

Section 9. Welfare and Recreational Benefits for Technical Cooperation Experts

A variety of programs have been established for the purpose of providing cooperation experts with welfare and recreational benefits. The main benefits are described below:

- (1) **Vacation and temporary repatriation (Home leave)**
Experts on an assignment lasting at least two years (or two years and six months in some regions) may return to Japan on vacation once every two years (or two and six months in some regions).
- (2) **Personal health care travel (Recuperation leave)**
JICA subsidizes the costs of travel to a region with a better climate for health reasons in the case of experts assigned for more than one year to extreme climates or to areas where living conditions are particularly poor. JICA also provides a travel system for the control of good health of the experts assigned to higher altitude regions.
- (3) **Personal health care**
Beginning in fiscal 1987, consulting physicians and nurses were appointed to give checkups and advice on health to the cooperation experts; itinerant medical advisory teams are sent overseas, to promote the health of experts on assignment in regions where medical services and sanitary conditions are poor. During fiscal 1993, 6 teams were sent to 19 countries.
- (4) **Security program**
Primarily by JICA's overseas offices, information on peace and order situation is provided and exchanged, and regular contacts are established through "the Meeting on the Public Order Security". In regions where public security is especially poor, radiocommunication equipment is provided to enable emergency messages to be sent, and crime prevention systems is installed. To enhance the safety of its personnel, JICA stations security specialists in the countries concerned and sends teams on tours to check on and supervise security and safety measures. 14 security specialists and 3 supervising teams were stationed in or dispatched to 9 countries in fiscal 1993.
- (5) **Compensation**
All cooperation experts are in principle covered under the Workmen's Accident Compensation Insurance in the event of injury or accident (including illness) in their official capacity; they benefit from an overseas mutual aid program that provides solatia and the cost of medical treatment and convalescence, transportation, etc., in the event of injury or accident outside their official capacity.
- (6) **Improvement of living conditions**
In cases where the experts' basic living conditions are poor and their comfort is

severely impaired, supplementary efforts are made to provide facilities and equipment, for such as electricity, water, sewerage and sanitation.

For further improvement, survey on basic living conditions is being conducted. 4 survey teams were dispatched to 12 countries in fiscal 1993.

(7) "EXPERT"

To improve communication among experts on assignment, repatriated experts, and support associations in Japan, the quarterly magazine "EXPERT" is published to present experts' reports on their activities and inform readers of changes in expert-related programs.

Part II

Outline of Programs by Geographical Region

Chapter 1

Asia

Area 1: East and Southeast Asia

1. Regional Overview

- (1) East and Southeast Asia is a vast region that extends from the eastern tip of Hokkaido on the east to Pamir Knot in Central Asia on the west, and from the Timor Sea on the south to the Russian border on the north. Starting from the north, the region includes Mongolia, China, North and South Korea (Republic of Korea and Democratic People's Republic of Korea), the six ASEAN countries (Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand), the three countries of Indochina (Cambodia, Laos, and Vietnam), and Myanmar.
- (2) A region as vast as this naturally exhibits a wide diversity of climates, natural conditions, and geographical features. There is great diversity in ethnic makeup, religion, and culture, also. It is one of the most densely populated regions in the world, in part because it contains China, home to over 1.1 billion people, or some one-fifth of the world's population.
- (3) At one time this region was a focal point of tension between democracy and socialism, but following the end of the Cold War these countries' political situations and their relationships with each other have changed markedly. China, Vietnam, and Laos, while maintaining their one-party communist systems in the political realm, are moving towards economic systems grounded in market principles.

Mongolia and Cambodia have clearly abandoned their socialist political systems and are rebuilding their nations in line with the principles of democracy and a market economy. In contrast, North Korea and Myanmar continue to maintain closed political systems. Overall, relations between the countries of this region are currently good. Cooperation and collaboration between countries is occurring throughout the region as economic factors have come to take precedence over ideology.

- (4) There is great diversity in economic development, also. Per capita GDP in the countries known as the Asian NIES (newly industrializing economies), Singapore and South Korea, and in Brunei, with its bountiful supplies of natural resources, is on a par with that in industrialized countries. Malaysia, Thailand and the other ASEAN countries are also enjoying remarkable economic growth. Yet, while future growth is forecast for the three countries of Indochina, per capita GDP still hovers around \$200*, a low level reflecting the

* All dollar amounts indicated in this report are in U.S. dollars.

legacy of disruptive conflict here. Taking an overview of the countries in this region, it is possible to categorize them based on their degree of economic development as follows: i) the countries and regions referred to as NIES, ii) ASEAN countries that are thought to be on the verge of joining the ranks of the NIES, iii) countries planning their economic takeoff through the introduction of market economic systems, and iv) the remaining countries.

- (5) The Asian NIES of Singapore and South Korea have led the way in emerging from the ranks of developing countries to achieve economic takeoff through economic development strategies that involve promotion of export-oriented industrialization, foreign capital inflows, and labor-intensive industries that capitalize on their low-wage work forces. In more recent years, however, these countries economic growth has slowed and they are being overtaken by other ASEAN countries. Nevertheless, they are making a smooth transition to an industrial structure predominated by service and knowledge/technology-intensive industries, and while they may not repeat the rapid economic growth of the past, they appear to be entering a period of stable growth grounded on firm economic foundations.
- (6) Malaysia and Thailand, which are thought to be on the verge of becoming NIES, have been achieving high economic growth. Indonesia, also, is currently recording dramatic economic growth. In these countries with large forces of skilled and cheap labor, as was the case in the Asian NIES, export-oriented industrialization and the influx of foreign capital are being promoted extensively, and these are the driving forces behind economic development. For several years now these countries have not posted double-digit economic growth, as they did in the past, because of flagging demand attributable to recessions in the industrialized countries that import their goods. Still, they are achieving considerably high rates of growth, and this trend is expected to continue for some time.

With economic growth of this extent in such a short period of time, however, there is also a rapid buildup of the problems that invariably accompany growth. Over a short period of time an array of problems have rapidly become manifest: income disparities between citizens, urban overcrowding, disparities between urban and rural development, and environmental problems. These problems call for future approaches to economic development aimed at ensuring that development is sustainable and stable.

- (7) China, Vietnam, and Laos are promoting development strategies aimed at achieving economic growth by incorporating elements of market economies into their centrally-planned economic systems. Promoting this type of economic policy while firmly adhering to one-party communist rule can be expected to give rise to different problems than those in Eastern Europe and the CIS, where economic transition is also underway. China, in particular, is close to an economic takeoff, thanks to its active promotion of foreign capital inflows and export strategies. Vietnam is now in the limelight as a promising market for investment in this region and, indeed, it is experiencing a wave of foreign capital inflows.

Mongolia is also moving ahead rapidly with economic transformation. Cambodia, meanwhile, has finally taken the first steps toward rebuilding its overall political, economic, and social systems, and though there are still numerous potential sources of instability, it is expected to promote its economic transformation actively from here on.

- (8) One prominent characteristic of recent economic and social trends in this region is a rapid escalation in technology and capital movements within the region. At one time, Japan single-handedly provided technology and capital throughout the region, but now technology and capital not only from Japan but also from the Asian NIES and ASEAN countries is circulating through the region. Vigorous efforts are being made to form a regional economic zone in East and Southeast Asia, reflected in the birth of epithets such as the "Growth Triangle," the "Bahts Economic Zone," and the "Northern Triangle."
- (9) The region's remarkable economic growth in recent years has earned it the reputation of being "a center of growth for the global economy." The entire region's impact on the globe is growing phenomenally and, naturally, its voice in the international community is also growing stronger. There will be increasing calls, from here on, for the region not only to aim for its own sustainable development, but also to cooperate and contribute in a variety of ways to the development of other regions.
- (10) As one member of the East and Southeast Asian region, Japan has always maintained strong political, economic, and cultural ties with the region's other countries. Because it attaches great importance to maintaining these close relationships, Japan has been the largest donor of aid to this region since 1975, when it replaced the United States in that position. Due to the growth in this region discussed above and an increase in Japanese ODA to other regions, however, the share of Japanese aid going to this region is on the decline. Moreover, together with the region's changing needs, a growing proportion of Japanese ODA is going to technical cooperation and loan aid.

2. JICA Projects in the Region

JICA's cooperation with this region of the globe is on the largest scale in nearly every respect, including the number of types of aid, volume of spending, and the number of people involved. It is also a very aid-intensive area, since almost every one of the largest recipient countries of Japanese ODA is located in this region. It has a greater diversity of cooperation themes and areas than other regions, as well as a pronounced tendency toward increasingly high-level aid. Now the time is drawing near for JICA to consider and develop a new form of technical cooperation, for instance, to support those economically prominent countries that no longer qualify for grant aid become donor countries, or to carry out technical cooperation together with them for the nearby developing countries.

(1) Technical Cooperation

A. Training Programs

In fiscal 1993, the 4,408 trainees from this region (including both newly arrived and continuing participants as well as youth invitations) accounted for 44.4 percent of all trainees trained in Japan. By country, the most numerous group was from Indonesia (802), followed by Thailand (723), China (676), the Philippines (627) and Malaysia (576).

Training covers a wide variety of areas, from development planning to government administration, transportation and traffic control, telecommunications and broadcasting, machinery, agriculture, forestry, and fisheries, mining, energy, health care and medicine, and social welfare. In recent years, trainings related to environment and transfer to market economy are conducted to meet their needs in this region.

Third-country training programs were also conducted in ASEAN countries except Brunei to strengthen technical cooperation among these countries.

B. Youth Invitations

The youth invitation program was established in 1984 for young people from the six ASEAN countries; later, it was expanded to include other countries in the same region. In fiscal 1993, a total of 1,095 youth from Eastern and Southeastern Asia were invited to Japan: 197 from China followed by 150 from Malaysia, 149 each from Indonesia, the Philippines and Singapore, 147 from Thailand, 96 from Korea, 48 from Brunei, and 10 from Mongol.

The invited youths are mainly young workers, farmers, students, youth leaders, teachers and civil service employees, and they try to see more of life in Japan and deepen mutual understanding. The proportion of those engaged in practical business affairs was high in the group from China, while the proportion of teachers and students was especially high in the groups from Brunei, Indonesia, Korea, and Thailand, and the proportion of civil service employees was especially high in the groups from Malaysia and Singapore:

C. Dispatch of Experts

In fiscal 1993, 2,153 experts, including both new and continuing assignments, were sent to this region, that is, 48.9 percent of all Japanese experts sent abroad. Of these, 1,513 were newly assigned: 394 to Indonesia, 328 to Thailand, 270 to China, 179 to the Philippines, and 146 to Malaysia.

Most experts, 186 of them were posted in agricultural fields, followed in order, by 180 in health, 165 in transportation, 119 in manufacturing and 108 in human resources development.

D. Independent Equipment Provision

In fiscal 1993, independent equipment (i.e., equipment whose supply is unrelated to any specific project) was provided to 7 countries in this region in 16 shipments worth a total of ¥390 million; this was 21.8 percent of all equipment provided by JICA and the largest supply of equipment to any region. The equipment supplied widely includes from broadcasting and telecommunication equipment to mineral research and analysis equipment, and the equipment for waste treatment.

E. Project-type Technical Cooperation

There were 103 project-type technical cooperation projects in total carried out in this geographical area in fiscal 1993; this is 50.7 percent of all JICA project-type technical cooperation projects during the fiscal year. Of these, 26 were carried out in Thailand, 22 in Indonesia, 20 in China, 15 in the Philippines, 9 in Malaysia, 6 in Korea, 2 in Myanmar, and 1 each in Singapore, Laos and Mongolia.

Newly started project in fiscal 1993 widely range from environmental protection, to advanced education, and high developed technologies, such as computers and biotechnology to the more common areas related to the basic human needs, including agriculture, health and medical care. There are also projects continued from previous year, including radiology, trading and enterprize training, industrial standardization, reforestation, environmental disaster prevention in addition to the basic human needs related areas.

F. Development Studies

In fiscal 1993, 50 new development studies were begun in the region, bringing to 133, the total number of studies currently in progress. The main areas where such studies were carried out ranged from social infrastructure to transportation, traffic system, communication, agriculture and forestry.

(2) Grant aid

In fiscal 1993, JICA expedited the execution of 47 grant aid projects valued at ¥53,840 million in 8 countries – principally China, Indonesia, the Philippines. In the field of basic studies, this region has recently been growing emphasis on the specific development needs of each country in addition to the improvement of their basic life.

(3) JOCV Volunteers

In fiscal 1993, 191 JOCV volunteers, 18.7 percent of all assignees, were sent on new assignments to 8 countries. Malaysia received the most (42), followed by 32 to Indonesia, 29 to China and 27 to Thailand. Their areas of expertise included education and culture; agriculture,

forestry, and fisheries; equipment maintenance and operation; health and sanitation; sports; industrial processing; and civil engineering.

(4) Japan Disaster Relief Team

During fiscal 1993, emergency supplies were sent to Myanmar after fire disasters, to the Philippines after typhoon disasters, and to Indonesia after earthquake disasters. Also a rescue team was dispatched after the collapse of a building in Malaysia.

As for the provision of necessary equipment for disaster relief, the relief goods are stored beforehand at the base established in Singapore so that they are ready to be sent as soon as a request is accepted.

Chapter 2

Asia

Area 2: Southwestern Asia

1. Regional Overview

- (1) The Southwestern Asia region consists of seven countries – Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka – with about 1.1 billion inhabitants, roughly one-fifth the world's population, and diverse climates and ethnic, religious, and cultural backgrounds.

Setting aside their political differences, in December 1985 the seven countries of the region founded the SAARC, a regional conference of countries in the Southwestern Asia area, to build technical and working cooperative ties among themselves.

- (2) It is evident from the per capita GNPs of the region, which range from \$170 to \$470 according to the 1992 World Bank report, that the region is one of the poorest in the world, with four of the Least Less Developed Countries (Bangladesh, Bhutan, the Maldives, and Nepal). Almost every country in the region has chronic trade and balance of payments deficits, and many of their people depend heavily on money sent home by family members working abroad. The region's exports are mainly agricultural products, textiles, and minerals; its imports are mostly machinery and other capital goods.

The Gulf War provoked by the invasion by Iraq in Aug. 1990 into Kuwait territory has had a serious economic impact to the region of non oil producing countries. Especially, the region's economy was deeply affected by the drastic decline of the foreign currency revenues in the region due to the increase of oil price and return of the migrant workers.

- (3) Japan has traditionally had friendly relations with the countries of this region; in 1979, Japan gave the region 17.9 percent of its total ODA and became the largest ODA donor to the region. Since then Japan has always been among the three largest donors in the region. Recently, 10 percent to 20 percent of Japan's ODA has been given to this region, which ranks second only to Eastern and Southeastern Asia as a recipient; Japanese aid grew 6.5-fold from \$147 million in 1977 to \$959 million in 1993.
- (4) The predominant form of aid has changed over the years from loans made to governments, which once accounted for over 90 percent of aid to India and Pakistan, to outright grants, reflecting the presence of four Least Less Developed Countries among the region's recipients.

Japan is striving to increase its grant aid to these four Least Less Developed Countries; its cooperation focuses on economic infrastructure improvement, agricultural development, health and medical care, and other basic human needs as well as human resource development. Though its technical cooperation also focuses on basic human needs, little of Japan's ODA has normally taken the form of technical cooperation because few such requests have been received so far from countries in the region. Japan holds annual economic and technical cooperation consultations with India, Pakistan, Bangladesh, and, beginning in fiscal 1989, with Sri Lanka; at every opportunity, it conducts a dialogue on policy with interested countries and endeavors continually to implement carefully thought-out aid tailored to the needs in the economic and social development plans of recipient countries.

2. JICA Projects in the Region

JICA's cooperation with the region costs ¥9,925 million in fiscal 1993, 7.4 percent of its total budget. The main areas of cooperation are basic human needs and social infrastructure improvement. JICA is also carrying out cooperative projects in cooperation with international organizations regarding flood control in Bangladesh, etc.

(1) Technical Cooperation

A. Training Programs

In fiscal 1993, the 977 participants (including the Youth Invitation Programs) from this region (including both newly arrived and continuing participants) accounted for 9.8 percent of all participants trained in Japan. By country, the most numerous group was from Sri Lanka (233), followed by Bangladesh (183), Pakistan (173), Nepal (157), and India (152).

B. Dispatch of Experts

In fiscal 1993, 341 experts (including both newly assigned and continuing experts) – that is, 7.7 percent of all Japanese experts sent to this region. 98 newly assigned experts were sent to Nepal, 42 to Sri Lanka, 40 to Bangladesh, 38 to Pakistan, and 29 to India; their areas of expertise were health and medical care in the case of the majority (93), followed by agriculture, transportation, and development planning in that order.

C. Independent Equipment Provision

In fiscal 1993, equipment totaling ¥135 million in value (5 cases) was sent on occasions to this region; this was 7.5 percent of equipment provided by JICA in this category. The provided materials ranged widely from instructional materials for a car maintenance, to equipment for

technical training, to equipment for traffic control, and to equipment for testing construction materials.

D. Project-type Technical Cooperation

Project-type technical cooperation in 1993 was carried out in 16 projects in the region, nearly 7.9 percent of all JICA aid of this type. 7 of these projects took place in Nepal, 3 in Pakistan, and 2 each in Sri Lanka, Bangladesh and India. The fields in which cooperation took place included agriculture, forestry and fisheries, and health and medical care, as well as public works and utilities.

E. Development Studies

In fiscal 1993, 6 new development studies were carried out in the region, totaling 20 including continuing studies from the previous year. In India, the fields of mining and industry and economic infrastructure, and in Bangladesh, agriculture and social and economic infrastructure improvement such as for flood control devices were the main areas of cooperation, in Pakistan, agriculture such as for irrigation, and in Sri Lanka, agriculture and industry were the main fields of cooperation; in general, a large proportion of study work was done in public works and public utilities.

(2) Grant aid

In fiscal 1993, JICA expedited the execution of 40 grant aid projects valued at ¥34,650 million in 7 countries. 11 grant aid provisions were made to Nepal, 8 to Pakistan, 7 to Sri Lanka, and 4 to Bangladesh.

(3) JOCV Volunteers

During fiscal 1993, 96 JOCV volunteers, 9.4 percent of the total, were sent on new assignments to 5 countries in the region: 30 were sent to Bangladesh, 30 to Sri Lanka, 16 to Nepal, 11 to Bhutan, and 9 to Maldives. The areas of cooperation they covered included education and culture; agriculture, forestry, and fisheries; equipment maintenance and operation of machinery; health and sanitation; sports; industrial processing; and civil engineering.

(4) Japan Disaster Relief Team

Emergency aid was provided to Nepal after a heavy rain and to India after a serious earthquake.

Chapter 3

The Middle East

1. Regional Overview

- (1) A vast grouping of 21 countries, Afghanistan in the East, to Morocco in the West, from Sudan in the South to Turkey in the North. Important geographically as the crossroads of Asia, Africa, and Europe, it is important economically as the home of 70 percent of the world's confirmed oil reserves and the source of 50 percent of the world's oil exports.
- (2) Most of the region is arid, though there are areas of high humidity along the coast of the Red Sea, Mediterranean climates along the coast of that body of water, and an alpine climate in the mountains of Yemen.

Ethnically speaking, 17 of the 21 countries in this region are Arab, the remaining four non-Arab countries being Afghanistan, Iran, Turkey, and Israel. The Middle-Eastern region is known as the birthplace of the Muslim, Jewish, and Christian religions.

Politically, there are republics, Egypt and Iraq, on the one hand and kingdoms and emirates, including Saudi Arabia, Morocco, and the Gulf states, on the other. Economically, the wealth spectrum extends from countries rich in oil and natural gas, like Saudi Arabia, Gulf states, Libya and Algeria, to countries whose lack of resources places them among the poorest in the world.

The Middle-Eastern region has extremely strong ties to Europe, having historically been under the influence of such European powers as Britain and France.

- (3) The Middle-Eastern region is confronted with the problems of the Palestinians, Lebanon, and Afghanistan, and their impact on the world economy and even on world peace and stability have made these problems one of the main focal points of international politics.
- (4) At the Madrid Peace Conference in October 1991, all parties involved in the Arab-Israeli conflict were brought together under the same roof in order to solve Palestine issues.

Subsequently, on September 13, 1993, a Declaration of Principles on Interim Self-Government Arrangements was agreed upon by the Israeli government and the Palestine Liberation Organization (PLO). The accord calls for interim self-government by Palestinians of the Gaza Strip and the West Bank of the Jordan River (the region centered around Jericho), which has been occupied by Israel since the Third Middle East War in 1967.

- (5) Relations between Israel and Jordan also improved significantly; the two governments made a declaration of peace in the United States on July 25, 1994, and concluded a bilateral economic pact on August 16.

2. JICA Projects in the Region

During 1993, JICA expenditures on cooperation with this region totaled ¥10.02 billion, 7.5 percent of the JICA cooperation budget. The main recipients of this aid were Egypt (¥1.95 billion, 19.5 percent), Turkey (¥1.62 billion, 16.1 percent), Morocco (¥1.07 billion, 10.7 percent) and Tunisia (¥0.69 billion, 6.9%), with the remainder of the funds distributed among other countries. Many of the countries in the Middle-Eastern region are at comparatively high stages of development, so aid tends to concentrate on infrastructure and other public works areas. Japan does not recognize the current government of Afghanistan and therefore provides the country with no official aid. It has frozen its aid to Iraq as part of the economic sanctions adopted in the wake of that country's August 1990 invasion of Kuwait. In January 1993, JICA also froze its cooperation and closed its office in the Sudan in protest at executions without trial and other gross violations of human rights.

JICA is also cooperating with the working groups on the environment, water resources and economic development in connection with the Middle East Peace discussions.

(1) Technical Cooperation

A. Training Programs

In fiscal 1993, 667 participants from this region (including both newly arrived and continuing ones) accounted for 6.7 percent of all participants trained in Japan. This regional contingent is the fourth largest, after Asia, Africa, and Latin America. By country, the most numerous group was from Egypt (170), followed by Turkey (98), Iran (66), and Saudi Arabia (60). JICA conducted Third-country Training programs in Egypt for seamen, nurses, rice cultivators, and welding technicians, and a seminar on earthquake observations. JICA also conducted a Third-country Training in Jordan on electrical training and system engineering, and total of 128 participated in those programs from Algeria, Sudan and other countries in Africa.

JICA is also providing training in connection with the working group on the environment as part of the Middle East peace discussions.

B. Dispatch of Experts

JICA sent 344 experts to this region during fiscal 1993 (including both newly assigned and continuing ones), 7.8 percent of all Japanese experts sent abroad. 56 of these experts went to Egypt, 27 to Saudi Arabia, 14 to Oman, 11 each to Morocco and Iran.

C. Independent Equipment Provision

In fiscal 1993, a total of ¥181 million was provided in 9 shipments to the Middle East region. ¥53 million was directed to Turkey, ¥47 million to Syria, ¥40 million to Jordan, and ¥17 million to Tunisia.

D. Project-type Technical Cooperation

Project-type technical cooperation carried out in fiscal 1993 in the Middle East region involved 18 projects in 10 countries: Iran, Jordan, Saudi Arabia, Tunisia, Oman, Turkey, Yemen, Algeria, Egypt and Morocco. The areas covered included health and medical care, agriculture, fisheries, and human resources.

E. Development Studies

In fiscal 1993, 25 development studies were carried out in the region; of these 6 were carried out in Turkey, 4 each in Egypt, and Tunisia, and 3 each in Iran and Oman, and 2 in Morocco. The areas covered included 5 projects of mining and industry, 3 of energy, agriculture, social infrastructure and others.

(2) Grant Aid

In fiscal 1993, a total of ¥20,290 million yen was granted to 7 projects in Egypt, 6 in Yemen, 3 in Syria, and 2 each in Sudan and Morocco. 7 basic design studies were carried out by JICA.

(3) JOCV Volunteers

In fiscal 1993, 89 volunteers were newly sent to 5 countries in the region. Morocco received 35 volunteers, Syria 17, Jordan 16, Yemen 14 and Tunisia 7. The dispatch of volunteers to the Sudan was stopped in January 1993.

(4) Japan Disaster Relief Team

In March 1993, emergency supply (tents and blankets) was sent to Iran after the flood disaster.

Chapter 4

Africa

1. Regional Overview

- (1) The African Region is defined as Subsaharan Africa excluding Sudan and the Republic of South Africa. Some 21.78 million square kilometers in area, it comprises of 46 countries (as Eritoria became an independent state from Ethiopia), most of which are still developing.

32 of the world's 47 least less-developed countries are located here according to UN statistics as of September 1993. According to DAC category, 41 out of 71 countries ranked as "low-income countries" are located in this region. Only 8 countries have per-capita GNP of more than \$1,000 in this region.

- (2) When most of the African countries achieved independence during the sixties, they were blessed with a favorable international economic climate that made it possible for industrialized countries to grant them aid and helped them achieve steady growth. But despite the continued expansion in aid, most of them are now stagnant economically. Much of this must be attributed to the problems of the African countries themselves, although changes in the international economic climate are also to blame. Slumping production over the last ten years has lowered per-capita national incomes, created perennial famines, and aggravated the deterioration of the environment. With their economies now achieving little or no growth, many countries find themselves hard pressed to service their past debts.
- (3) In light of these economic difficulties, international institutions and DAC-member countries have reached an agreement to place special emphasis on aid to Africa. Much of this aid is for structural adjustments, and it is administered through the IDA "Africa Fund", "Special Program for Subsaharan African Aid (SPA)", the IMF's "Structural Adjustment Facilities (SAF)".
- (4) Africa has felt the influence of the easing of East-West tensions brought on by the collapse of the Soviet Union. Many countries are abandoning Marxism-Leninism and making the transition from single-party dictatorships to multiparty democracies. On the other hand, ethnic or tribal conflicts are revealed, and internal conflicts that cause political instability are taking places in Rwanda, Brundi and Nigeria.

In southern Africa, the election was held in South Africa in April 1994, and Mandela, the chairperson of the African National Congress was elected the first black president of the country. In Mozambique, also, the integrated peace treaty was signed in October 1992, and a more stable political climate is emerging.

2. JICA Projects in the Region

Japan's ODA to countries in the African region is characterized by a relatively large percentage of grant aid due to the extremely difficult economic circumstances of the region and the humanitarian considerations involved. In fiscal 1993, grant aid accounted for 59.6 percent of Japan's net outlays to this region, compared to the 24.7 percent that it accounts for in total bilateral ODA.

A large proportion of technical cooperation for the African region goes for agricultural development (including post-harvest industries), human-resources development (to provide the region with the human resources required for growth over the middle term), and basic transportation and telecommunications infrastructure. Increasing in importance are forest conservation, measures to prevent desert encroachment, wildlife preservation, and other conservation areas. Now, more than ever, Japan needs to have an accurate grasp of the region's development needs and be able to respond to them in a flexible manner. In light of this, JICA has established the "Southern African Aid Study Group" following the "African Aid Study Group" at its Institute for International Cooperation. Composed of authorities and experts in African aid, the group compounds various recommendations for Japan's middle- and long-term approach to Africa with respect to priority development areas for the region.

During fiscal 1993, JICA spent ¥18.54 billion on cooperation with this region, 13.9 percent of the total JICA aid budget and a 17 percent increase over the previous year. The main recipients of this aid were Kenya (19 percent), Tanzania (14 percent), and Zambia (12 percent). Major areas of cooperation included agriculture, forestry, fishing, mining, health and medical care, education, social infrastructure, telecommunications and broadcasting, transportation and traffic control.

In connection with Subsaharan countries (African countries south of the Sahara), JICA plans to positively cooperate with them through the support for structural adjustment program "SPA III (1994-96)" conducted by the World Bank (Japan pledged about \$1.1 billion aid), and the "Groundwater Development Program in Africa" (equivalent to \$250 million to \$300 million cooperation in 3 years), a project that links together the development study and grant aid cooperation, which was announced at the Tokyo International Conference on Africa held in October 1993.

(1) Technical Cooperation

A. Training Programs

In fiscal 1993, participants received from the African region totaled 984, including both new and continuing assignments – nearly 9.9 percent of all participants, ranking third after Asian region and Latin America. From Kenya came 168, Tanzania 163, Zambia 65, and Ghana 61.

B. Dispatch of Experts

In fiscal 1993, 395 experts, including both new and continuing assignments, were sent to the African region, that is, 9.0 percent of all Japanese experts sent abroad. Of these, 82 new experts were sent to Kenya, 35 to Zambia, and 32 to Tanzania.

C. Independent Equipment Provision

In fiscal 1993, equipment was provided to African countries in 17 shipments worth a total of ¥306 million. The equipment worth ¥69 million was provided to Niger, ¥45 million to Madagascar, ¥45 million to Tanzania, and 32 million to Kenya.

D. Project-type Technical Cooperation

In fiscal 1993, project-type technical cooperation was implemented in this region as part of 15 projects in 6 countries out of 46 countries. 8 projects were carried out in Kenya, 3 in Zambia, 1 each in Ghana, Côte d'Ivoire, Nigeria and Tanzania. The main areas covered were agriculture and forestry (7 projects), human resources development (3), health and medical care (3), and population and family planning (2).

E. Development Studies

In fiscal 1993, 39 development studies were carried out; of these 6 projects were implemented in Zambia, 5 in Tanzania, 4 in Kenya, and 3 each in Mali and Uganda.

(2) Grant aid

In fiscal 1993, grant aid went to the African region in 86 projects valued at ¥53,020 million; of these JICA conducted 31 basic design studies. The main area covered ranged from agriculture, forestry, and fisheries; to social infrastructure, health care and medicines, and education and culture.

(3) JOCV Volunteers

In fiscal 1993, 299 volunteers, 29.3 percent of all JOCV assignees and the first contingent to any region, were sent on new assignment to 13 countries in Africa, including Malawi, Kenya, Tanzania, Zambia and Ghana. The major field of specialty was education and culture, industry, agriculture, forestry and fisheries, social infrastructure, health and medical care, and others. The cumulative total of the volunteers dispatched to Malawi as of fiscal 1993 was 895, ranking first in Africa in terms of a number of the volunteers dispatched by country, and that to Kenya was 849, ranking second after Malawi.

Chapter 5

Central America and the Caribbean

1. Regional Overview

- (1) The Central America and Caribbean region is composed of 21 countries, including some with comparatively high income levels that place them among the ranks of middle-income countries. With 2.96 million square kilometers of territory, this region accounts for 2.18 percent of the world's land mass, and its 147 million people make up roughly 2.8 percent of the world's population. With abundant natural resources, primary industries are thriving, but, with the exception of Mexico, the region lags behind in secondary and tertiary industries. Many of the region's countries are saddled with mounting external debt, but they are in the process of rebuilding their economies.
- (2) This region comprises 8 Central American and 13 Caribbean states, many of which are very small. 8 of them have territories of less than 10,000 square kilometers and 9 have populations of under 500,000.

Haiti, Honduras, and Nicaragua had low per capita GNPs of under \$750 in 1991, while 4 countries fall into the category of lower-middle-income nations with per capita GNPs of between \$750 and \$1,500. The Bahamas, Barbados and the other remaining countries belong to the class of upper-middle-income nations with per capita GNPs of over \$5,000. Many of the Caribbean states depend on primary industries and tourism for their income.

- (3) Beginning with the rise of military regimes in the 1960s and civil wars in El Salvador and Nicaragua, Central America experienced a series of conflicts beginning in the latter half of the 1970s and continuing for more than a decade. These conflicts caused the devastation of vast territories and brought the countries economies to ruin. They also had an impact on surrounding countries, which became the destinations for large numbers of fleeing refugees. Finally, in the early 1980s, the transfer of power to civil administrations was initiated, and now all of the countries in the region except Cuba possess democratic political systems. Nevertheless, prolonged political and economic upheaval has left many countries with underdeveloped social infrastructures. Without cooperation from other nations, it will be difficult for these countries to overcome the inefficiencies of their backward infrastructures and achieve economic independence.

The countries of the Central America and Caribbean now stand at an opportune juncture for promoting genuine democracy and enhancing citizen's welfare, and many are moving ahead with economic liberalization policies.

- (4) In order to address their accumulated external debt burdens, the Central American countries, with help from the World Bank and the IMF, have been implementing structural adjustment policies aimed at reducing their fiscal deficits, keeping inflation in check, increasing exports, and liberalizing trade. As a result, in 1992 a debt reduction agreement was signed, based on a new debt reduction strategy (the Brady Plan), and positive results from the application of the plan's measures are already being seen in Mexico and Costa Rica. Creditor nations, international organizations, and private banks are providing long-term support, including the rescheduling of these countries debts by the Paris Club (of major creditor nations).
- (5) In 1993, \$270 million, or 3.3 percent, of Japan's bilateral ODA went to this region. Since 1983, bilateral ODA to the Central America and Caribbean region had been declining because high income levels in this region than in others mean that few countries are eligible for grant aid and many of those that qualify for loan aid are already saddled with enormous debt that has been rescheduled. With the conclusion of conflict in Central America, however, and the resulting increase in demand for fund for economic reconstruction, Japan has increased its flow of yen loans and the downward trend in total ODA appears to have been arrested.

Japan's loan aid is devoted mainly to transportation, energy, and other areas of economic infrastructure, and to such areas of social infrastructure as environmental action. In fiscal 1993, loan aid accounted for 9.4 percent of all ODA to the Central America and Caribbean region.

Grant aid is being provided primarily for such areas of social infrastructure as public health and medicine, and education, and for transportation, bridge reconstruction, and other areas of economic infrastructure. In fiscal 1993, grant aid accounted for 45.2 percent of all ODA to the Central America and Caribbean region.

Technical cooperation has been actively implemented in a variety of forms, in conformity with the region's broad needs, and is centered primarily in the fields of agriculture, public health and medical care, manufacturing, fisheries, telecommunications and broadcasting, mining, culture, and education. Recent years have witnessed an upward trend in cooperation in fields related to the acquisition of foreign capital and in the environmental field.

In terms of the environment, Mexico City's air pollution problem is particularly serious. Japan is engaged in a development study with regard to the "Comprehensive Plan for Combating Air Pollution in the Mexico City Metropolitan Area" and is extending financial cooperation for it through yen loans and the Export-Import Bank of Japan. In fiscal 1993, technical cooperation accounted for 45.4 percent of all ODA to the Central America and Caribbean region.

Many countries in the Caribbean region have small populations, are small in size, and have attained independence only recently. These factors, together with comparatively high per capita incomes and small economies, have limited Japanese cooperation in this region. However, expectations in the Caribbean toward Japanese aid have been mounting in recent years, and in response Japan must consider forms of cooperation suited to the small scale of these countries' economies.

2. JICA Projects in the Region

Cooperation in this region was formerly concentrated on Mexico, a country with considerable needs and one that fulfills many of the conditions for receiving cooperation, such as high levels of education and technical ability among its citizens. With the end of Central American conflicts, however, cooperation is being implemented more evenly throughout the entire region. The areas of cooperation are wide, encompassing agriculture, forestry, fisheries, mining, manufacturing, public health and medicine, and the creation of transportation and telecommunications networks. In recent years, JICA has been placing its emphasis in cooperation on the environmental field, including measures to combat air pollution in Mexico City, and on human resources development, as seen in its plan to train industrial technicians in Central America, specifically in Costa Rica. Some countries in the Central American region have resolved their internal conflicts only recently and are still plagued by a lack of safety. Therefore, ample consideration must be given to confirming safety and to safety measures when implementing cooperation projects in these countries.

(1) Technical Cooperation

A. Training Programs

In fiscal 1993, JICA provided technical training for 603 new and continuing participants (including emigrants from Japan) from this region, 31 more than in fiscal 1992. This steadily growing group accounted for 6.1 percent of all participants in JICA training programs. Broken down by country, 247 participants came from Mexico, 60 from Honduras, 54 from the Dominican Republic, 48 from Panama, 39 from Costa Rica, 37 from Guatemala, and 36 from Nicaragua.

B. Dispatch of Experts

In fiscal 1993, 340 experts were sent to the Central America and Caribbean region, including both those on new and continuing assignments, and this group accounted for 7.7 percent of all experts sent abroad by JICA. Of these, 219 experts were sent on new assignments to 12 countries: 102 sent to Mexico, 24 to Honduras, 22 to Panama, and 22 to Costa Rica.

C. Independent Equipment Provision

In fiscal 1993, equipment worth ¥218 million was supplied to this region on 10 occasions, accounting for 12.2 percent of all independent equipment supplies by JICA. The equipment consisted chiefly of electric power equipment, mining and manufacturing equipment, and information processing equipment, and it went to Mexico, Honduras, Nicaragua, Guatemala, and other countries.

D. Project-type Technical Cooperation

Project-type technical cooperation in fiscal 1993 involved 14 projects in 6 countries, including Mexico, Panama, Honduras, and the Dominican Republic. 2 of these were new projects begun in fiscal 1993: the Panama Nautical School Up-Grading Project and the Swine Production Development Project in Honduras. As reflected by the latter project, agriculture and forestry have become the central areas of cooperation, but cooperation is also being implemented in industrial development and vocational training.

E. Development Studies

In fiscal 1993, 23 development studies, including both new and continuing ones, were carried out in 8 countries, including Mexico, Nicaragua, Panama, and Honduras. New projects included many in the environmental field: "the Feasibility Study on Wastewater Treatment in the Federal District of Mexico" and "the Study on the Improvement of the Solid Waste Management System for the City of Managua in Nicaragua". The broad range of areas covered included mineral resources, urban improvement, agricultural and rural development, measures to combat air pollution, and disaster prevention in river basins.

(2) JOCV Volunteers

JOCV volunteers have been dispatched to 9 countries: Costa Rica, the Dominican Republic, Guatemala, Honduras, Jamaica, El Salvador, Panama, Mexico, and Nicaragua. In fiscal 1993, 142 volunteers were sent on new assignments, 11 more than in fiscal 1992. They were engaged in a broad range of fields, including education and culture, health and medical care, agriculture, forestry and fisheries, machinery maintenance and operation, sports, industrial processing, and civil engineering.

(3) Emigration

There are many people of Japanese descent in the Dominican Republic and Mexico. In the Dominican Republic, home to more than 1330 emigrants, projects are being implemented to improve the living conditions of emigrants, emigrants are being accepted into training programs, and loans are being provided to fund emigrants' businesses.

(4) Japan Disaster Relief Teams

In fiscal 1993, Japan Disaster Relief Teams were sent to Costa Rica, Panama, and Honduras to provide emergency relief in disasters caused by torrential rains.

Chapter 6

South America

1. Regional Overview

- (1) South America comprises 12 countries, and with some 17.72 million square kilometers of territory and 310 million inhabitants, it accounts for roughly 13 percent of the world's land mass and around 6 percent of the world's population. Though many South American countries are still trying to recover from a heavy accumulation of external debt, they are endowed with vast lands and abundant natural and human resources, and therefore have great potential for future growth.
- (2) In terms of territory and population, many of this region's countries fall into the category of large or medium-sized nations: 5 have territories of over 1 million square kilometers and 7 have populations of over 10 million (as of 1992). Brazil is a veritable giant, as it alone accounts for roughly 50 percent of the region's entire territory and population. Many of the South American countries have comparatively high income levels among developing countries, with half of them posting per capita GNPs of over \$2,000 in 1991. However, there are also 2 low-income countries, Guyana and Bolivia, with per capita GNPs of less than \$750.
- (3) When the Japanese think of South America, they tend to think of industrialized countries such as Brazil and Argentina with comparatively high income levels, and therefore regard the countries of this region as being neither richer nor poorer than most other developing countries. With a few exceptions, however, prolonged political and economic disruptions have left these countries with underdeveloped social infrastructures. Without cooperation from outside, the South American countries will have great difficulty overcoming the many distortions and inefficiencies that have built up over the last forty years and achieving economic independence.

Even those countries that are engaged in industrialization and other tasks in economic and social development are still very dependent on primary commodities, leaving many of them with very fragile economic structures. Many of the countries that strove to achieve rapid modernization by borrowing funds from industrialized countries and financial institutions (primarily private banks) faced serious economic difficulties throughout the 1980s due to falling prices for primary commodities and rising global interest rates. Among the hardships they faced were worsening balance of payments and difficulty in servicing their debts. Beginning in the 1960s, South America saw the successive rise to power of military regimes, but since the early 1980s power has been transferred to civil administrations, and now democratic political systems have been established in nearly all of these countries. The

foundations of these systems are not necessarily stable, however, as reflected in a coup d'état in Venezuela in 1992 and the suspension of the constitution and other emergency measures taken in Peru the same year. Greater efforts are required if democracy is to take firm hold.

Chile stands at the head of economic reform in South America, where governments in every country are promoting policies devoted primarily to scaling down government, reforming fiscal policy and nationalized corporations, revamping tax collection systems, and liberalizing trade, specifically reducing protectionist barriers. The government of Argentina has embarked on a massive economic stabilization program designed to improve trade and privatize nationally-held companies. The Colombian government is actively advancing economic liberalization measures. The other countries have also begun to move towards large-scale reforms. Their efforts to transform themselves have resulted in higher GDP growth rates and, with the exception of Brazil, more stable rates of inflation throughout the entire region.

- (4) At the end of 1991, South American countries had a total of roughly \$295 billion in external debt, accounting for nearly 20 percent of the unpaid debts of all developing countries. If they are to solve their external debt problems, these nations must build up their economic strength and attain the capacity to repay their debts themselves, but they also need long-term support from creditor nations, international organizations, and private banks.

These debtor nations have been making efforts to lessen their debt burdens, and with support from the World Bank and the IMF have implemented structural adjustment policies aimed at reducing fiscal deficits, curbing inflation, boosting exports, and liberalizing trade. As a result, by fiscal 1992 all South American countries, with the exception of Brazil, had signed agreements, based on the Brady proposal, for the reduction of their debts. The United States' new plan to support Latin America, with its goals of expanding trade with the region, promoting investment there, and reducing debt in the region, is expected to accomplish much in this regard. Japan is playing an important role by serving as a major source of funds for World Bank-sponsored joint financing.

- (5) Beginning in the 1990s, the South American countries, together with those of Central America, have been vigorously moving towards economic integration. The leading products of this have been the united south American market (Mercado Común del Cono Sur: Brazil, Argentina, Uruguay, and Paraguay) and the G3 (Mexico, Venezuela, and Colombia). The background for this economic integration can be found in the market integration being carried out in the EC and under the North American Free Trade Agreement, and in the United States' concept of a free trade zone in the Western Hemisphere, related to its plan to support Latin America. In South America, economic integration is being advanced both as

a way of opposing the EC and NAFTA and as a means of facilitating access to these economic blocs.

- (6) Following up on the declaration of the G-7 industrialized nations at the Houston Summit in July 1990, a pilot project to preserve the Amazon rain forest is now being undertaken under the auspices of the World Bank. Then again, at the United Nations Conference on Environment and Development (the Earth Summit) in Rio de Janeiro, Brazil in June 1992, with the eyes of the world focused on Brazil's environmental problems, Japan announced its intention of providing up to ¥99 billion loans for environmental projects.

Urban pollution accompanying economic development is becoming a grave problem in South America. Santiago suffers from particularly bad air pollution while in Rio de Janeiro and Caracas the pollution of oceans and lakes is growing drastically worse. JICA is presently investigating the feasibility of cooperation in human resources development in the environmental field in Chile and is conducting development studies to devise a master plan to combat water pollution in and around Rio de Janeiro. Moreover, in fiscal 1992, a decision was made to offer financial assistance in the form of yen loans.

- (7) Peru, Bolivia, and Colombia collectively constitute one of the world's major narcotics producing regions. The majority of narcotics illicitly consumed in the U.S. is produced here, principally, cocaine, and also including marijuana and heroin. Narcotics production is motivated in part by poverty and income disparities in rural and mountain villages. Tied as it is to terrorism and underground economic activity, the narcotics problem is one factor preventing stable political and economic development in the region. Serious approaches are being taken in the U.S. and the countries of this region toward the resolution of this problem, as evidenced in the two narcotics summits held in February 1990 and February 1992.
- (8) South America has long been a destination for Japanese emigrants, and today there are about 1.2 million Japanese emigrants, people of Japanese descent, and Japanese nationals living in Brazil, Peru, Argentina, Paraguay, Bolivia, and other parts of the region. Since the establishment of diplomatic relations with Peru in 1873, Japan and South America have maintained close ties of friendship through frequent exchanges of official visits and the presence of Japanese companies there. As the world's largest ODA donor, Japan has major financial and technological contributions to make to the economic rebuilding, development, and growth of the countries in this region.
- (9) In 1993, \$470 million, or 5.7 percent, of Japan's bilateral ODA went to this region. Since 1983, bilateral ODA to the South American region had been declining because few countries are eligible for grant aid and many of those that qualify for loan aid are already saddled with enormous debt that has been rescheduled. Financial measures taken in recent years, however, including debt rescheduling by the Paris Club (of major creditor nations), have

prepared the way for yen loans to the nations of South America. As a result, the downward trend in total ODA appears to have been arrested.

Japan provides loan aid to the region mainly in agriculture, and such areas of economic infrastructure as transportation, energy, telecommunications, and broadcasting. In fiscal 1993, loan aid accounted for 43 percent of all ODA to South America.

Grant aid is being provided primarily in areas such as agriculture, public health and medicine, and social infrastructure. Cooperation is also frequently implemented in the fishery field, due to the region's close ties with Japan through its fishing industry, and in the cultural field, in line with the region's great number of outstanding cultural legacies. In fiscal 1993, grant aid accounted for 15 percent of all ODA to South America.

The region has considerable needs and is eminently capable of assimilating new technology, thus fulfilling two of the chief conditions for technical cooperation. Accordingly, a range of activities are being vigorously promoted, primarily in the fields of agriculture, transportation, public health and medicine, telecommunications and broadcasting, manufacturing, mining, human resources development, and culture. Technical cooperation to this region accounted for about 7.5 percent of all Japanese technical cooperation in 1993, second in scale only to the Asian region. Then again, technical cooperation accounts for 42 percent of all ODA to South America. Recent years have witnessed a trend toward increased cooperation in fields related to the acquisition of foreign capital, such as export promotion, and in the environmental field.

2. JICA Projects in the Region

Reflecting the comparatively long history of Japanese emigration to this region and historically friendly relations, cooperation with this region ranks second only to that with the Asian region in almost all aspects, including assistance by type of cooperation, amount of assistance, and number of persons involved. Cooperation is implemented in a wide range of areas, among them agriculture, forestry, fisheries, manufacturing, mining, public health and medicine, and social infrastructure development. In recent years, JICA has also been offering cooperation focused on the environmental field, primarily in Brazil and Chile.

South America is characterized by considerable needs for cooperation and by the comparative fulfillment of conditions for receiving cooperation, namely relatively high levels of education and technical ability among its people. Together, these factors facilitate and enhance the effectiveness of technology transfers.

In the implementation of future JICA cooperation projects, however, ample consideration must be given to confirming safety and safety measures in light of the deterioration of safety in

South American countries, as reflected in the murder of 3 JICA dispatched experts by a terrorist group in Peru in July 1991.

(1) Technical Cooperation

A. Training Programs

In fiscal 1993, JICA provided technical training for 1,464 new and continuing participants (including emigrants from Japan) from this region, who accounted for 14.8 percent of all participants in JICA training programs, second in number only to those from Asia. Broken down by country, 389 participants came from Brazil, 265 from Peru, 144 from Argentina, and 139 from Paraguay.

B. Dispatch of Experts

In fiscal 1993, 645 experts, including both those on new and continuing assignments, were sent to the South American region. They accounted for 14.6 percent of all experts sent abroad by JICA, and were second in number only to those sent to Asia. In fiscal 1993, 399 experts were sent on new assignments to 10 countries: 122 were sent to Brazil, 80 to Paraguay, 59 to Chile, and 46 to Bolivia. Their areas of expertise spanned almost every field, but the majority of assignments were in the public health and medicine field, followed by those in agriculture, mining, vocational training, fisheries, telecommunications and broadcasting, and livestock breeding.

C. Independent Equipment Provision

In fiscal 1993, equipment worth ¥296 million was supplied to this region on 9 occasions, accounting for 16.5 percent of all independent equipment supplies by JICA. The supplies consisted chiefly of agricultural equipment, environmental conservation equipment, and medical equipment, and they went to Paraguay, Peru, Argentina, and other countries.

D. Project-type Technical Cooperation

Project-type technical cooperation in fiscal 1993 involved 34 projects in 9 countries, including Argentina, Bolivia, Brazil, Chile, and Colombia. Agriculture, forestry, and fisheries are the principal areas of cooperation, but cooperation is also being implemented in mining, public health and medicine, vocational training, and in combating environmental degradation.

E. Development Studies

In fiscal 1993, 31 development studies, including both new and continuing ones, were carried out in 7 countries, including Bolivia, Brazil, and Argentina. The broad range of areas covered included economic development, agriculture and rural development, measures to combat

environmental degradation, forestry resources, mineral resources, harbor development, and water resource measures.

An economic development study conducted in Argentina from 1983 through 1986 under the leadership of the late Saburo Okita, former Minister of Foreign Affairs, was highly acclaimed for the fundamental recommendations it produced concerning Argentine economic and social development. To respond to changes in the Argentine economy that have taken place over the eight years since this study was completed, Phase II was begun in fiscal 1993.

(2) Grant Aid

Grant aid to this region has long been centered on agriculture, medical care, and other areas of social infrastructure. In fiscal 1993, JICA was responsible for expediting the execution of 13 grant aid projects valued at 7.015 billion in 6 countries. In addition to the traditional areas of grant aid, fisheries and human resources development were also covered.

(3) JOCV Volunteers

JOCV volunteers have been dispatched to 4 countries: Ecuador, Bolivia, Colombia, and Paraguay. In fiscal 1993, 80 volunteers were sent on new assignments. They accounted for 7.8 percent of all JOCV volunteers sent abroad and formed the third largest group after those sent to Asia and Africa. They were engaged in a broad range of fields, chief among them being education and culture, public health and medicine, agriculture, forestry, fisheries, machine maintenance and operation, sports, industrial processing, and civil engineering.

(4) Emigration

In an effort to help Japanese emigrants and people of Japanese descent in Brazil, Paraguay, Colombia, Bolivia, Argentina, Peru, and Uruguay settle down and enjoy stable and fruitful lives, projects are implemented that involve providing agricultural instruction to emigrants, helping to improve the living conditions of emigrants, dispatching Overseas Development Youth, accepting emigrants into training programs, and providing loans to fund emigrants businesses.

(5) Japan Disaster Relief Teams

In fiscal 1993, Japan Disaster Relief Teams were sent to Colombia, Ecuador, and Peru to provide emergency relief in flood-related disasters.

Chapter 7

Oceania

1. Regional Overview

- (1) Extending on either side of the Pacific equator, Oceania includes Australia, New Zealand, eleven independent island countries, and several autonomous territories, protectorates, and overseas territories of extra-regional countries. It has total land area of 9 million square kilometers, 98 percent of which is in Australia, New Zealand, and Papua New Guinea. Other countries have a combined territory of only 180,000 square kilometers, and none has a population of over a million. The populations of mini-nations such as Tuvalu and Nauru total less than 10,000.
- (2) The region is divided along racial lines into Melanesia, Polynesia, and Micronesia. Since most of its countries are newly independent, the region's social structures are still immature and traditional society and former colonizers still have great influence on its people. While there is a wealth of cultural diversity in Oceania, Melanesia is generally characterized by atomized social structures, comparative equality, and mutually complementary societies. Polynesia and Micronesia, by contrast, are class-oriented societies based on the institution of chieftainship. Per-capita incomes in the region (excluding Australia and New Zealand) range from about \$10,000 in phosphate-rich Nauru to \$650 in resourceless Tuvalu.
- (3) Oceania's economic slump worsened in these few years. Depression of the Australian economy for the past several years, has reduced the amount of aid it is able to contribute. The region is on the whole politically stable, however, with the exception of the Bougainville incident in Papua New Guinea.
- (4) With a few exceptions, the countries of Oceania are small states with little in the way of natural resources. Their economic foundations are generally weak, they depend on primary industry and are thus subject to fluctuations in climate and international commodity prices. They are also plagued by the distances between their islands and communities, the narrowness of their domestic markets, their remoteness from international markets, and their lack of the transportation and communication infrastructure that would compensate for these handicaps. There are thus many obstacles to be overcome before economic independence is achieved. While most maintain close relations with their former colonizers, aid from this direction has tended to decrease, and countries are being forced to re-examine their economic development plans. But from the planning stages right through to the factory, the most crucial problem is the lack of human resources.

- (5) Historically, Japan has had close ties with this area, and most feel friendly towards Japan. There is thus a great demand for Japanese aid. Its programs for Oceania involve the training of the human resources necessary to build these new nations, promoting the development of their agricultural, forestry and fishing industries, and providing the fundamental infrastructure needed to meet basic human needs. Japan began its cooperation relatively recently in this region, however, and consequently lacks sufficient expertise and experience with it. It therefore hopes to work closely with Australia, New Zealand and other major aid donors, as well as with such international and regional organizations as the South Pacific Committee (SPC) and South Pacific Forum (SPF). Though Oceania only received 1.7 percent of Japan's total bilateral ODA during 1993, aid to the region sextupled in 9 years between 1985 (\$24 million) and 1993 (\$138 million). As most of the countries in the region are small, low-income island nations, the majority of Japanese aid takes the form of technical cooperation and grants. At the present time, the only recipient of loan assistance are Papua New Guinea and Solomon Islands.

2. JICA Projects in the Region

In fiscal 1993, JICA projects in the region spent ¥5,050 million, 3.8 percent of its total budget and 23 percent more than during the previous year. On a cost basis, the most money was spent on cooperation involving JOCV volunteers.

(1) Technical Cooperation

A. Training Programs

A cumulative total of the participants invited as of fiscal 1992 reached 2,461. In fiscal 1993, 358 new and continuing participants, nearly 3.6 percent of all participants, took part in JICA training programs. The subjects included more human resource development, transportation and traffic control, and public administration courses than in the past. Outside of the training program, 76 young people, mainly civil service and teaching personnel, came to Japan as part of the Youth Invitation Program. The Third-country Training programs were carried out once in Papua New Guinea on fishery, and once in Fiji on telecommunications.

B. Dispatch of Experts

A cumulative total of the experts dispatched to the region as of fiscal 1992 reached 555. In fiscal 1993, 104 experts were sent to this region. Even though assignments' characteristics differed among countries, many experts were involved in work related to fisheries, reflecting the fact that the region is surrounded by a vast sea area.

C. Project-type Technical Cooperation

One agricultural project in Fiji, one forestry project in Papua New Guinea, one health and medical care project in Solomon Islands, and one fishery project in Tonga were carried out in fiscal 1993. Of these, the project in Fiji was completed in the middle of the fiscal year, after eight years of cooperation.

D. Development Studies

A cumulative total of development studies as of fiscal 1992 was 38. In fiscal 1993, 8 development studies were carried out in Oceania. The areas covered were improvement of social infrastructure, agriculture, forestry, fisheries and energy.

E. Independent Equipment Provision

In fiscal 1993, equipment was provided to Oceania in 7 shipments worth total of ¥76 million to 5 countries. The equipment supplied includes equipment for radio and television development program, equipment for mineral analyzer, and equipment for aquaculture. They are all closely linked together with the activities of experts and JOCV volunteers.

(2) Grant aid

Grant aid was given to such projects as fisheries and medical care projects. In fiscal 1993, the E/N was concluded to grant ¥7,670 million to 8 countries in 14 projects.

(3) JOCV Volunteers

A cumulative total of volunteers dispatched to 8 countries in the region as of fiscal 1992 was 870. More than 20 years has passed since the first JOCV volunteers were assigned to Tonga and West Samoa, while Marshall Islands are the newest country and received the first volunteers in 1991. In fiscal 1993, Papua New Guinea and Solomon Islands received the most (63), followed by the West Samoa and Micronesia (40 each) (all including new and continued from previous year). Their areas of expertise included education and culture; agriculture, forestry, and fisheries; equipment maintenance and operation; health and sanitation; sports; industrial processing; and civil engineering.

(4) Japan Disaster Relief Team

In fiscal 1993, JICA provided emergency relief materials after the cyclone disaster in March in Vanuatu, and after the earthquake disaster in October in Papua New Guinea.

(5) Project Formulation Study

In fiscal 1993, a joint Japanese-Australian mission went to Fiji to formulate joint aid projects in that country, and investigated possible projects in the fields of health and medicine. Also a project formulation study was conducted for water resource development in Kiribati, a country composed of narrow coral islands, where insufficient water supply is very serious.

Chapter 8

Europe

1. Regional Overview

Most of the countries in Europe are modernized and economically independent, and the majority of European countries are aid donors, not recipients. Modernization has, however, been retarded in many of the Eastern European countries due to their long years of centralized planning under communist governments. Economically, these countries are far behind their neighbors.

But in the latter half of 1989, the countries of Eastern Europe, led by Poland and Hungary, began to democratize and liberalize. They are now engaged in economic reforms designed to give them market economies administered by freely-elected governments. In response to these moves, the West has organized the G24 to provide a framework for massive assistance and active support of the reforms now in progress.

This aid to Eastern Europe is a united response on the part of the West to the new world order of freedom and democracy ushered in by the reforms that started in this region. Japan is therefore also making active contributions.

The eligible countries for this G24 Aid were at first Poland and Hungary, and later extended to the countries in Central and Eastern Europe including the former East Germany and Yugoslavia. Yet, the former East Germany was integrated into Germany, and the former Yugoslavia was excluded from the recipient country because of serious domestic armed conflicts. Meanwhile, Slovenia was newly classified as an eligible country for aid in October 1992.

In April 1991, the European Bank for Reconstruction and Development (EBRD) was established in London which aims to foster private sectors in support of market economies in Central and Eastern Europe and the former Soviet Union.

2. JICA Projects in the Region

The main objectives of Japanese aid to Eastern Europe are to contribute to the introduction and establishment of democracies and market economies, and to assist in the solution of the region's environmental problems. The cooperation takes the form of training, dispatch of experts, development studies, and JOCV volunteers.

During fiscal 1993, JICA accepted participants in the fields of business management, production management, and environmental protection from Poland, Hungary, Czech, Slovak, Bulgaria, Romania, and Slovenia. In addition, it dispatched experts in productivity enhancement

to Poland, advisers in industrial and economic policy to Hungary, environmental specialists to Czech, Slovak and Bulgaria, and advisers in transportation administration to Romania.

It conducted development studies on the Solid Waste Management for Poznam City, and the Modernization and Environmental Pollution Control in Mazovian Oil Refinery and Petrochemical Works in Plock in Poland; the Municipal Solid Waste Management in Budapest and the Integrated Air Pollution Control Plan for Sajo Valley Area in Hungary; the Heating System Modernization in Slovak; the Rational Use of Energy, the Solid Waste Management for the Territory of the Sofia Creater Municipality, and Restructuring and Modernization of Steel Industry in Bulgaria; the Solid Waste Management System for Bucharest Municipality, the Irrigation Project in Ruginesti-Pufesti-Panciu District Vrancea, and the study of Environmental Pollution Control and Energy Saving in the Integrated Iron and Steel Works, SIDEX S.A. Galati in Romania. In January 1992, a JICA office was opened in Austria with responsibility for the Eastern European region. Project formulation specialists were sent in December 1992 to facilitate the identification of new projects in the region. Volunteers were also sent to Bulgaria, Hungary, and Poland in 1992.

JICA also accepted participants and sent experts to former Yugoslavia and Albania, two nations that have been categorized by DAC as eligible for aid. Slovenia, Czech, and Slovak were also newly classified as eligible for aid in fiscal 1992.

It also accepted participants from Greece and Malta during fiscal 1993.

Chapter 9

Central Asia

1. Regional Overview

- (1) With the disintegration of the former Soviet Union, 5 countries in Central Asia achieved independence between August and December 1991: Kazakhstan, Kyrgyz, Uzbekistan, Turkmenistan, and Tadjikistan. In addition to the Russian language, Persian is used in Tadjikistan and Turkish in the other four countries. The predominant religion in all of these countries is Sunnite Islam.
- (2) Kazakhstan is comparatively stable politically. Democratization policies and economic reforms are being advanced under the strong leadership of President Nazarbayev, although members of the former communist party remain a strong presence in the Supreme Soviet. President Karimov of Uzbekistan has demonstrated a desire to advance political and economic reforms gradually, but the country possesses numerous potential sources of instability, including territorial and ethnic problems. Turkmenistan is currently enjoying stability under President Niyazov, due to the fact that the majority consists of conservative, former communist party members and no opposing forces have come to the fore, but there are seeds of potential instability. Under the leadership of President Akayev, who enjoys broad-based support, Kyrgyz appears to be taking the most active approach to democratization and economic reform and is likely to enjoy stability in the medium and long terms. Tadjikistan is the most unstable country politically; indeed, it is already in a state of internal conflict.
- (3) Economically, the confusion accompanying transition from socialist to market economic systems has had a profound impact on all of these countries' economies, and economic hardship is expected to persist for some time. The region is confronted with a number of problems, including ones related to the presence of Russians and other minorities, high population growth, and rising unemployment. The road ahead is fraught with difficulties and these states will have to promote nation building and economic resurgence simultaneously if they are to raise their citizens' living standards. All of these countries are planning to introduce their own currencies in step with their move to a market economy.
- (4) As members of the Commonwealth of Independent States (CIS), all 5 of these countries have very close ties with Russia and the other Commonwealth states. They are also working to strengthen their relations with other nearby countries, Turkey, Pakistan, Iran, and China, and in November 1992 the 5 Central Asian states joined the Economic Cooperation Organization (established in 1985 by Turkey, Pakistan, and Iran). Amidst growing international

attention to the problem of nuclear weapons control, Kazakhstan has added its name to the list of countries that have signed the Nuclear Non-proliferation Treaty.

The countries of Central Asia share a common concern about the spread of Islamic fundamentalism and the expansion of ethnic conflicts. Together with Russia, they also share an interest in maintaining their present borders with the countries of the Middle East. From this perspective, Kazakhstan, Uzbekistan, Kyrgyz, and Russia are continuing diplomatic efforts to put an end to Tadjikistan's internal strife and to settle border disputes between Afghanistan and Tadjikistan.

- (5) Agriculture is the predominant industry throughout the region, but Kazakhstan has a comparatively advanced manufacturing industry. Kazakhstan, Turkmenistan, and Uzbekistan are endowed with natural resources, including natural gas and oil, in contrast to Kyrgyz and Tadjikistan, which are resource-poor and apart from agriculture have developed only the textile and other light industries.

2. JICA Projects in the Region

Because the countries of Central Asia are in a stage of transition from socialist to market economic systems, providing "soft" forms of aid is the most crucial task at present. In line with the needs of these countries, JICA will be providing technical cooperation concentrated in the areas of human resources development (acceptance of participants in training programs, dispatch of experts, etc.) and plan making (development studies).

Technical cooperation provided thus far includes the following.

(1) Training Programs

In fiscal 1993, JICA accepted 90 participants from this region, and offered courses in the following subjects: Business Management, Macroeconomics, the Environmental Management, Health Administration, Fiscal and Financial System, Farm Produce Marketing, General Transportation, Telecommunication Management, and an Introduction to International Cooperation Programs.

(2) Dispatch of Experts

In fiscal 1993, 3 individual experts were sent on short-term assignments to this region.

(3) Development Studies

In fiscal 1993, 2 development studies were carried out in Kyrgyz and 1 in Uzbekistan, totaling 3 studies.

(4) Others

Project formulation specialists were dispatched to identify and formulate aid projects and project formulation surveys were conducted.