a favourable business climate that would take into account the regions’ peculiarities. Such a situation is also present in Eastern Kazakhstan and Northern Uzbekistan – where the project “Investments in the Regions as a Basis for the Competitive State” is active.

Led by the Kazakh ZUBR, with its partner CEED and Centre for Economic Development, the project is contributing to the development of the regions by implementing a wide range of activities. These include analysing challenges and trends in the activity of BIOs and local SMEs, especially of the agro-industry and food processing sectors, along with EU best practices based on Bulgarian experience.

Establishing BIOs’ networks to coordinate better their influence on regional institutions and policies and providing training and advice to strengthen SMEs are also activities of the project. The intermediate results achieved to date demonstrate that, thanks to the project, the role played by BIOs and SMEs is better understood and appreciated. At the same time, the project is also improving the quality of their contribution to raising the level of development and appeal to investors of the regions, with a positive effect on Kazakh and Uzbek economies.



*Training and advice strengthened SMEs, Training session, October 2014*

### PROJECT ACHIEVEMENTS

- Elaboration of policy briefs on International Tools and Techniques for SME Support; and analysis of opportunities and constraints to develop SMEs in Kazakhstan and Uzbekistan
- Three training sessions for BIOs with more than 70 SMEs attending
- Strengthening of the BIOs networks initiated through high-profile events in Uzbekistan and Kazakhstan and other advocacy activities

## CAI III, Tajik Women Economic Empowerment – “TWEET” (Tajikistan)

### *Empowering female entrepreneurship for a stronger economy*

All around the world, women face many obstacles when starting or running a business. It is even more so in Tajikistan, where the general economic situation is very difficult, the support from BIOs less strong, and the overall environment is more conservative than in the rest of the world. In this context, the project “TWEET - Tajik Women Economic Empowerment”, is providing a tangible contribution to improving the business environment for female entrepreneurship, creating real opportunities for development.

The project is implemented by SEQUA, assisted by the Latvian Business Womens’ Association and the Business Womens’ Association of South Kazakhstan. These three institutions have joined forces and are sharing their experience to support the Tajik partner – the National Association of Business Women in Tajikistan (NABWT) - to enhance its representativeness and capacity to serve its members. The project has successfully progressed towards achieving the two main goals - to support NAWBT becoming a stronger BIO and, connected to that, to serve business womens’ needs.

Thanks to the focused training and support in organising two high-profile business events, the NAWBT profile among Tajik BIOs has been greatly enhanced and its technical and managerial capacity significantly strengthened. Building on the work of a previous initiative, the project support to womens’ businesses has been oriented towards sustaining the production of traditional Tajik handicraft products – “Suzani” embroidery, patchwork sewing, “Ikat”.

Training for potential trainers for “Suzani” embroidery has been delivered to 28 women, and 15 other training courses on embroidery have been organised for more than 200 women. To improve the quality and design of the handicraft products, a well-known German Design Consultant conducted a 3-day training. The project has also helped the creation of a business incubator in Khujand. The project support already resulted in tripling the number of women engaged in handicraft production and the creation of three new collections. The new designs have been shown at trade fairs in Germany and Russia. To increase sales, an online shop was created and launched.



*The project support resulted in tripling the number of women engaged in handicraft production*

#### FACTS AND FIGURES

**Project Title:** Tajik Women Economic Empowerment  
**Applicant:** SEQUA, (DE)  
**Partners:** National Association of Business Women in Tajikistan, Tajikistan  
 Latvian Business Women Association, Latvia  
 Business Women Association of South Kazakhstan, Kazakhstan  
**Implementation period:** December 2013 to January 2015  
**Total budget:** €428,500  
**EC contribution:** 85%

#### PROJECT ACHIEVEMENTS

- Strengthened the capacity of Tajik craftsmen - Tripled the number of women engaged in handicraft production (now almost 400); 28 people prepared to act as master trainers and 217 women trained in embroidery
- NABWT’s profile and sustainability greatly enhanced – its income generated through service delivery has doubled since 2013 and the sales of handicrafts via NABWT increased by 40%
- A new BIO set up – Khujand Business Incubator is operational and has delivered 315 consultations on taxation, 50 individual business consultations

## CAI III, Handicraft and business through regional integration and fair trade market (Kyrgyzstan, Tajikistan)

### *Kyrgyz and Tajik craftsmen – integrating markets for new opportunities*



*Networking meeting of BIOs and artisans. December 2014, Dushanbe, Tajikistan*

In Kyrgyzstan and Tajikistan - two countries with rural-based economies, high unemployment and heavily dependent on remittances - the handicraft sector represents an alternative source of income for a large part of the population. As the experience of the project “Handicraft and Business through Regional Integration and Fair Trade Market” demonstrates, the handicraft sector is much more than an artistic activity and should be treated as a business sector in all respects. It requires specific and supportive legislative framework and the support of qualified BIOs.

The project is continuing the activities initiated under the previous project “Promoting the development of the handicraft sector in Tajikistan through fair trade links and BIO networking”, but it operates with a larger scope. Its geographic focus has been expanded to include Kyrgyzstan – where the handicraft sector is more developed, but where the fair trade dimension has not been explored yet. Collaboration with state institutions is proceeding well and both the Kyrgyz and Tajik Ministries of Economy are actively engaged through working groups in improving the legislation on handicrafts.

The cooperation with BIOs resulted in implementing several joint activities, such as exchange of visits of artisans from the two countries, participation in fairs and two study tours in Europe. The project has directly supported some 250 handicraft SMEs, organising specialised training and workshops with the participation of highly qualified Italian designers and export advisers. Thanks to the project, the profile of the Kyrgyz and Tajik handicraft sector has been significantly strengthened. Its visibility has been highly improved, resulting in increased sales and other tangible benefits for the 4,000 craftsmen involved in project activities.

#### FACTS AND FIGURES

**Project Title:** Handicraft and Business through Regional Integration and Fair Trade Market  
**Applicant:** CESVI, Italy  
**Partners:** Union of Craftsmen of Tajikistan, Tajikistan. National Association of Small and Medium Business of the Republic of Tajikistan, Tajikistan. Bishkek Business Club, Kyrgyzstan. Promofirenze, Special Agency of Florence Chamber of Commerce, Italy  
**Implementation period:** From January 2014 to January 2016  
**Total value:** €587,183  
**EU Contribution:** 85%

#### **E. Jumanov, Managing Director of Bishkek Business Club**

*“Clearly with initiatives like this you do not improve the economy of the country at once, but we help increase employment in the regions. In the regions of Kyrgyzstan, many women are busy with handicraft. They will be able to enhance their living conditions thanks to good working conditions and selling their products.”*

#### PROJECT ACHIEVEMENTS

- The role of Kyrgyz and Tajik BIOs in advocating for the handicraft sector has been firmly grounded, and is acknowledged by institutions and craftsmen
- BIOs are now capable of concretely assisting handicrafts SMEs to approach Internal and foreign markets
- High visibility of handicraft sector achieved via an International Conference focused on Regional Cooperation for promoting Central Asian Handicraft into International Markets and participation in specialised fairs in Kyrgyzstan, Tajikistan and Italy; and specialised website



### CAI III, Creation of an extended ecological production by women handicraft cooperatives in the Kyrgyz Republic and in the Republic of Tajikistan and a sustainable marketing development in countries of Central Asia, Asia and Europe (Kyrgyzstan, Tajikistan)

*Kyrgyz and Tajik handicrafts to enchant Milan EXPO 2015*



*"Heritage and Renaissance" Designer Fora were organised in Osh, Kyrgyzstan and Dushanbe, Tajikistan*

In fragile socio-economic contexts such as the mountainous areas of Kyrgyzstan and Tajikistan, female handicrafts play a vital role in sustaining the communities. By producing their handicrafts, small cooperatives preserve local traditions and culture and strengthen the links between community members. Producing handicrafts generates new jobs and provides an important economic contribution to household income, reducing the effects of unemployment and poverty.

The Italian Umbria Export, supported by its Central Asian partners, is helping 30 Kyrgyz and 6 Tajik female handicraft cooperatives to grow, reaching new markets and increasing their sales. In order to achieve these goals, the project is assisting in the quality and design of the handicrafts and in marketing and branding. In parallel, the project is promoting a new and improved legislative framework.

Two training events were organised between Italian and young Kyrgyz and Tajik designers and craftsmen to innovate the style and improve handicraft production. An Italian marketing expert has also been helping with improving marketing and branding. With project support, the cooperatives will then present their handicrafts in fairs in Central Asia as well as at

**Nurlan Musuraliev, Vice-President, Chamber of Commerce and Industry of Kyrgyz Republic**

*"Creation of female handicraft cooperatives in rural areas of Kyrgyzstan will improve the quality of life for women and their families. Women will be able to improve and apply their creative potential and at the same time to earn some extra income for their families. The ties in the community will gain new momentum, creating an atmosphere of mutual interest, support and inspiration. Furthermore, the new ties with foreign countries will be established, and opportunities for export of local products will be developed."*

#### FACTS AND FIGURES

**Project Title:** Creation of an extended ecological production by women handicraft cooperatives in the Kyrgyz Republic and the Republic of Tajikistan and a sustainable marketing development in countries of Central Asia, Asia and Europe

**Applicant:**

Umbria Export, Italy

**Partners:** Chamber of Commerce and Industry of Kyrgyzstan,

ALE – Association of Commercial and Industrial Enterprises, Kazakhstan Chamber of Commerce and Industry of Tajikistan,

**Implementation**

**period:** January 2014 to September 2015

**Total budget:** €582,354

**EC contribution:** 85%

international fairs in Italy, Germany, and Kazakhstan. Participating in these events will ensure higher visibility and increase sales. The project will even facilitate cooperatives' participation in EXPO 2015 in Milan, Italy.

To ensure tangible and lasting impact, the project supported the preparation of a draft law for the handicrafts sector in Kyrgyzstan and Tajikistan, using the Italian legislative framework as a model.

### PROJECT ACHIEVEMENTS

- Preparatory seminars in pilot regions of Kyrgyzstan and Tajikistan
- Comprehensive capacity building activities - Eight Capacity building seminars and training for staff of handicraft cooperatives on marketing and branding
- “Heritage and Renaissance” Designer Fora in Osh, Kyrgyzstan and Dushanbe, Tajikistan
- Participation in EXPO 2015, in the Milan International Handicraft Fair and in other international and regional fairs

### CAI III, Strengthening Central Asia entrepreneurship ecosystem (Kazakhstan, Uzbekistan)

#### *Strengthening BIOs for improving the private sector*

In EU Countries, the role and importance of BIOs are widely acknowledged by businesses. Some BIOs are large organisations, with highly qualified and experienced staff. In contrast, in Central Asia most BIOs are rather small, struggling to position themselves between the public and private sector and lacking the practical knowledge and insight that is normally appreciated by their members and potential clients among SMEs.

Sharing the unique competencies of its network operating in 10 countries, the Centre for Entrepreneurship and Executive Development (CEED) from Bulgaria is implementing the project “Strengthening Central Asia Entrepreneurship Ecosystem” to reinforce the BIOs' capacity, aligning it to present and future needs of the Kazakh and Uzbek private sector.

The project has delivered advanced managerial training and other capacity building support to Kazakh and Uzbek BIOs to gain innovative, entrepreneurial expertise and upgrade business supporting competencies and to acquire practical experience with the EU best entrepreneurial approaches.

The project has also provided capacity building assistance to Central Asian BIOs and SMEs in the spheres of trade and investment promotion. This assistance has been addressed in

#### **Olga, Director of an information fund, Ust-Kamengorsk, Kazakhstan**

*“The training offered by the project was different from other training as it was very practical. For example, it showed us some possible mistakes we should avoid. Thanks to this training, I believe my business will be more advanced and successful.”*

particular to SMEs in the sectors of Information and Communication Technology, Trade and Logistics, and Environment as these sectors present a high potential for further sustainable development.

Key experts and managers of the partnering BIOs in both CA countries have learned the principles of trade facilitation and business services and have understood the importance and mechanisms of export-oriented assistance as well as the delivery of assistance to member SMEs and the private sector in general.

Having trained more than 300 people, including a group of top managers and owners from leading SMEs, and put in contact businesses from EU and Central Asia, the project has given a strong push to the Private Sector in Kazakhstan and Uzbekistan.



*Tashkent Chorsu Bazar*

## FACTS AND FIGURES

**Project Title:** Strengthening Central Asia Entrepreneurship Ecosystem  
**Applicant:** Centre for Entrepreneurship and Executive Development, Bulgaria  
**Partners:** Independent Association of Entrepreneurs of the Republic of Kazakhstan, Association of Protection of Astana Entrepreneurs Rights, Kazakhstan Chamber of Commerce and Industry of Uzbekistan, Business Logistics Development Association, Uzbekistan  
**Implementation period:** January 2014 to August 2015  
**Total budget:** €588,817  
**EU Contribution:** 85%

## PROJECT ACHIEVEMENTS

- 22 training sessions with some 340 participants in representation of BIOs and SMEs
- 40 top level business managers and SME owners with high entrepreneurial management skills and responsible business attitude engaged in project activities and exchanges
- Exchange of valuable and innovative practical expertise for successful administration of BIOs, matchmaking events with European practitioners, business associations and others
- Business linkages and trade contacts established between Bulgarian, Kazakh and Uzbek enterprises



## Find out more

### ***European Union***

The Commission's Directorate-General for International Cooperation and Development (DG DEVCO) handles designing European international cooperation and development policy and delivering aid through programmes and projects across the world:

<https://ec.europa.eu/europeaid/>

The European External Action Service defines policies for actions outside the EU, such as in Central Asia: [http://eeas.europa.eu/central\\_asia/](http://eeas.europa.eu/central_asia/)

The European External Action Service is responsible for running 139 EU Delegations and Offices operating around the world, representing the European Union and its citizens globally.

There are currently four Delegations in Central Asia:

- Kazakhstan: <http://eeas.europa.eu/delegations/kazakhstan/>
- Kyrgyzstan: <http://eeas.europa.eu/delegations/kyrgyzstan/>
- Tajikistan: <http://eeas.europa.eu/delegations/tajikistan/>
- Uzbekistan: <http://eeas.europa.eu/delegations/uzbekistan/>
- In Turkmenistan, the EU is represented by a Liaison Office with a Chargé d'Affaires of the European External Action Service.

### ***OECD Eurasia Competitiveness Programme***

The Organisation for Economic Co-operation and Development (OECD) is a unique forum where governments work together to address the economic, social and environmental challenges of globalisation. The Organisation provides a setting where governments can compare policy experiences, seek answers to common problems, identify good practice and work to co-ordinate domestic and international policies.

The OECD Eurasia Competitiveness Programme, launched in 2008, helps accelerate economic reforms and improve the business climate to achieve sustainable economic growth and employment in two regions: Central Asia, and Eastern Europe and South Caucasus.

<http://www.oecd.org/globalrelations/eurasia.htm>

## **Central Asia Invest**

*Boosting small business competitiveness*

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