

Ex-Ante Evaluation (for Japanese ODA Loan)

Central Asia and the Caucasus Division

East and Central Asia and the Caucasus Department

Japan International Cooperation Agency

1. Name of the Project

- (1) Country: The Republic of Uzbekistan (hereinafter referred to as “Uzbekistan”)
- (2) Project Site / Target Area: All areas of Uzbekistan
- (3) Project: Livestock Promotion and Animal Health Enhancement Project (hereinafter referred to as “the Project”)

Loan Agreement: December 17, 2025

2. Background and Necessity of the Project

- (1) Current State and Issues of the Livestock Sector and the Priority of the Project in Uzbekistan

In Uzbekistan, demand for livestock products is increasing as the population grows. While the self-sufficiency rate exceeded 90% in 2021, by 2035 it is projected to decline to 63% for meat and 76% for milk, making expansion of domestic production an urgent priority for food security.

Although the livestock sector is a major industry accounting for about 13% of GDP (World Bank, 2022) and about 50% of agricultural output (National Statistics Committee of the Republic of Uzbekistan, 2023), productivity per head of livestock (e.g., cattle, goats/sheep, and poultry) remains low, and the sector has not fully realized its potential as an industry. In response to this situation, Uzbekistan’s “The 2022-2026 Program for the Development of the Livestock Sector and its Industries” aims to ensure stable food supply in the livestock sector, including aquaculture, primarily by improving productivity and the production volumes of corporate farms and companies. At the same time, small-scale farmers known as Dehkan currently account for more than 90% of livestock numbers and shipments of livestock products (World Bank, 2022), and it is necessary to develop the livestock sector while giving due consideration to this point.

One factor behind the low productivity in the livestock sector is that livestock farmers and related businesses face difficulty obtaining financing, which makes it hard to invest in equipment, secure highly nutritious feed, introduce improved breeds, and adopt new technologies. Factors behind the financing constraints on

the borrower side (especially for small-scale farmers) include insufficient business plans and loan application documents, the failure to keep sales records, insufficient assets to serve as collateral, and high interest rates. On the banking side, lending products for the livestock sector are limited because earnings are unstable due to livestock infectious diseases and weather impacts, resulting in a high risk of loans becoming non-performing. In addition, banks with limited experience in lending to the agriculture and livestock sectors cannot assess the sector-specific risks, which makes them reluctant to lend. Moreover, limited technical capacity in animal husbandry, feed production, and business management among livestock farmers and related businesses is another factor contributing to low productivity.

In addition, strengthening animal health is essential for the livestock sector's stable development. To prevent livestock infectious diseases and contain their spread, accurate diagnostic testing by public institutions is required; however, much of the equipment at Centers for Diagnosis of Animal Diseases and Food Safety in Uzbekistan is obsolete and dates to the Soviet era, making rapid and accurate diagnosis difficult. As a result, Uzbekistan is unable to appropriately grasp and manage outbreaks of infectious diseases in livestock, which poses risks to the efficient production and stable supply of livestock. Moreover, the food safety testing system is inadequate compared to international standards, making it challenging to provide safe livestock products and promote exports in the future.

Furthermore, gender disparities in the livestock sector are pronounced. Women account for only about 4% of registered agricultural landowners and operators, and women's roles are largely limited to milking and informal sale of surplus products, leaving few opportunities to participate in management. On the other hand, women are increasingly represented in the research and inspection institutions where the Project is considering installing equipment; taking this situation into account, expanding women's participation in the livestock sector is also an important objective.

(2) Japan's and JICA's Cooperation Policy and Operations in the Livestock Sector

Japan's Country Assistance Policy for the Republic of Uzbekistan (2022) sets "Promotion of Sustainable Economic Growth and the Elimination of Disparities" as the basic policy. In the JICA Country Analysis Paper for the Republic of Uzbekistan (March 2023), JICA identifies the "Enhancement of Industrial

Competitiveness and Job Creation” as a cooperation program to address, and within that framework, JICA positions support for sectors expected to deliver high productivity (e.g., horticulture and livestock) as one of its cooperation areas. The Project is consistent with these policy and analysis. The Project also aligns with the cluster strategy under JICA’s Global Agenda “Agriculture and Rural Development (Sustainable Food Systems),” namely “Promoting ‘One Health’ through strengthening livestock hygiene.” In addition, it falls under “Climate Change,” specifically “[Mitigation] Greenhouse gas emissions reduction and enhancement of absorption” and “[Adaptation] Building a climate change resilient society.” With respect to veterinary education and hygiene management, a country-focused training program for government officials and veterinarians has already been implemented (JFY2023).

(3) Other Donors’ Activities

The World Bank provided a \$161 million loan to improve access to financing for small-scale livestock farmers and livestock production/livestock processing companies as well as to establish a public-private system for delivering veterinary and livestock services (2017–2022). As a follow-on project, the World Bank is providing a \$240 million loan (2023–) that builds on previous efforts, expands coverage to a broader range of livestock-related businesses beyond production and processing, and gives due consideration to sustainability measures such as climate change actions. Also, the Asian Development Bank is providing a \$150 million loan for large-scale livestock farmers (2019–) and is formulating a follow-on project focused on climate change measures. The French Development Agency is providing EUR 112 million in support (2021–) to promote the livestock sector with a focus on climate change measures. The International Fund for Agricultural Development has provided \$25 million in support focused on dairy farming (2015–2023) and is considering a follow-on project.

3. Project Description

(1) Project Description

① Project Objective

The objective of the Project is to improve the access to finance for farmers and companies engaged in the livestock industry and to enhance livestock hygiene by providing Two-Step Loans, upgrading the equipment of

Republican and Regional Centers for Diagnosis of Animal Diseases and Food Safety, and providing technical support to farmers and companies, laboratories as well as Participating Financial Institutions, thereby contributing to the promotion of livestock industry and food security.

② Project Components

A) Two-Step Loans: Provision of financial resources to farmers and related businesses engaged in livestock. (Processors, logistics service providers, and companies manufacturing feed and related products are eligible. Eligible farmers are those aiming at business expansion or commercialization, not subsistence farmers.)

(a) Eligible Loans: Capital investment (purchase and installation of improved breeds, livestock-related machinery/equipment, facilities, etc.) and working capital (up to 20%)

(b) Maximum Loan Amount: \$0.5 million for micro enterprises / \$3 million for small-, medium-, and large-scale enterprises (denominated in Uzbek sum)

(c) Interest Rate: The recommended interest rate is the Refinancing Rate (policy rate of the Government of Uzbekistan) + 3.0%.

B) Procurement of equipment for the Centers for Diagnosis of Animal Diseases and Food Safety: Equipment procurement to strengthen capacity for livestock disease diagnosis and food safety testing (international competitive bidding)

(a) Sites: Republican State Center for Diagnosis of Animal Diseases and Food Safety (Tashkent) (1 site) / Regional-level Centers for Diagnosis of Animal Diseases and Food Safety (13 sites)

(b) Scope of Procurement: Microbiological analyzers, genetic analysis equipment, liquid chromatography-mass spectrometers, gas chromatography-mass spectrometers, etc.

C) Consulting Services (support for equipment procurement, support to strengthen testing capacity, support to strengthen appraisal capacity, support to strengthen production and management capacity, etc.) (Shortlist method)

③ Project Beneficiaries (Target Group)

Direct Beneficiaries: Livestock farmers and related businesses, PFIs, Centers for Diagnosis of Animal Diseases and Food Safety, etc.

Final Beneficiaries: All people in Uzbekistan who consume livestock products

(2) Estimated Project Cost

Total Project Cost: 24,508 million Yen (Japanese ODA loan: 21,368 million

Yen)

(3) Schedule

December 2025–July 2031 (68 months). The Project will be deemed completed upon completion of disbursement for items other than consulting services (July 2031).

(4) Project Implementation Structure

1) Borrower: The Republic of Uzbekistan

2) Guarantor: None

3) Executing Agency: Committee of Veterinary and Livestock Development (hereinafter referred to as the “CVLD”)

4) Operation and Maintenance System: CVLD

(5) Collaboration and Sharing of Roles with Other Donors

1) Japan’s Activity

In addition to the Uzbekistan-focused training mentioned above, a country-focused training related to Japanese ODA Loan “Improvement of Veterinary Services to Control Zoonosis and Animal Infectious Disease” is being implemented for three years (FY2025–FY2027). In coordination with equipment procurement and consulting services aimed at strengthening livestock disease diagnostic capacity, the Project will strengthen the Centers for Diagnosis of Animal Diseases and Food Safety to address key challenges in Uzbekistan’s livestock sector, and enhance production capacity through improvements in the disease diagnosis and prevention system. In addition, under the Science and Technology Research Partnership for Sustainable Development (SATREPS), “Project for Development of innovative climate resilient technologies for monitoring and controlling of water use efficiency and impact of salinization on crop productivity and livelihood in Aral Sea region” is being implemented (FY2022–FY2027). In the research toward the proper use of rangelands to be conducted under the Project as part of support for strengthening production capacity, the research outputs of the SATREPS project will be utilized.

2) Other Donors’ Activity

The Project shall avoid overlap with the activities of other Donors’ mentioned in 2.(3).

(6) Environmental and Social Consideration

1) Environmental and Social Consideration

① Category: FI

② Reason for Categorization: Sub-projects cannot be specified prior to JICA's approval for financing, and they may have environmental impacts under the JICA Guidelines for Environmental and Social Considerations (January, 2022).

③ Other/Monitoring: Under the Project, the PFIs/Executing Agency, with support from consultants hired under the Project, will categorize each sub-project in accordance with Uzbekistan's domestic legal framework and the "JICA Guidelines for Environmental and Social Considerations," and required measures for the applicable category shall be taken. No Category A subprojects are included.

(7) Cross-Sectoral Issues

1) Climate Change/Biodiversity

In its Nationally Determined Contribution (NDC) under the Paris Agreement, Uzbekistan has set a target of "reducing greenhouse gas (hereinafter "GHG") emissions per unit of GDP by 35% by 2030 compared to 2010." As the livestock sector accounts for 20% of Uzbekistan's GHG emissions, the Project, which is expected to reduce emissions in this sector, will contribute to achieving the NDC. The Project will contribute to climate change mitigation by improving production efficiency and reducing GHG emissions per unit of output through shortening the rearing period and reducing manure volumes by promoting the introduction of improved breeds and better feed, and by enhancing measures against livestock diseases; it will also contribute to climate change adaptation by developing facilities and equipment that are resilient to the negative impacts of climate change. In addition, the Project will contribute to biodiversity conservation through the proper use of rangelands, which are experiencing degradation and desertification.

2) Others

As part of its digital transformation (DX) initiatives, the Project aims to promote lending by developing an inventory of applicable DX technologies and conducting seminars. In addition, training on how to use the Veterinary Information System (VIS), which the Government of Uzbekistan is preparing to introduce, will be provided under the consulting services.

(8) Gender Category: ■ GI (S) (Gender Integrated Project)

<Details of Activities/Reason for Categorization> As a result of the gender analysis conducted in the survey, women's participation in the livestock sector is

limited, and gender-based issues were identified. In response, the Project will promote women’s participation in training for personnel at the Centers for Diagnosis of Animal Diseases and Food Safety, which are to receive equipment, and will encourage sub-loan recipients to promote women’s employment. To expand women’s participation in the livestock sector, the Project will set as indicators the number of laboratory personnel (women) who have received instruction on the use of newly introduced testing equipment and the number of newly hired women by sub-loan recipients. In addition, the Project plans to provide gender mainstreaming training for PFIs.

(9) Other Important Issues: None.

4. Targeted Outcomes

(1) Quantitative Effects

1) Outcomes (Operation and Effect Indicators)

Indicator	Baseline (Actual value in 2025)	Target (2033) [2 years after project completion]
Number of sub-loans (cases)	0	320
Number of disease diagnostic and food safety tests using ELISA/ PCR methods in public laboratories (yearly)	0	20,000
Number of laboratory staff who received training on how to use newly installed testing equipment (people)	0	110
Number of female laboratory staff who received training on how to use newly installed testing equipment (people)	0	50
Average weight per head of beef cattle farmers among end users (%)	Measured upon providing sub-loans	4
Number of end-users’ employees (people)	Measured upon providing sub-loans	1,000
Number of end-users’ female employees (people)	Measured upon providing sub-loans	320

(2) Qualitative Effects

- Improvement of PFIs’ lending capacity to the livestock sector

- Improvement of self-sufficiency in livestock products
- Improvement in food safety
- Improvement of livestock farmers' livelihoods
- Improvement of Food Security

(3) Internal Rate of Return

The IRR has not been calculated because the subprojects cannot be identified in advance.

5. External Factors and Risk Control

- (1) Preconditions: None
 (2) External Factors: None

6. Lessons Learned from Past Projects

Based on the ex-post evaluation and other sources for the Democratic Socialist Republic of Sri Lanka's "Poverty Alleviation Micro Finance Project" (evaluation year: 2008), one lesson learned is that, in order for effects to materialize, it is important not only to provide loans but to ensure thorough capacity development through various awareness-raising activities, training, advice, and other forms of support. In the Project, the subloan size as well as lending terms and conditions will be left to the judgment of each participating financial institution (PFI), making it more user-friendly for the PFIs; in addition, technical cooperation (e.g., with regard to improving livestock productivity, livestock technologies, animal health, and climate change measures) will be implemented as part of the consulting services so that end-users can make more effective use of subloans and so that synergy can be generated.

As for lessons learned regarding equipment installation, based on the ex-post evaluation and other sources for the People's Republic of China's "Public Health Project (Hebei Province)" (evaluation year: 2014), one lesson learned is that unless equipment is selected and introduced based on medium- to long-term needs, it will not continue to be utilized effectively; therefore, when selecting equipment, it is important to ensure consistency with policy and to meet needs from a medium- to long-term perspective. In the Project, in close coordination with CVLD, which is responsible for disease diagnosis in Uzbekistan, equipment will be selected after confirming consistency with Uzbekistan's policy, with a focus on equipment that can be expected to be effectively utilized over the medium to long term.

7. Evaluation Results

The Project is aligned with Uzbekistan's development issues and development policy as well as Japan's and JICA's cooperation policies and analyses, and will promote food security, industrial development, and climate change measures by improving livestock farmers' access to finance and livestock technologies. It is also expected to contribute to SDG Goals 2 (Zero Hunger), 8 (Decent Work and Economic Growth), and 13 (Climate Action). Therefore, it is highly necessary to support implementation of the Project.

8. Plan for Future Evaluation

(1) Indicators to be Used

As indicated in Section 4.

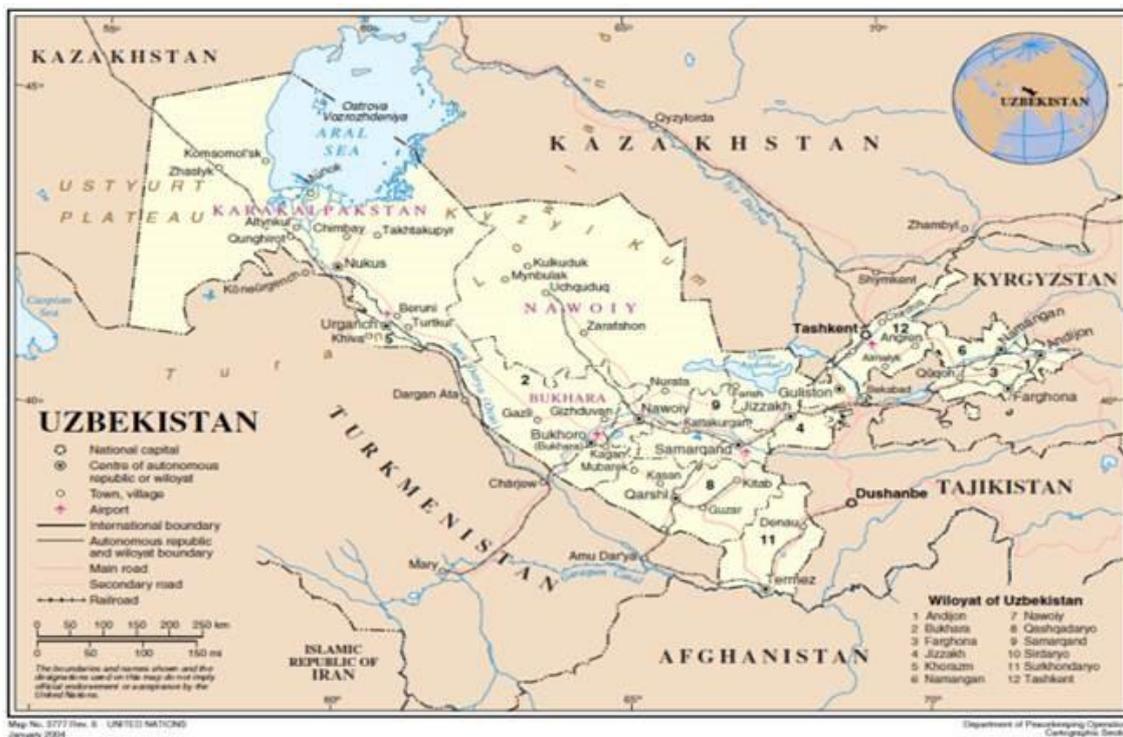
(2) Future Evaluation Schedule

Ex-post evaluation: 2 years after project completion

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Annex: Livestock Promotion and Animal Health Enhancement Project: Map

Livestock Promotion and Animal Health Enhancement Project: Map



Source: United Nation (<https://www.un.org/geospatial/content/uzbekistan>)