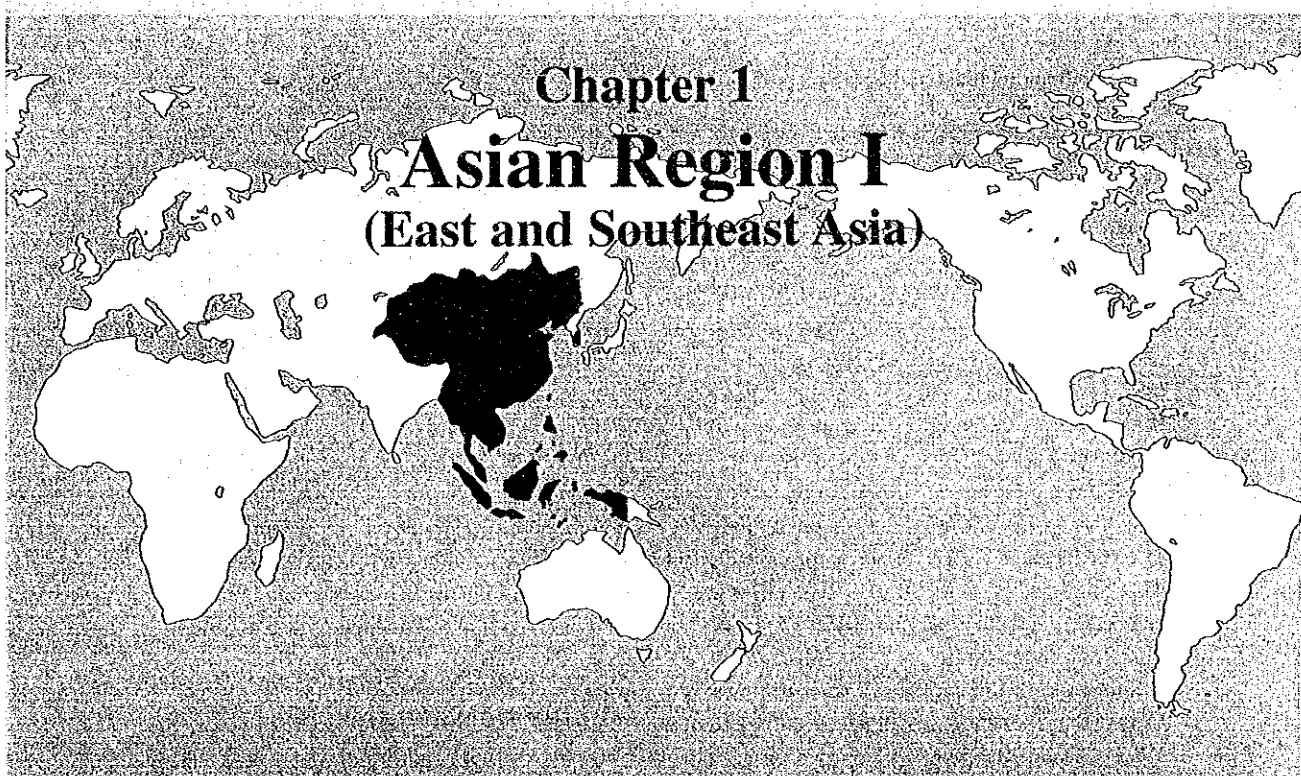


Part 2
JICA's Regional Activities



Large populations in regions from the tropical to the subarctic zones

East and Southeast Asia is a large region extending from eastern Hokkaido in the east to the Pamir Plateau in the west and from the Timor Sea, south of Indonesia, in the south to the southern edge of Russia in the north. This is a region geographically close to Japan and one with which Japan maintains close relations.

Within this region, JICA is implementing aid projects in China, South Korea and Mongolia on the eastern edge of the Eurasian continent; in Vietnam, Laos, Cambodia, Thailand, Malaysia and Myanmar on the Indo-Chinese peninsula; and in the island nations of Singapore, the Philippines, and Indonesia.

One of the main features of this region is its enormous population. It includes China which, with a population of 1.27 billion, accounts for one fifth of the world population, and Indonesia, the world's seventh most populous nation with a population of 190 million.

Since this is such a large region, it has a wide range of climatic conditions encompassing subarctic, temperate and tropical climates. While there are some areas covered with broad-leaved

evergreens, the central continental region provides the location for the barren Gobi and Takla Makan deserts.

Major changes in the region after the end of the Cold War

Opposition between the capitalist and communist blocs previously exerted a strong influence on the formation of nation states in this region, and political tension was acute. With the end of the Cold War at the end of the 1980s, however, major changes have taken place in the political and economic conditions of the countries and the relationships among them.

Of the Asian socialist states, China, Vietnam and Laos, although maintaining the political system of a single-party communist state, have introduced an economic system based on market principles and have been moving toward economic development. Mongolia and Cambodia have abandoned their previous communist systems and have instituted a multi-party political system and a market economy in the effort to rebuild their countries. In the case of Myanmar, although the closed political system remains in place and prospects for the future remain

opaque, open economic policies are being pursued.

Developments in the Association of Southeast Asian Nations (ASEAN) have been particularly noteworthy in recent years. Vietnam was granted membership in July 1995, followed by Laos and Myanmar in 1997. Cambodia's membership has been delayed by this country's internal problems, but once Cambodia does gain membership, ASEAN will become an organization of ten states constituting a single vast regional market. But although the trend toward economic union grows stronger, in reality ASEAN consists of countries with major differences in terms of their respective stages of development. This may well result in ASEAN changing in character, and a close watch will have to be kept on this matter in the future.

Looking at the region as a whole, developments in China compel attention, with the death in February 1997 of Deng Xiaoping, who opened up his nation and set it on the path to reform, and the reversion of Hong Kong in July 1997.

NIEs: a record of outstanding economic development

As indicated in the research report "The East Asian Miracle" produced by the World Bank, East and Southeast Asia is the most economically dynamic region in the world. According to data contained in the World Bank's "World Development Report" of 1996, while the average per capita growth in GNP worldwide between 1985 and 1994 was 0.9 percent, the figure for East Asia and Oceania was as high as 6.9 percent. A feature of economic development in East and Southeast Asia is the manner in which, with Japan at the forefront, each nation is pulling its neighbor forward as part of a general advance.

The Asian NIEs* (newly industrializing economies), in particular South Korea and Singapore, have played leading roles in this connection. These two nations have achieved the most rapid economic take-off by adopting an economic development strategy involving export-oriented industrialization, introduction of foreign investment, and labor-intensive industries using a low-paid, high-quality work force.

These two countries, together with Brunei, with

its wealth of natural resources, have achieved per capita GNP on the same level as the advanced countries. As a result, in January 1996, Singapore and Brunei were removed from the DAC list* of the Development Assistance Committee (DAC*), thereby graduating from the ranks of the developing world. South Korea became a member of the OECD in October 1996 and is due to be removed from the DAC list in January 2000.

The ASEAN nations were fast on the heels of Singapore and South Korea from the mid 1970s, but both countries succeeded in effecting the transition to service industries and knowledge- and technology-intensive industries, and are continuing to undergo stable economic growth at present.

The ASEAN countries: developing in the tracks of the NIEs

The ASEAN countries of Malaysia, Thailand and Indonesia have been undergoing economic development in the tracks of the NIEs. As was the case earlier in the NIEs, these countries have adopted export-oriented industrialization policies and have encouraged the introduction of foreign capital to a background of able, cheap and plentiful labor. These policies have been the driving force behind economic development. Economic growth rates in double figures are no longer being attained as they once were, but growth is continuing at a high level of between 6 and 9 percent.

The Philippines was the only country in ASEAN which at one stage gave the impression of lagging behind its peers. However, as a result of improvements in the infrastructure* (stabilization of electrical power supply, etc.) against a background of political stability, the economy began to pick up in 1994. The Philippine economy recorded a GNP growth rate of 7 percent in 1995. Inflation has been in single figures for four years running and deregulation has occurred under the guidance of the IMF, resulting in a smooth increase in direct investment by foreign companies. A peace accord was reached in September with the MNLF (Moro National Liberation Front), the strongest Islamic guerrilla force active on Mindanao Island, and November 1996 saw the successful conclusion of the APEC unofficial summit conference at Subic.

Indonesia: Creating a scenario for promoting balanced development

.....Formulation of a model for long-term development



Compiling a progress report at the general meeting of BAPPENAS held in March 1997.

● ● Development studies for the formulation of a development model

Consisting of more than 18,000 islands, Indonesia has a national territory scattered over a wide area quite large enough to encompass the whole of the United States. Because of its vast size, this is an area with a varied topography and one which is home to many different peoples.

Jakarta, the capital of Indonesia, is located on the island of Java. It is a thoroughly modern city with a host of high-rise buildings untypical of a developing country. Industrialization is occurring in the Jakarta region, and the per capita income in the metropolitan district is in excess of 3,000 dollars. In contrast, the islands other than Java are favored by plentiful natural resources, although issues such as the creation of infrastructure* and the stimulation of industry remain to be tackled.

Economic and regional differences similar to those that beset relations between North and South in the world at large exist on a smaller scale within Indonesia itself, and there is concern that these differences are in fact augmenting as development progresses. Environmental problems have also emerged in recent years, and the drying up of petroleum resources is expected in the near future.

Questions which arise in this context are those of what should be done to promote balanced economic and social development while respecting diversity and protecting the environment, and what scenario is needed to achieve this end. Development studies for the formulation of a long-term development model are being carried out in order to provide answers to these questions.

● ● A model with a wide range of applicability

Once this model has been completed, it will be possible to ascertain in terms of actual figures the ratios of agricultural and industrial production to GNP and the levels of employment (particularly the proportion of skilled workers) and import and export levels needed to maximize the economic growth rate, taking account of limitations on petroleum and other resources and while maintaining economic and regional differentials and keeping adverse effects on the environment at fixed levels.

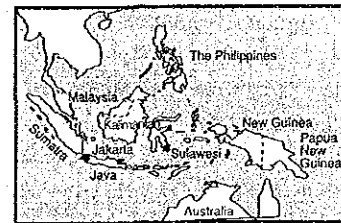
Substitution of targets and limiting conditions will also enable this model to be used for various types of simulation related to development planning. By positing various ideal forms, it will be possible qualitatively to grasp target values achievable through economic activities in each sector and also the effects these are likely

to have on other sectors. It will also become possible to formulate policies for attaining goals with greater precision.

The development of a model is being tackled by a group of experts consisting of Japanese scholars, specialists and consultants together with members of the staff of the National Development and Planning Agency (BAPPENAS), which is responsible for drawing up development plans and coordinating and allocating the development budget. This model will contribute to formulation of the 7th Five-Year National Development Plan, which is due to commence in 1999, and to revision of the 2nd 25-Year Long Term Plan. It will also permit a more accurate grasp and forecast of the state of the macro-economy, a key factor in any consideration of economic and technological cooperation in Indonesia.

Projects involving the formulation of long-term development models present a new field of cooperation without precedent for both Indonesia and JICA. We hope that this cooperation will make a major contribution to intellectual exchange between the two countries and to the development of mutual understanding.

(JICA Indonesia Office)



Formulation of a model for long-term development

Development studies aimed at formulating a long-term development model for promoting balanced economic and social development while preserving the diversity of Indonesia's industries, culture and customs and maintaining the natural environment. It is hoped that these studies will contribute to the formulation of the 7th Five-Year National Development Plan, which is scheduled to begin in 1999 and to revision of the 2nd 25-Year Long-Term Plan.

1996 was a year of considerable significance for the Philippines.

On the other hand, it would be wrong to overlook certain problems occurring in the ASEAN countries as concomitants of rapid economic growth. These include negative byproducts such as disparities in levels of development between urban and provincial areas, widening of income differentials among the population as a whole, and environmental problems.

Nations striving to change their economic systems

The nations following in the footsteps of ASEAN (the original members) have certain features in common, namely that they are attempting to take off economically by shedding their centralized planned economy systems and introducing the market economy system. At the forefront of this group is China, followed by Vietnam, Cambodia, Laos, Myanmar and Mongolia.

China has continued to experience growth, albeit with considerable ups and downs, ever since 1979 when reform policies were adopted. The nation has experienced outstandingly rapid growth since 1992, enabling it to become the most dynamic nation in the East and Southeast Asian economic sphere and to increase its economic influence. On the other hand, China is also being troubled by inflationary pressures brought on by overheating of the economy, a large budget deficit, bottlenecks in energy and transportation, and losses recorded by state enterprises. Other distortions likely to have a negative effect on development have also emerged. These include discrepancies between coastal districts, where many special economic zones* have been set up and extensive investment is occurring, and inland districts, which rely on traditional agricultural methods, the expansion of the gap between urban and farming regions, and environmental problems.

Although possessing the largest population of any nation along with a vast national territory, there is almost no more land available in China for cultivation. This means that there is concern about China's future capacity for food production. The 9th Five-Year Plan (1996-2000) adopted in March 1996 places prime importance on agricultural production

and sets the goal of 500 million tons for increased food production by 2000. It seems unlikely, however, that China will achieve this goal. Unless effective steps are taken, there will be a shortfall of more than 100 million tons by 2010. Were a serious food shortage to arise in China, this would most likely have considerable repercussions on Japan too.

Reflecting their recent history of conflict, per capita GDP in Cambodia, Laos and Vietnam is still low at a level of just over 200 dollars. The dramatic decrease in the amount of aid being provided to these countries which occurred in the wake of the collapse of the Soviet Union and the communist countries of Eastern Europe has resulted in attempts on the part of these three countries to repair relations with the advanced Western countries, to engage in national rebuilding, and to stimulate their economies.

Vietnam adopted its "Doi Moi" ("renovation") policy in 1986 and has been opening itself up to the outside world on the basis of this policy. Under the slogan "new thinking", in 1986 Laos similarly adopted a policy known as the "New Economic Mechanism" aimed at effecting the transfer from a self-sufficient economy to a market economy. These efforts at economic reform are considered so far to have been generally successful.

Turning now to Cambodia, civil war came provisionally to an end following the signing of the Paris Peace Accords in October 1991. Thereafter, with the support of the United Nations Transitional Authority in Cambodia (UNTAC), a new constitution rooted in constitutional monarchy was adopted in September 1993. However, the long years of civil war had depleted human resources within the country and had damaged state administrative systems and public facilities. This proved to be a very serious barrier to development. The political situation stabilized after the armed clashes of July 1997, and many countries are looking on with great interest to see whether the general election scheduled for 1998 will be implemented in line with democratic procedures.

In Myanmar, following the takeover by the national armed forces in 1988, the idiosyncratic socialist policies of Ne Win were abandoned in favor of open economic policies. Privatization of state

*Special Economic Zones: zones adopting special policies aiming to encourage the promotion of the introduction of foreign capital and technology. Shenzhen and Zhuhai are representative examples.

Malaysia: Partnerships between advanced and developing countries for stimulating development in the Asia-Pacific region

.....APEC's Partners for Progress (PFP)

● ● Cooperation for development within the APEC region

It was at the APEC (Asia Pacific Economic Cooperation) ministerial conference held in Jakarta in October 1994 that the Partners for Progress (PFP)* concept proposed on that occasion by Japan was accepted. This concept is based on the idea that development of the Asia-Pacific region should be promoted together by advanced countries and developing countries within the region. One realization of this concept was the third-country training* (standards and conformity assessment) bearing on industrial standards which was carried out in Malaysia in March 1997. The ideal behind the Partners for Progress concept is to stimulate cooperation with development in the APEC region by organically combining cooperation between developing countries with aid for these countries provided through cooperation from advanced countries.

● ● Training by means of third-country training

Third-country training is usually conducted by Malaysian and Japanese instructors, but on this occasion it was carried out with the participation of instructors from Hong Kong, Singapore and South Korea as well. This made it possible to conduct training with recourse to the experience and characteristics of each of the APEC member countries (eleven countries participated on this occasion).

The topics treated in the training included industrial standards (e.g.

Japan's JIS standards) and systems of authorization involving assessment of conformity to industrial standards, the aim being to respond to the promotion and liberalization of trade and investment which are the major

This was the first year of a program of third-country training due to be implemented over a five-year period. All the trainees who took part on this occasion stated how much they hoped it would be continued regularly in the future.



"Standards and Conformity Assessment" training, marking the start of implementation of the PFP concept

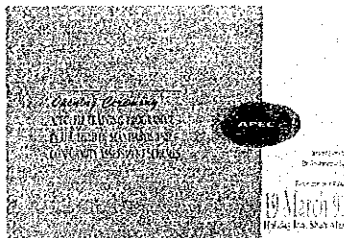
matters of concern to APEC. In addition to enhancing the trainees' understanding and knowledge of the current state of systems in individual countries and the problems posed by these systems, consideration was given to international developments in connection with matters such as ISO standards.

Malaysia and Japan created a program which reflected the wishes of each country, and the content of the training was transmitted in the form of lectures, debates and visits to factories.

(JICA Malaysia Office)

APEC's Partners for Progress (PFP)

A program involving economic and technical cooperation which, together with liberalization of trade and investment, are the main pillars of development. It is carried out on the basis of mutual aid between member countries and in line with the principle of autonomy. JICA is involved in three PFP third-country training programs, "Standards and Conformity Assessment" in Malaysia and "Industrial Ownership Rights" and "Competition Policy" in Thailand.



enterprises, encouragement of private investment, and liberalization of business transactions have brought about a slow recovery in the Myanmar economy since 1992. The increase in investment from ASEAN countries in search of cheap labor has done much to stimulate the economy. The house arrest imposed on Aung San Suu Kyi was lifted in July 1995, and there was an improvement in relations between minority peoples such as the Karens and the present government. Indications that Myanmar was moving in the direction of democracy were evident for a short while, but relations between the military regime and democratic camp have been tense since then, meaning that it will be necessary to keep a close watch on the situation in this country in the future.

Mongolia, which embarked on economic reform in 1987, has made a substantial shift toward democratization, with the introduction of universal suffrage in 1990 and of a comprehensive market economy system. However, owing to the rapid reform of the economic system and the sudden reduction in aid being received from the former Council for Mutual Economic Assistance (COMECON) countries, Mongolia for a time experienced unprecedented economic difficulties. The nation has since moved toward recovery: the first positive growth rate since the reforms were begun was recorded in 1994, and the effective GDP growth rate in 1995 was as high as 6.3 percent. The growth rate in 1996 was adversely affected by the fall in the price of the country's principal exports and remained at 2.6 percent. Mongolia faces a wide range of aid-related problems such as inadequate economic infrastructure and basic human needs (BHN*). Japan has been holding aid conferences jointly with the World Bank since FY1991, and has constantly played a central role in connection with the provision of aid to Mongolia.

JICA projects in East and Southeast Asia

In 1996, \$2.72624 billion (32.6% of the total) of Japan's bilateral ODA was extended to East and Southeast Asia. Technical cooperation accounted for \$1.02656 billion (37.7%), grant aid for \$475.12 million (17.4%), and loans for \$1.22455 billion

(44.9%). In the case of JICA projects alone, this region accounted for 53.66 billion yen (34.8% of the total) on the cost basis for FY1996.

JICA activities in East and Southeast Asia are the highest ranking in terms of type, costs and personnel numbers. The countries receiving the largest amounts of aid from JICA are almost all located in this region, and Japan is the leading partner for almost all of these countries. East and Southeast Asia may thus be described as the most important region for JICA.

We have been looking at the current state of development of countries in this region. In response to the developmental needs of each country, JICA provides aid as described hereunder.

Priorities in cooperation with ASEAN countries

In the case of ASEAN countries apart from Vietnam, Laos and Myanmar, there is a need for aid to ensure that the current smooth process of economic development underpinned by trade and investment can be sustained. The main topics which need to be treated in this context are the upgrading and expansion of industrial and institutional infrastructure; support for the fostering of small and medium scale enterprises in peripheral industries in order to raise the standards of the industrial structure; enhancing the science and technology research which supports industrial development; and training people to adapt to advanced industries, in this last case primarily by promoting scientific education at the elementary and intermediate educational stages and improving higher education and vocational training.

The base for JICA's aid in Malaysia is located at the Standards and Industrial Research Institute Malaysia (SIRIM). The Measurement Center of this institute was established on the basis of project-type technical cooperation implemented since 1981. Advances in industry are inevitably accompanied by demands for more accurate measurement standards. After providing support with the formulation of plans for expanding the functions of the Measurement Center in development studies, JICA began providing project-type technical cooperation again from March 1996, and is now assisting with

The Philippines:

Diffusion of testing methods centering on the Research Institute for Tropical Medicine.

.....AIDS testing methods

●● HIV-carriers continue to increase every year

In-country training* under the title of "AIDS Testing Methods" is currently being carried out in the Philippines. It provides the opportunity every year for 50 medical technicians, nurses, social workers and NGO personnel to study methods for diagnosing AIDS through two weeks of lectures and practical experimentation.

The Research Institute for Tropical Medicine was set up with grant aid funds provided by Japan and is responsible for the implementation of this training. This institute is playing a central role in medical research not only in the Philippines but throughout Southeast Asia.

The number of HIV-carriers has been increasing year by year in the Philippines. Altogether 161 people

were registered as AIDS patients or as HIV-carriers at the end of 1996, but the Manila office of the World Health Organization (WHO) estimates that there are in reality about 15,000 HIV-carriers in the country.

●● Ingenious testing methods

The "AIDS Testing Methods" training program has been prepared after frequent meetings by a team of high-quality lecturers who have themselves received training in Japan. The training is not restricted to lectures but incorporates a variety of teaching methods including the "role-playing method," whereby trainees tackle the problem of AIDS from the standpoint of HIV-carriers, and the "counseling method," which requires the cooperation of carriers.

By the time the two-week training period was over, the trainees got to

know one another and became much more relaxed. Many were reduced to tears during the final closing ceremony at having to bid farewell to their new friends. Trainees participating from all over the Philippines then returned home to make use of the results of this in-country training program in their various workplaces.

(JICA Philippines Office)

AIDS testing methods

Lecturers who have undergone training in Japan provide instruction in AIDS testing methods every year to 50 medical technicians, nurses, social workers and NGO employees during two weeks of lectures and experiments.



Nurses examining a blood sample. AIDS problems are intertwined in a complex manner with socio-economic and cultural factors. Since they cannot be covered by a single agency alone, various public and private agencies cooperate in dealing with these problems.

the training of high-level measurement technicians.

Raising productivity is an important factor in enhancing international competitiveness. In Thailand, the Thailand Management Development Productivity Center (TMDPC) was established in 1962 to deal with topics of this nature, but Japan was requested to provide technical cooperation because of the increasing intensity of competition with neighboring newly industrializing countries

and the difficulty being experienced in responding adequately to the rapidly diversifying world of industry. On the basis of project-type technical cooperation implemented in accordance with a five-year plan which began in 1994, JICA is involved in the training of instructors and extension workers whose function will be to increase productivity.

In conjunction with this project, an intensive training course for experienced instructors in the

field of productivity enhancement was instituted in Thailand in 1996. The costs of this training course are being paid for partly by the Thai government.

In the field of higher education, JICA embarked on a new project known as the "Project on the Strengthening of Higher Educational Networks in ASEAN" in 1996. The idea behind this project is to create a network linking higher education projects related to engineering in ASEAN countries where cooperation is currently being provided with engineering educational institutions where cooperation was provided at an earlier date, the intention being to deepen exchange through international seminars and conferences. In FY1996, the first year of this project, a workshop was organized with the participation of related educational institutions as part of the Indonesian Higher Education Development Support Project, and there was a lively exchange of opinions about how the network might be used.

Although economic development is now well advanced in ASEAN, infrastructural improvements still have an important role to play in fostering industry.

One infrastructural issue being tackled by JICA in ASEAN is the plan for the redevelopment of the Subic Bay area in the Philippines. The Philippine government has decided to transform the site of the former United States military base at Subic Bay into the Subic Bay Special Economic Free Zone, and is going ahead with development using aid provided by international organizations and funds from the private sector. However, since the port facilities were originally built for military purposes, the area now needs to be transformed into a commercial port, and Japan's cooperation was sought with this project. In response to this request, Prime Minister Hashimoto announced at an unofficial meeting of APEC heads of state held in the Philippines that development studies would be carried out. These studies are scheduled to begin in earnest in FY1997.

Toward sustainable economic development

The sustainability of economic development is likely to be jeopardized if the distortions induced by rapid economic development in the ASEAN

countries are left unattended.

JICA is involved in various activities in ASEAN countries aimed at rectifying regional imbalances. In the case of Indonesia, the Indonesian government considers one of its priority policies to be the development of the eastern part of the country, which has fallen far behind Java and Sumatra in the west. Cooperation is thus being provided especially on the island of Sulawesi in the form of the *Project on Integrated Development in Barru, South Sulawesi* involving a team of JOCVs; the *Project on Strengthening Sulawesi Rural Community Development to Support Poverty Alleviation Programs*, a project-type technical cooperation project being implemented in collaboration with NGOs*; and a development study under the title of *Road Network Study on Central and South-East Sulawesi*.

In the Philippines, databases including both hardware and software have been upgraded through grant aid cooperation in order to provide the means for promoting agricultural land reform. This particular project was completed at the end of FY1996. The dispatch of experts to provide instruction in the use of databases to regional administrative officers is being considered from FY1997.

On the other hand, cooperation with improvements in the living environment in urban areas, where conditions are becoming increasingly more serious, is important. Although some 5,000 tons of waste is discarded every day in Manila, only 3,500 tons is actually being properly disposed of and the remainder is being discarded illegally in rivers and elsewhere. The problem of the treatment of solid waste is a pressing one; JICA in FY1996 began working on a development study aimed at creating a master plan for dealing with this problem and at conducting a feasibility study for priority projects. In China, project-type technical cooperation based at the Japan-China Friendship Environmental Conservation Center entered its second phase in May 1996. JICA, in its function as an aid agency, took part in an exchange with the Japanese government, local government officials and private companies at the 1st Japan-China Comprehensive Forum on Environmental Cooperation held in

Front Line

Vietnam: Advice on improvements and revamping the legal system to support the move to a market economy

.....Support for legal system reforms



A Japanese expert (second from the left) with his Vietnamese counterparts inside the Ministry of Justice

●● Dispatch of legal experts to the Ministry of Justice

The Vietnamese government has been pushing ahead with moves to institute a market economy and to open up the country to foreign investment within the framework of the Doi Moi ("renovation") policy which it adopted in 1986. It has thus become an urgent priority for Vietnam to revise its existing legal system and start a new system.

In response to a request received from the Vietnamese government subsequent after it had begun moving toward the introduction of a market economy, the Japanese government decided to provide support in the revamping of Vietnam's legal system through ODA. With the Vietnamese Ministry of Justice as the counterpart*, this cooperation got under way in FY1996. It involves provision of advice on the drafting of civil and commercial law directly linked to the market economy, support in the education of lawyers, and the performance of social studies relating to application of the law.

To these ends, in December 1996 JICA dispatched long-term experts to Vietnam in the form of a team of

Japanese lawyers with expertise in civil and commercial law.

●● Creating drafts on the basis of expert advice

This is a field of cooperation which goes to the very heart of a nation's institutions, and it was no doubt inevitable therefore that the Vietnamese Ministry of Justice should initially have seemed somewhat wary of these long-term experts. However, the Vietnamese gradually began to take notice of what the experts were saying after a study team from the Japanese government had visited Vietnam to coordinate the project and when the Vietnamese had seen for themselves how the experts dispatched from Japan were working with complete dedication to the task at hand.

The first real results started to appear after this stage had passed, with the drafting of the deposition regulations, which are one of the sets of rules for implementation of civil law. An exchange of opinions between the Japanese experts and the Vietnamese officials responsible for drafting these regulations resulted in basic advice given by the experts being incorporated into the

draft. The Vietnamese stated that they wished to translate the statement of opinion on deposition submitted by the Japanese experts into Vietnamese and include this statement among the materials to be studied by the legal drafting committee.

The Vietnamese then expressed a desire to have a similar exchange of opinions in the future in connection with property registration, arbitration law, and civil executive law. Cooperation is likely to bring about good results in these areas too.

Law is to some extent a reflection of a nation's philosophy. The idea that advice from foreigners concerning the enactment of legislation is a form of meddling in another nation's affairs thus needs careful consideration. In order to do away with the need for such concern and to realize the real aims of cooperation, it is essential to conduct a thorough study of conditions and existing laws in Vietnam and to proceed without any notion of imposing ideas from the outside. This cooperation is a manifestation of the aid in intellectual areas which has been increasing in recent years and may be regarded as a litmus test for similar cooperation projects in the future.

(JICA Vietnam Office)

Support for legal system reforms

To provide support in the fundamental reorganization of Vietnam's legal system required by socioeconomic changes accompanying introduction of a market economy, Vietnamese administrative officials are given information about the Japanese legal system as a whole and about Japan's experience of legal reform and the methods employed to implement it.

Beijing in May 1996.

Support for South-South Cooperation

NIEs and the countries of ASEAN are not merely on the receiving end of aid. As donors, they take a highly positive approach to "South-South cooperation"* whereby cooperation is provided to developing countries lagging behind on the path to development. Japan has expressed its interest in providing support in this type of cooperation. In the course of Prime Minister Hashimoto's visit to ASEAN in January 1997, South-South cooperation was one of the main topics of discussion.

As part of Japan's efforts in this connection, "partnership agreements" were concluded with Singapore in January 1994 and with Thailand in August 1994. These agreements stipulated that Japan and Thailand or Japan and Singapore would defray the costs of cooperation as equal partners, and they set out the framework for the implementation of technical assistance to other developing countries. Partnership programs had until then been restricted to third-country training, but studies are now taking place on how greater variety can be incorporated into future types of cooperation. Discussions are now being held between Japan and these two countries to this end.

Support with the transition to a market economy

Japan's ODA Charter advocates that close consideration needs to be given to efforts made to introduce market-oriented economies in developing countries. In line with this policy, Japan has provided cooperation aimed at strengthening the administrative organization and implementation capacity required to effect the transition to a market economy. Cooperation is also being extended in the provision of infrastructure and the development of human resources in East and Southeast Asia, Vietnam, Laos, Cambodia, China and Mongolia.

In Mongolia, as part of the support being provided to enable the country to effect the transition to a market economy, JICA has been involved since 1994 in research cooperation* under the title of "Economic Reform and Development." 1995 saw

the start of cooperation with the formulation of a plan for improving agricultural cooperatives aimed specifically at establishing a distribution system appropriate to a market economy system.

In the case of Myanmar, experts were sent to provide support for the transfer to an open economy in FY1995, while in FY1996 training program participants from Myanmar were invited to Japan to study methods for stimulating the market economy. Activities with an emphasis on humanitarian and urgent issues are also being carried out so as to benefit the poor and socially vulnerable sectors of society which are liable to be adversely affected by any confusion arising in the wake of economic reform. Such activities have included the supply of polio vaccine and the expansion of nursing colleges through grant aid.

As for China, in addition to cooperation in consolidating the economic infrastructure especially in the coastal regions, the emphasis in recent projects has been placed particularly upon well-balanced cooperation taking account of regional differences and cooperation with development in inland areas bearing in mind both regional and sectoral differences.

In the case of Vietnam, JICA has been working since FY1995 on development studies offering comprehensive proposals for the nation's mid and long-term development planning. The results of these studies were debated at the Communist Party congress held in June 1996. In the sense that such studies are exerting an influence on national development policy, this is a form of cooperation which can be positively assessed as producing results not forthcoming from previous types of cooperation. Upon the strong request of the Vietnamese government, JICA has been involved since December 1996 on the second phase of development studies for supporting the transition to a market economy in Vietnam. Another requirement is the consolidation of a legal system which takes its lead from the systems of industrialized countries in the West in order to establish the legal framework for the transition to a market economy. JICA has been providing support since FY1996 by combining assistance in the formulation of key government policies with country-focused training courses.

Emphasis on the Indochina Region

The three nations of Vietnam, Cambodia and Laos are still suffering the aftereffects of prolonged civil war. The most urgent priorities in this region include the restoration and upgrading of transportation and communications infrastructure, improvements in social services, creating conditions to permit improvements in the everyday environment, and the development of human resources. Considering that increased production in the field of agriculture, in which the bulk of the population is involved, is the precondition for economic development, cooperation in the development of agriculture and farming villages in harmony with the environment is also a matter of great importance. There is a problem here in that the Indochinese countries have had little experience of ODA from Japan and are not entirely familiar with the workings of aid. With the aim of identifying and formulating outstanding projects, JICA has therefore sent project formulation teams to these countries on many occasions to deal with priority issues. The work of these teams has borne fruit and for several years JICA has been involved in many cooperation projects in this region.

On the infrastructural side, grant aid has been provided to Laos to enable the rebuilding of bridges along National Highway No. 13, the main arterial link between the north and the south of the country, and a plan has been drawn up in the course of development studies to construct a bridge linking the banks of the Mekong River at Pakse in the south. In Cambodia, JICA has been working on plans to improve Sihanoukville, the nation's only sea port, as part of a development study since FY1995.

An example of JICA's work in the field of comprehensive development of agriculture and farming villages is provided by the *Model Rural Development in Nam Dan District, Nghe An Province*, being carried out as a development study in Vietnam. The Nam Dan District is one of the poorest parts of Vietnam, and a development plan is being prepared taking account of agriculture and the whole range of social services from health care and education to roads and the introduction of electricity to farming villages in order to raise the standard of living of the farming population. The proposals

made in the development study will eventually be realized in conjunction with grant aid and project-type technical cooperation.

Japan's aid policy envisages balanced development not just for individual countries but for the region as a whole. This approach is reflected in the Forum for Comprehensive Development of Indochina led by the Japanese government and the Strategies for Development of the Greater Mekong Area proposed in July 1996.

JICA aims to provide broadly based cooperation in line with this policy. Preservation of the environment in particular is one issue which requires an approach straddling national boundaries. Since FY1996, JICA has been carrying out surveys on how to respond to problems such as deforestation accompanying overly hurried development, the deterioration of the environment resulting from application of the slash-and-burn farming method, and the inadequate consideration given to environmental preservation in plans for the management of river basins.

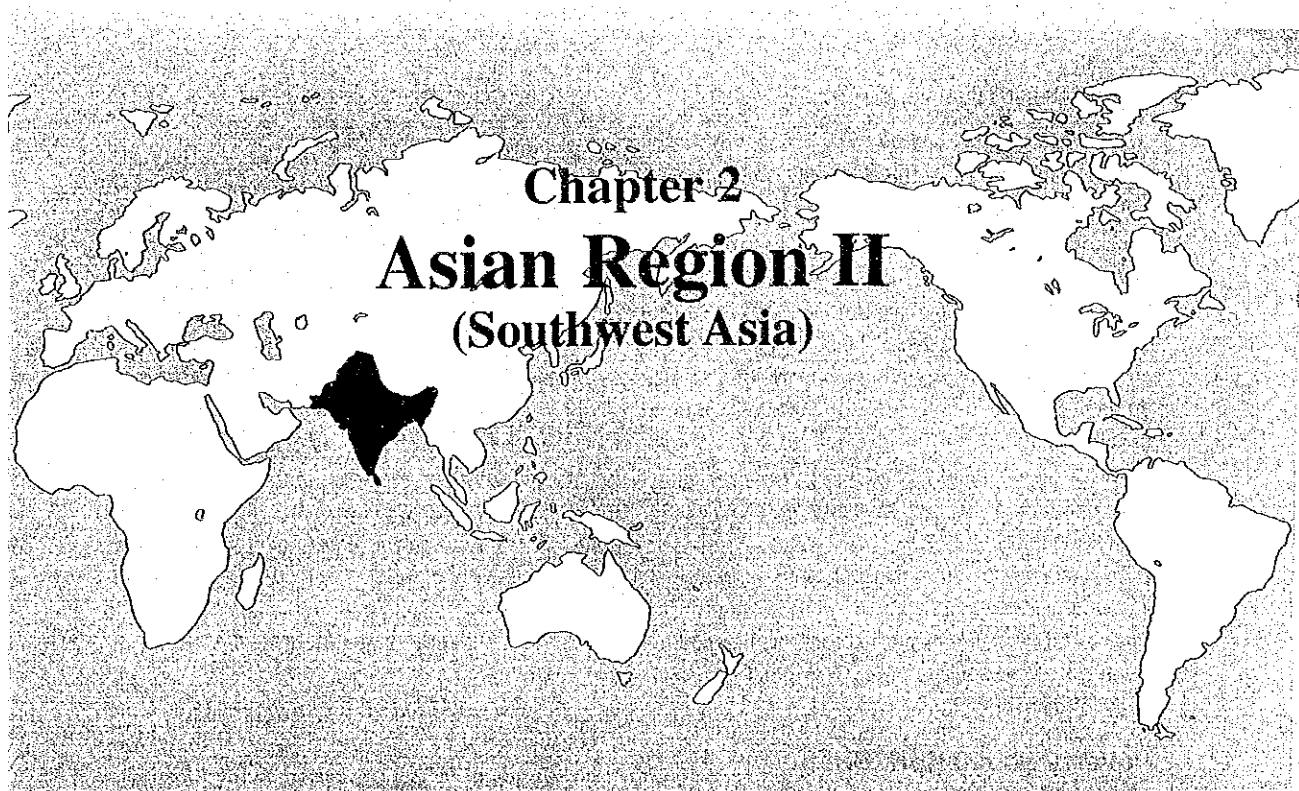
One way to push forward with a broadly based approach is to provide support in cooperation projects being implemented by international organizations. From this standpoint, one especially effective project on which JICA is currently involved is cooperation with the Mekong River Commission, consisting of Vietnam, Cambodia, Laos and Thailand, which was established on the basis of the Treaty of Cooperation for Sustainable Development* in the Mekong Basin concluded in April 1995.

Approaches to other significant problems in the area

Another significant development in the East and Southeast Asian region is the Partners for Progress (PFP) program of APEC. PFP was proposed by Yohei Kono, then Minister of Foreign Affairs in the Japanese government, at the APEC high-level meeting held in Jakarta in October 1994. The aim of PFP is to promote economic and technical cooperation which, together with liberalization of trade and investment, is one of the two main wheels of development, on the basis of mutual support and autonomy among the member nations of APEC.

As part of the PFP project, in FY1996 JICA began three third-country training courses with the cooperation of APEC member states, two hosted by Thailand ("Industrial Ownership Rights" and "Competition Policy") and one by Malaysia ("Standards and Conformity Assessment").

The historical relationship between Japan and the other countries of East and Southeast Asia has been a close one and today is one of political and economic interdependence. It is thus of utmost importance for the future that amicable relations are firmly built between Japan and these countries. It is from this perspective that JICA is working on its Friendship Program for the 21st Century, whereby young people from ASEAN, China, Mongolia, South Korea, and Cambodia are invited to Japan to mix with young people from Japan. 1,274 young people from East and Southeast Asia visited Japan on this program during FY1996.



Chapter 2

Asian Region II

(Southwest Asia)

An area with extensive development needs

The Southwest Asian region consists of seven nations – Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka. Approximately 1.1 billion people, or one fifth of the world's population, live in this region with its vast diversity of races, religions, languages and customs. Together with sluggish economies and low income levels, the sheer diversity of the region is the root cause of various political and social problems.

It was in this context that the South Asian Association for Regional Cooperation (SAARC)* came into being in December 1985 with the aim of building technical and cooperative relations among these seven nations irrespective of political considerations. SAARC now provides a forum for lively dialog between the member nations which may in the future lead to the establishment of a free trade area.

The economies of the countries of Southwest Asia have in recent years been growing due to the development of light industry, especially textiles. However, as reflected in the fact that per capita GNP is still only between 160 and 900 dollars, Southwest

Asia, including the four LLDC* countries (Bangladesh, Bhutan, the Maldives and Nepal), remains one of the world's poorest regions and one with the most pressing development needs.

Like most countries which gained their independence after World War II, the countries of Southwest Asia initially protected their domestic industries on the basis of a policy of import substitution in order to become economically self-supporting. The policy of economic liberalization adopted by Sri Lanka in 1977 is, however, now being followed by the other countries in the region, which are actively promoting policies aimed at deregulation and the encouragement of investment and exports.

Japanese cooperation with Southwest Asia

Japan is an important donor nation for the Southwest Asian countries. In 1996, \$1.32039 billion, equivalent to 15.8% of total bilateral ODA, was extended to this region. In terms of type of aid, more than 90 percent was accounted for by government loans, mainly to India and Pakistan, during the 1960s, but there was a gradual increase

thereafter in grants in the form of grant aid and technical cooperation. The statistics for 1996 show that grant aid accounted for 31.7%, technical cooperation for 11.1%, and loans for 57.2%.

Taking account of the situation in the four LLDC countries, Japan has been striving to increase grant aid, especially by providing cooperation for the upgrading of economic infrastructure, agricultural development, health, medical care and human resources development. The figures for 1996 show that Bangladesh was the leading beneficiary of Japanese grant aid that year.

Technical cooperation takes place in all fields but accounts for no more than a small proportion of Japan's ODA. We need to continue expanding technical cooperation in order to respond to a wide range of development needs.

Poverty alleviation, BHN, environmental conservation, WID

As mentioned above, economic development in this region is on the whole stagnant, and many people continue as before to suffer the effects of poverty. Development policy must thus take account not only of improvements in the infrastructure* aimed at socioeconomic development but also of measures to alleviate poverty, basic human needs (BHN)*, and preservation of the environment for ensuring sustainable growth.

Southwest Asia also has one of the world's highest rates of mortality for women during pregnancy and delivery, and it is also the region where the greatest inequality exists between men and women in terms of literacy. Cooperation is thus needed to rectify such inequality between men and women and to promote WID*. On the other hand, since the region is also inadequately equipped to receive and coordinate aid and to meet local costs*, Japan needs to take positive action in these areas. Priority has been given particularly to the dispatch of policy consultation missions to five countries – India, Bangladesh, Pakistan, Sri Lanka and Nepal.

In the case of the three countries of India, Bangladesh and Pakistan which rely heavily on financial aid, Japan has been continuously stressing to government officials in these countries the need to

expand technical cooperation to ensure that aid can be used efficiently and effectively. Policy discussions have centered on the identification of priority areas within the socioeconomic development planning of each country, and efforts are being made to ensure that aid finely tailored to the needs of each country is provided.

Global problems

As part of its global issues initiative (GII)*, Japan is planning to provide cooperation in the population and AIDS field to the extent of 3 billion dollars during the seven years from 1994. Study teams were sent to Bangladesh, India and Pakistan in FY1995 to identify and formulate projects in this connection.

The polio eradication campaign (grant aid) which began in FY1995 following the work of study teams has resulted in polio vaccine being distributed throughout these countries with the cooperation of UNICEF.

Finely tuned aid matching local conditions

Japan has hitherto provided assistance in a variety of fields to Bangladesh, which is classified as a LLDC. In the annual consultations held in October 1996, Japan suggested improvements in the system for receiving aid, specifically as regards simplification of the domestic procedures which are proving to be impediments to the provision of assistance. A Project for Improvement of Poultry Management Techniques (project-type technical cooperation) is scheduled to begin under the new conditions in FY1997.

As regards assistance provided to India, the high-level mission on economic and technical cooperation sent in March 1995 identified three priority areas for cooperation, namely improvements in the economic infrastructure, eradication of poverty and conservation of the environment. The market-oriented economic reforms begun in India in 1991 enabled the nation to achieve an annual growth rate of 7 percent in 1995. Nevertheless, India's development needs are still strong, including such areas as improvements in living conditions for poorer sectors of society and tackling environmental

Bangladesh:

Activities of JOCVs aimed at improving the standards of health and medical care in farming villages

Population front line



A health worker explains the principles of a Maternal and Child Health Logbook to local women at a village clinic

Cooperation combining JOCV activities with equipment provision

Large numbers of people in Bangladeshi farming villages are still living in very poor health conditions without access to even the most rudimentary forms of medical care. A basic topic which needs to be addressed is thus that of how to ensure that official health and medical care services are able to get through to farming villages.

The focus of this project is on local medical care, and in particular on health care for mothers and their children. The model area chosen for this project is Jessore province. Medical equipment is being provided to three hospitals in this area, and JOCVs specializing in fields such as nursing, midwifery, health care, sociology and systems engineering have also been sent to the area.

In order to put a brake on the explosive increase in population and to lower the very high infant mortality rate, it is not enough merely to distribute large quantities of contraceptives and transfer the skills required to provide instruction in contraceptive methods. In

addition to such activities, an effective approach is to concentrate on raising the awareness of women and mothers concerning this question.

The idea is to get JOCV nurses to carry out surveys on the sexual attitudes of women students and, on the basis of the results, implement a program of adolescent education. The team of midwives are also holding reading and writing classes for mothers whose illiteracy precludes them from acquiring knowledge of basic health matters.

Efforts to achieve the goal of health for all by 2000

In order to provide health guidance in line with local needs, the health workers began by visiting village clinics. The Bangladeshi government is currently engaged in a campaign to eliminate polio from the country by 2000 and is providing the necessary vaccines nationwide. Team members work with locally posted staff on monitoring activities when the vaccine is distributed.

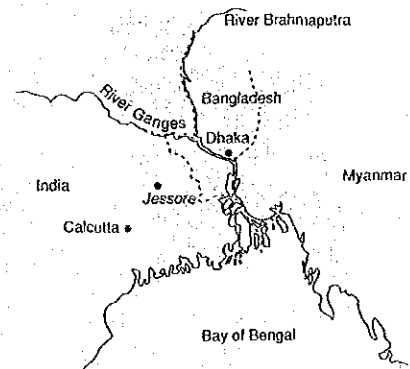
Basic studies of living conditions, health and nutrition in each area are performed in order to improve health care services. It is an important task of the health workers

to carry out these studies and to compile statistical data on the basis of the results.

Groups have been put together consisting of senior team members comprising sociologists and system engineers allocated to the province's health clinics. These groups will shortly begin putting together a system to enable the collection and classification of data.

Aid organizations from many countries are providing aid to assist the Bangladeshi government in realizing its goal of achieving health for the whole population by 2000. JICA too is assisting toward achievement of the targets of this four-year project begun in 1995 through activities rooted in the daily lives of the local people.

(JICA Bangladesh Office)



Population front line:

A four-year project begun in 1995 aimed at improving the standard of health care services in farming villages in Bangladesh. With three municipalities in the province of Jessore chosen as the model area, the emphasis is being placed especially on maternal and child health. This is being combined with cooperation involving JOCVs with a supply of essential equipment.

questions with a view to assuring sustainable development. As well as expanding technical cooperation and grant aid which have not hitherto been as effective as they might have been in the BHN and environmental fields, topics which need to be tackled in the future include the encouragement of linkage between development studies and technical cooperation and loans. A frank exchange of opinions on policies in this connection took place at the annual consultations held in January 1997.

In the case of cooperation with Nepal, priority is being given to BHN, improvements in basic infrastructure and environmental conservation, including prevention of natural disasters. In the environmental sector, forest depletion has become a serious problem especially in western Nepal. A complex project has thus been implemented since FY1994 in order to preserve the forest by raising the living standards of villagers. This project involves project-type technical cooperation combined with the dispatch of JOCVs and the performance of a development study.

In Pakistan, a Social Action Program (SAP) was formulated in 1992 and development policies giving priority to social sectors which have tended to be left behind in the past, such as elementary education, basic medical care, improvements in nutrition, improvements in village water supply and hygiene and population and family planning, are now being put into practice. On the basis of these policies, JICA organized the 2nd Country Aid Study Group in FY1995. Development needs were analyzed and proposals were made about how aid should be provided in the future. In February 1995, the High-level Mission on Economic and Technical Cooperation identified four sectors, economic infrastructure, agriculture, the environment and society, to which priority should be given in connection with Japanese cooperation to Pakistan.

Grant aid has already been provided with the construction of training facilities for women teachers and of elementary schools. Project-type technical cooperation in the field of maternal and child health care was started in FY1996. Cooperation in the WID field has involved the ongoing dispatch of policy advisers to the Ministry of Women's Development since 1994.

Sri Lanka is a nation where technical cooperation can be provided with relative ease owing to the high levels of income and education in comparison with other countries in Southwest Asia. Improvements in economic infrastructure involving loan aid have been proceeding smoothly and we can expect more effective linkage with technical cooperation such as development studies and the dispatch of experts in the future. The Sri Lankan government considers that the southern states, where development is least advanced, are the priority area for development. Since FY1994, JICA has been conducting a development study under the title of *The Southern Area Development Plan Study* in order to draw up a master plan for integrated regional development. The first consultative study team was sent to Sri Lanka in January 1997. It was confirmed on that occasion that the priority areas of cooperation would be BHN and the environment, and project formulation specialists were sent to promote cooperation in the environmental sector.

Sri Lanka:

Long-term activities by JOCVs aimed at solving the problem of poverty

.....Program for improving the living environment in slum districts

●● A long-term project lasting eleven years

Since July 1986, when three female JOCVs specializing in village development, vegetable cultivation and household management were sent to Sri Lanka's National Housing Development Corporation, a total of 34 (as of March 1997) team members have been working continuously in the urban slums of Sri Lanka. These volunteers have specialized in varied fields including village development, handicrafts, household management, agriculture (vegetable cultivation and livestock rearing), health, public hygiene, youth activities and nursery school education.

Six volunteers are currently involved in group activities centering on six slum improvement and development project zones in three cities in the Greater Colombo region (Kotte, Kolonnawa and Dehiwala-Mount Lavinia). The authorities in these districts have recognized the residential rights of people who formerly lived illegally in Colombo and by the canals and railway tracks in the city suburbs. They are engaged in an improvement project with the participation of local residents.

One of these zones is an area of reclaimed land which was the object of a yen loan from the Overseas Economic Cooperation Fund (OECF) under the Project for the Improvement of the Waterside Environment in the Greater Colombo Region. More than 4,000 people from around 800 households have been moved to this area. JOCVs are working together with others connected with the OECF yen loan project to assist with the transfer of poor residents, to create

infrastructure in the area and to contribute to regional development and improvements in living conditions.

●● Measures to alleviate poverty with participation of the local community

Unless measures to alleviate urban poverty through slum clearance involve the local community, respecting their independence and taking account of their opinions, support provided from outside will do no more than encourage dependency on the part of local residents and will be ineffective. The main goals of team activities must thus include giving local people enthusiasm for the project at hand, making them aware of the importance of their own autonomous actions, and reflecting this awareness in practical activity. It is only when these goals are achieved that an environment in which skills can be applied is created.

Team members posted to this area find that their initial activities involve a continuous process of trial and error. To solve the various problems, team members travel to low-income zones every day using the same means of transport as the local residents as part of their attempt to understand and assimilate with the environment in which they are expected to work. During the two years of their activities in the area, the team members thus attain an intimate understanding of the local society and of related institutions and are able to offer concrete advice and make proposals to the local residents. In this way, they become thoroughly conversant with everything affecting local people, ranging from problems in the home to

complex conditions affecting local society, and are able to engage in meaningful dialog with the people.

●● Results of long-term activities

Such activities are continued over many long years, and the skills gained by team members are handed on to their successors. Each succeeding group of team members works toward the realization of new goals on the basis of the results achieved by its predecessors.

There are currently two team members active in the Obesekera district of Kotte. Specialists in handicrafts, they constitute the fourth generation of aid workers active in this district. Taking over from where the third generation left off, they have reorganized the women's group fostered by their predecessors to give it a business orientation. With their principal goal being to raise levels of income, they have provided women who had previously had very little opportunity to leave their homes with practical training in product development, sales techniques and negotiating with retail stores. By the time the two aid workers had completed their term in January 1997, the local women had become able to supply products on the basis of orders placed with them. The results of the project are thus becoming more and more evident owing to the way in which the experience and results accumulated by previous generations of team members are handed on to each successive generation.

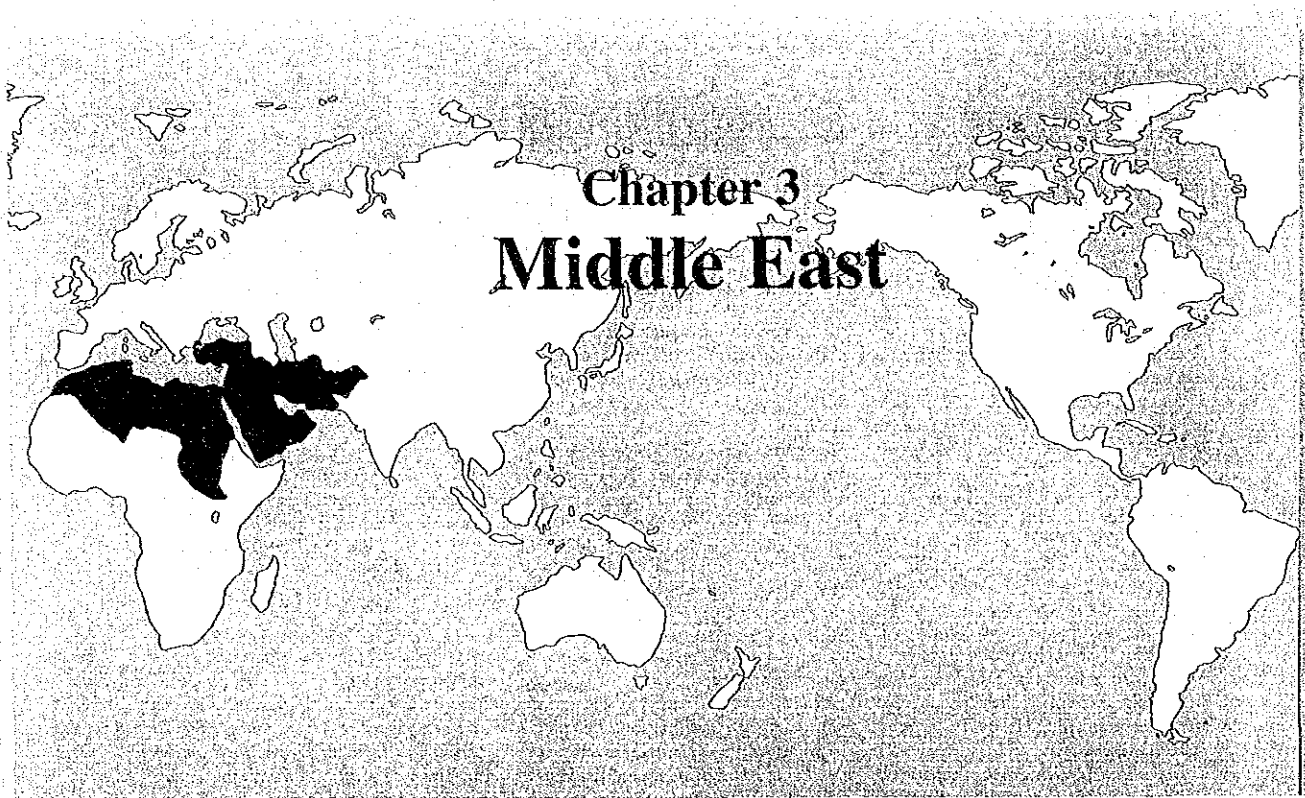
(JICA Sri Lanka Office)

Program for improving the living environment in slum districts

This JOCV project involves activities in urban slums aimed at alleviating problems caused by poverty. It has been in effect continuously since 1986, with several groups of volunteers being sent in succession to the area. The members of the volunteer teams are specialists in a variety of fields including village development, handicrafts, domestic management, agriculture (vegetable cultivation and livestock rearing), public health nurses, public hygiene, youth activities and nursery school teaching.



A village extension worker (VEW) taking part in a local community meeting. Activities such as these resulted in the establishment of a representative committee for regional coordination, which is involved directly in slum development projects.



Chapter 3 Middle East

Crossroads of Asia, Africa and Europe

The Middle East, stretching from Afghanistan in the east to Morocco in the west and from Sudan in the south to Turkey in the north, consists of 21 countries. Situated at the crossroads of Asia, Africa and Europe, this region is not only situated in a geographically important position but also possesses about 70 percent of the world's known oil reserves and accounts for 50 percent of the world's oil exports. Since more than 80 percent of Japan's imports of crude oil come from this area, developments in the Middle East are liable to have enormous repercussions on the Japanese economy and indeed on the world economy.

However, not all of the 21 countries are blessed with petroleum resources. Economic differences between the countries of the region are considerable: whereas Saudi Arabia, Kuwait, the United Arab Emirates, Libya and Algeria have considerable petroleum and natural gas resources, countries such as Sudan and Yemen have no such natural resources and are classified as LLDCs*.

Japanese cooperation in the Middle East

Japanese bilateral cooperation in the Middle East has accounted for about 10 percent of all bilateral cooperation since 1979. After the Gulf War in 1991, bilateral cooperation within the region increased in terms of yen loans given as aid to the countries in the area, amounting to \$1.8656 billion or 20.4 percent of all bilateral aid, the highest level ever. The amount of aid fell by 4.3 percent in 1992, and in 1996 was \$560 million, equivalent to 6.7 percent.

The largest recipient country in the region in 1996 was Egypt, which received 35.9 percent of all bilateral cooperation in the Middle East. Egypt was followed by Jordan (22.1%), Iran (10.3%), and Morocco (8.3%).

JICA projects in the Middle East entailed expenditure of 14.465 billion yen, equivalent to 9.4 percent of the total.

The United Arab Emirates, Qatar and Kuwait were removed from the DAC list* in January 1996, while Israel was removed in January 1997, marking the graduation from aid* of these countries. Cooperation with these countries will therefore be gradually reduced in the future.

Front Line

Palestine:

Establishing training courses to contribute to national construction in Palestine

.....Study on special projects for Palestine



Rainfall soon results in flooding. Large pools of water appear on main roads. (Khan Yunis, Gaza)

●● Support for national construction in Palestine

Since conclusion of the agreement in 1994 concerning the establishment of a provisional autonomous zone, Palestine has been working toward its long-held objective of creating a nation for its people. JICA has been helping with the process of nation-building in Palestine through the Palestinian National Authority and the United Nations Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA).

Projects involving the provision of training to Palestinians have played a central role in this context: a total of 59 Palestinians visited Japan to receive training in FY1996.

JICA is currently running seven training courses tailored specifically to the needs of Palestinians, and is providing training in areas such as the rebuilding of infrastructure*, which, in the case of Palestine, was destroyed during many long years of war. Training takes place in various parts of Japan, although a

main focus is the Kyushu International Center, where three courses are provided in sewage disposal, primary and secondary education and local health care.

●● Surveying conditions in Palestine

JICA has recently performed a study of special projects affecting Palestine with the aim of ensuring that the content of the current training courses aimed specifically at Palestinians is thoroughly in line with local needs. Centering on the three courses at JICA's Kyushu International Center, the survey has included interviews with training participants after their return to Palestine, exchanges of opinions with organizations to which the participants belong and inspections of their workplaces.

When we visited Palestine, there were still frequent clashes between the local people and the Israeli army, and the situation still seemed far from peaceful. We were nevertheless highly impressed by the enthusiasm of Palestinians for

the process of nation-building.

This is a difficult training project which requires constant adjustment to daily changes occurring in Palestine. However, we intend to use the results of our on-site survey to best advantage in creating truly effective training courses.

(JICA Kyushu International Center)

Street scene in Jenin



Study on special projects for Palestine

An on-site survey relating to training courses being implemented by JICA for the benefit of Palestine in connection with improving living conditions, raising standards of living, creating employment, education, health, administrative systems, etc. The survey is intended to improve the content of these courses.

With the exception of certain humanitarian and emergency forms, as of March 1997 no cooperation was being provided to Libya, Sudan, Iraq or Afghanistan.

JICA projects: achievements and priorities

Owing to the political, economic and social diversity of countries in the region, JICA has

provided cooperation in line with conditions in each country.

In the case of oil-producing countries such as Saudi Arabia, support is provided to enable them to help themselves in breaking away from a monocultural economy dependent on petroleum, with priority being given especially to technical cooperation for the development of human resources inside the country. In the case of nations with relatively high income levels such as Tunisia and Turkey, support involves technical cooperation with an emphasis on the promotion of industry. In the case of nations with relatively low income levels such as Egypt, Jordan, Syria and Yemen, grant aid is provided in addition to technical cooperation. As well as improving the industrial infrastructure to underpin sustainable economic growth, cooperation with consideration given to health care and other basic human needs (BHN)* is provided.

Among the topics involving great development needs experienced by countries throughout the Middle East are the development of water resources, the development of tourism and preservation of the environment. JICA is considering providing cooperation in these areas in the future.

Advances in the peace process

The Middle East is a region affected by regional disputes and civil war, as manifest in Palestine, Lebanon and Afghanistan.

The most conspicuous developments in any of these areas have been occurring in recent years in connection with Palestine. In September 1993, agreement was reached between the Israeli government and the Palestine Liberation Organization (PLO) to the effect that the Palestinians would be allowed to establish an autonomous zone in Gaza and on a part of the west bank of the River Jordan, which had been occupied by the Israelis since the Third Middle East War in 1967. In September 1995, agreement was reached to extend the autonomous zone on the west bank.

The peace process has been continuing erratically since the rise of the Netanyahu regime in Israel in May 1996, and the international community, including Japan, has been striving in various ways to support the momentum of the process.

Through the United Nations Development Programme (UNDP) and the United Nations Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA), Japan took in 71 training participants in FY1994 and 104 in FY1995 (including 40 recipients of third-country training* from Egypt and Jordan). About 300 Palestinian participants have come to Japan on these training programs since 1985.

In the five working committees on the environment, economic development, water resources, armaments control and refugees established at the Multilateral Middle East Peace Negotiations in 1992, Japan has been making a positive contribution by assuming chairmanship of the environmental committee and deputy chairmanship of the economic development, water resources and refugee committees.

In the context of the work of the economic development committee, JICA has carried out a development study entitled *Plan for the Development of Tourism* in Jordan, and in January 1995 organized a "Seminar on the Promotion of Small and Medium Enterprises." In the water resources committee, JICA conducted a development study on *Brackish Groundwater Desalination* aimed at desalinating and making use of the vast quantities of underground brackish water known to exist in Jordan. Also in connection with the work of the water resources committee, JICA sponsored a "Seminar on Desalination Technology and Management of Water Resources" in February 1996. JICA's work on the environmental committee has included the provision of grant aid for the *Project for Oil Spill Combat in Northern Aqaba Gulf*.

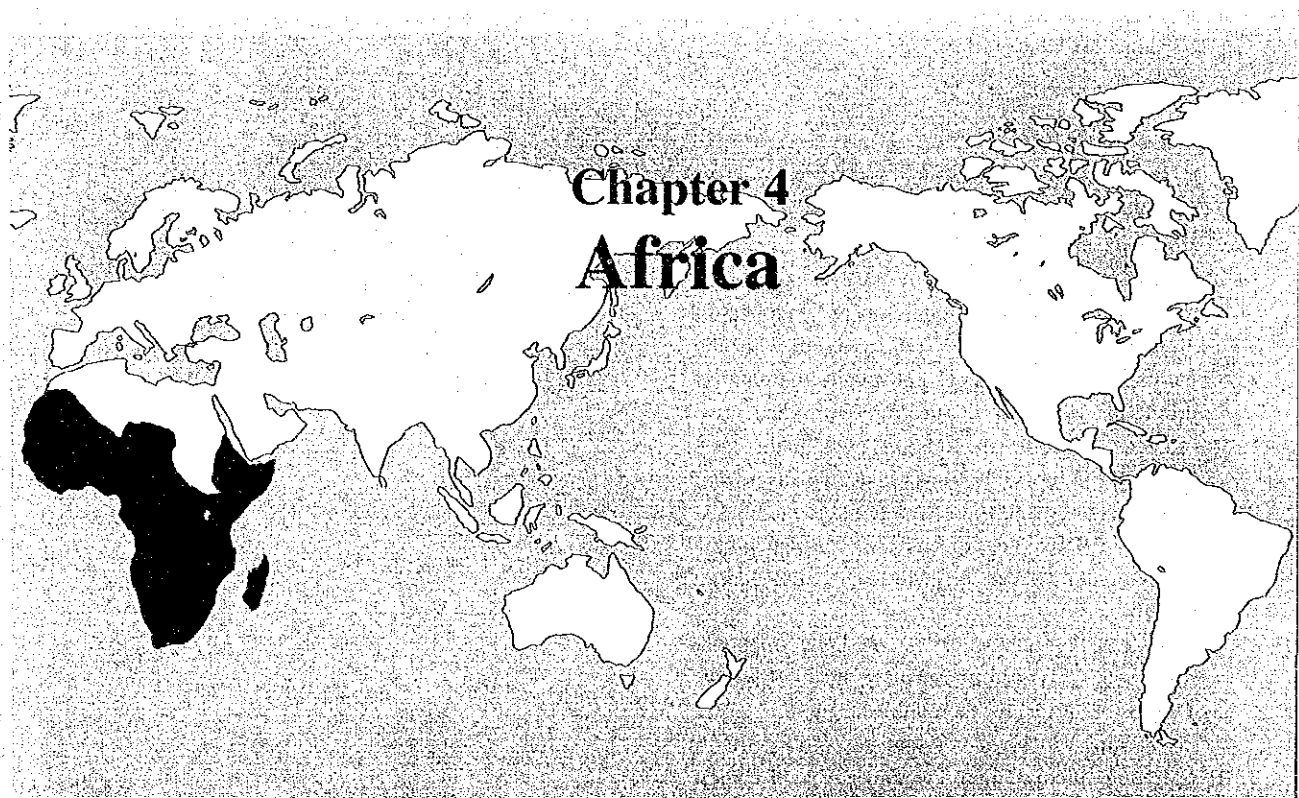
In September 1995, the then prime minister of Japan, Mr. Tomiichi Murayama, visited five Middle Eastern countries and the Gaza district of Palestine. He expressed Japan's keen support for the Middle East peace process, his attitude being highly commended by the governments of these countries. As regards support for Palestine, Mr. Murayama announced the start of direct aid bypassing international agencies for the Palestinian National Authority. This marked the beginning of a new stage of full-fledged aid provision. An Exchange of

Notes relating to two grant aid projects, namely *the Project for Supply of Medical Equipment for the Hospitals in Gaza* and *the Project for Supply of Equipment for Higher Education (I)*, was concluded in March 1996, these being the first two examples of direct aid. JICA has been charged with the performance of surveys and implementation of promotion work in connection with these two projects. Palestinian training participants have hitherto been brought to Japan under the auspices of international organizations as referred to previously, but from FY1997 the procedure was changed to the same bilateral base as with other developing countries.

JICA is thus playing an increasingly important role in the provision of Japanese aid to Palestine. The costs required for the establishment of an office in Palestine which will serve as the core for JICA's operations there as they get under way in earnest were approved in the FY1997 budget.

Among the policy-related issues bearing on future cooperation in the Middle East are the question of *how, in concrete terms, aid should be provided to Palestine*, which has yet to acquire all the functions of a state, and how cooperation should be pursued with neighboring countries such as Syria, Lebanon and Jordan as peace talks progress.

It will also be necessary to encourage effective and efficient cooperation with other countries in the region such as Yemen, where civil war has only recently come to an end, and the major states of Egypt, Saudi Arabia and Turkey.



Socioeconomic development faced by extensive difficulties

Africa refers here to sub-Saharan Africa with the exception of Sudan. This is a vast area stretching over 21.78 million square kilometers and consisting of 47 developing nations. Most of the area is occupied by arid regions such as the Sahara and Kalahari deserts and hot and humid tropical rain forest.

Although most African countries gained their independence during the 1960s, many, under the influence of the colonial period, have inherited a monocultural structure with their economic foundations resting on specific primary products, agricultural or mineral. As a result, the effects of drought and other changes in the natural environment and of fluctuations in international markets are liable to have immediate repercussions on the economic foundations of the state. The fragility of this economic structure is often pointed out.

Restricted access to education has meant that national development has had to go ahead without the human resources required for nation-building. Since independence, African countries have thus had

to face countless difficulties on the path to socio-economic development.

32 of the world's 48 LLDCs concentrated in Africa

During the 1960s, the decade when many African countries gained their independence, these countries benefited from an international economic environment characterized by stability in the international prices of primary products for export, and were thus able to achieve steady growth, assisted by aid received from industrialized countries. However, their economic growth has become sluggish since the 1970s owing to the fall in the prices of primary products, the oil crises, the failure of economic policies, unstable political foundations, and regional conflict and civil war. Many countries have had to take out large loans in order to maintain levels of income and investment, in consequence of which accumulated debt at the start of the 1990s was twenty times higher than during the 1970s. 32 of the world's 48 LLDCs* are situated in Africa, a figure which gives some indication of the difficulties of social and economic development in Africa.

Support for Africa from the international community

The countries of Africa are currently at a major political and economic turning point.

In the political arena, many countries adopted a strong centralized system of government under a charismatic leader in order to maintain their national unity following independence. Many were thus ruled by military regimes or by single-party dictatorships. However, with the collapse of the Soviet Union and the end of the Cold War, there has been a clear move toward democratization as manifest by the change from one-party dictatorship to multi-party systems.

In the economic arena, the economic policies of many countries have collapsed. These countries have now have abandoned their previous public sector-oriented policies in favor of economic structural adjustment* and liberalization under the guidance of the World Bank and the International Monetary Fund. Responding to these economic difficulties being experienced by African countries, international organizations and the industrialized countries have set up an African Fund and a Special Program of Aid for Sub-Saharan Africa (SPA) under the World Bank, while the IMF has established a Structural Adjustment Facility as part of the efforts to support structural adjustment in African countries.

Democratization and nation-building in South Africa and elsewhere

Recent major developments in Africa have included the abolition of apartheid in the Republic of South Africa and the election of Nelson Mandela, chairman of the African National Congress (ANC), as the nation's first non-white president in April 1994. The return of South Africa to the international community will prove to have been an event of momentous significance for Africa in the future, bearing in mind the overwhelming economic might of this country in the league of African nations.

Japan has hitherto followed a policy of supporting the native Africans -- the victims of apartheid -- in their attempts to become self-sufficient. Since 1990

Japan has been providing grant assistance for grassroots projects* through international organizations as well as training within Japan for non-white South Africans. Since the scrapping of apartheid, Japan has supported the Mandela regime in its efforts to rebuild the nation. In July 1994, the Japanese government announced its intention of providing over a period of two years a total of 1.3 billion dollars of aid to South Africa, of which approximately 300 million dollars would be in the form of ODA (30 million dollars in grant aid, 20 million dollars in technical assistance, and 250 million dollars in yen loans), 500 million dollars would be provided by the Export-Import Bank of Japan, and 500 million dollars would take the form of trade guarantees.

In order to put this policy into practice, JICA dispatched to South Africa a project confirmation study team in June 1994, a project formulation study team for health and medical care, water supply and drainage, and hygiene in January 1995, and an educational project formulation study team in August 1996. These teams have been ascertaining aid needs centering on areas in which contributions can be made for the benefit of the native African population. They have also been working on the identification and formulation of high-quality projects. JICA opened an office in South Africa in April 1997.

Apart from South Africa, other countries in the region such as Ethiopia, Malawi and Madagascar have been moving toward democratization, while in Mozambique and Angola, two countries which have suffered from prolonged civil war, peace treaties have been concluded between the governments and anti-governmental organizations. All these countries are now set on the path to nation-building.

In contrast, the path to democratization is still paved with thorns in Nigeria and Sierra Leone. There are also many countries such as Rwanda and Burundi where political instability is blocking efforts on the part of both advanced countries and developing countries to promote economic and social development.

Japanese cooperation in Africa

In October 1993, the Japanese government, the

United Nations and other international organizations jointly organized the Tokyo International Conference on African Development (TICAD) to debate the current situation in Africa. As well as discussing the nature of development in Africa, efforts were made at the conference to deepen understanding and support both nationally and internationally in connection with current conditions in Africa and the need for aid. On the basis of the results of the TICAD, the Japanese government announced that it would be providing grant aid to the extent of between 250 and 300 million dollars in the course of the next three years for underground water development and expansion of water supply. This target was almost achieved. In line with this policy, JICA conducted a development study and a basic design study* which contributed to realization of the government's pledge. In accordance with its government's undertakings at the TICAD, JICA has also been inviting young Africans to Japan for training.

Following on from the TICAD, the Japanese government, together with the United Nations and the Indonesian government, in December 1994 organized the Asia-Africa Forum in Indonesia. Japan has been engaging in policy dialogs with African and Asian nations also by means of participation in regional workshops such those held in Zimbabwe in July 1995 and the Ivory Coast in July 1996.

African aid initiative, TICAD II, and the DAC new development strategy

The Japanese government has thus been showing a great deal of interest in the question of development in African countries. This stance was brought into strong relief by the government's announcement of the Japan's Initiative on Aid to Africa and of its intention of organizing a second Tokyo International Conference on African Development (TICAD II).

At the 9th United Nations Conference on Trade and Development (UNCTAD) held in South Africa in April 1996, then Minister for Foreign Affairs Yukihiko Ikeda announced Japan's Initiatives on Assistance to Africa, which called for the holding of TICAD II, plans for supporting human resources

development in Africa, and plans to support polio eradication. TICAD II would be held in the autumn of 1998 with the participation of African countries, industrialized countries, international agencies and Asian countries, and its aims would be to review the results of the TICAD held in October 1993, to formulate new action plans, and stimulate national and international interest in the subject.

Respect for ownership by developing countries, emphasis on comprehensive and individual approaches, and the importance of the social development sector are parts of the new strategy for aid development aimed at the 21st century contained in the DAC new development strategy*. Such features can be applied unchanged to the strategy for cooperation in Africa.

The Japanese government has selected six countries as models for the application of the new DAC development strategy. Four of these, Ghana, Zimbabwe, Tanzania and Ethiopia, are situated in Africa.

Developments in bilateral cooperation in Africa

Japanese bilateral cooperation in Africa amounted to 1.04 billion dollars, or 15.3 percent of all bilateral aid, in 1989, although since 1990 it has decreased slightly to about 10 percent of the total. The figures for 1996 were 12.8 percent and 1.0672 billion dollars respectively.

A distinctive feature of aid to Africa is that the proportion of grant aid among all forms of aid is considerably higher than in other regions. Whereas the global average was 28.7 percent in 1996, the proportion of grant aid in Africa was as high as 61.8 percent. Adding technical cooperation to this figure, the proportion occupied by grants amounts to 82.5 percent of all aid.

Yen loans are restricted to a few countries only because of the problems that many nations are likely to have in repaying them. The relative importance of grant aid is thus set to rise yet further in the future.

The largest recipient country in the region in 1996 was Ghana, which accounted for 10.3 percent of all bilateral aid to Africa. Ghana was followed by Tanzania (9.9%) and Kenya (8.7%).

Malawi:

Increasing food production while maintaining a balance between development and resource preservation

.....Research for small-scale aquaculture of Malawian indigenous species



Counterparts weighing catfish fry.

Need to augment food production to cope with population increase

The Republic of Malawi is a landlocked nation in southeast Africa bordered on the east by Lake Malawi, one of the largest lakes in Africa. The ten million or so Malawians are an easy-going and reserved people. Malawi is, however, an LLDC facing many global issues, including poverty, destruction of the natural environment, WID*, AIDS, and education. The people of Malawi are further being threatened by food problems.

Annual population increase over the past few years has averaged about three per cent, and ensuring that Malawians have sufficient to eat has become an important topic for the government. Seventy percent of Malawians' intake of animal protein is supplied by freshwater fish from Lake Malawi. Development of the fishery industry is therefore becoming a matter of increasing urgency.

Between 70,000 and 80,000 tons of fish are caught annually in Lake Malawi and the River Shire, but the quantities are decreasing annually as a result of over-fishing and environmental destruction.

Stepping up the culture of indigenous species

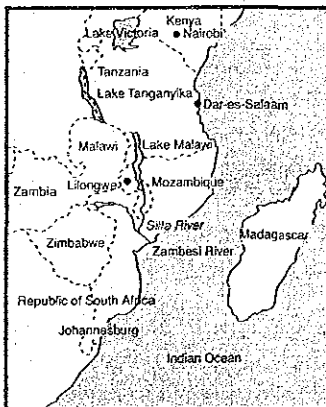
A research project for small-scale aquaculture of Malawian indigenous species has been in effect since April 1996. As the quantities of fish actually caught show no sign of rising, the aim of this project is to step up the production of cultivated fish in order to ensure that the same quantities can be supplied to Malawians as before. The initial goal of the project is to discover which fish are best suited to cultivation from three indigenous Malawian species, namely tilapia, catfish and carp, through technical development in the three fields of seedling production, feed and culture. There are thought to be

more than five hundred indigenous species of fish in Lake Malawi; this astonishing diversity is currently a focus of worldwide interest.

In the belief that living things are valuable resources with untapped potential, the Malawian government has prohibited the introduction of non-indigenous species through respect for biodiversity* and in order to guard against the extinction of indigenous species. The cultivation of species such as carp, tilapia and nirochika for which the necessary technology exists and which are currently being mass-produced throughout the world is not permitted at present in Malawi. This situation typifies the dilemma in which developing countries often find themselves, having to make difficult choices between development and preservation of resources.

Although the socioeconomic infrastructure is still inadequate in Malawi, the natural environment is well suited to fish culture. JICA experts active in Malawi are working hard with their Malawian counterparts* in the Fishery Bureau of the Ministry of Natural Resources to ensure that technical development in the field of fish culture and personnel training contribute to increased food production in Malawi.

(JICA Malawi Office)



Research for small-scale aquaculture of Malawian indigenous species

A project-type technical cooperation project aimed at increasing the production of fish, which account for 70 percent of Malawians' intake of protein, by developing small-scale aquaculture technology using Malawian indigenous species such as carp.

Approaches to cooperation in Africa

As should now be clear, cooperation in Africa entails many problems and difficulties and needs therefore to be based on a distinctive approach. A start was made in 1990 with the establishment by JICA of the Aid Study Group on Africa, consisting of outside experts and aimed specifically at the study of aid questions affecting Africa. Following this, aid study groups were set up respectively for Kenya, southern Africa, Ghana, Senegal and Tanzania. Approaches to cooperation in Africa were subsequently proposed at the Southern African Seminar, held in Tokyo in March 1995 and in Zimbabwe in March 1996 under the joint sponsorship of JICA and the Canadian International Development Agency (CIDA), and the Sub-Saharan Africa Educational Aid Symposium held in Tokyo in March 1997.

The focal points of the discussions held so far might be summarized as follows:

- 1) Importance of the social development sector in the areas of human resources development, health and medical care, and conservation of the natural environment;
- 2) Identification and formulation of projects likely to be of benefit to local communities such as elementary education, basic medical care, village development, and small-scale, decentralized economic development;
- 3) Importance of direct involvement by local communities and of the role played by women in development;
- 4) Conservation of the natural resources as the base for daily living and the key to sustainable development;
- 5) Coordination with structural adjustment* policy and strengthening the sectoral approach;
- 6) Promotion of cooperation in Asia and Africa in collaboration with other donor countries and international agencies;
- 7) Providing the means for recipient countries to be able to help themselves and to acquire the ability to absorb aid.

On the basis of these approaches, JICA has been providing cooperation in areas such as the building

of primary schools, the development of waterworks, sewerage and ground water, social forestry and prevention of desertification, measures to combat infectious diseases, and maternal and child health care. JICA is also tackling new questions such as the training and retraining of school teachers, the preservation of biodiversity, and the development of farming villages employing traditional farming methods.

As regards aid to assist with the process of national reconstruction following the establishment of peace in Angola and Mozambique, JICA is working especially on aid aimed at issues where short-term results can be expected.

Collaboration with industrialized countries and international organizations

Cooperation with industrialized countries and international organizations is an important factor in ensuring the maximum effectiveness and efficiency of aid.

A good example is provided by the collaboration occurring in the population and HIV/AIDS field as part of the Global Issues Initiative (GII)* involving Japan and the United States. The priority countries in Africa for population and HIV/AIDS cooperation as far as Japan is concerned are Kenya, Ghana, Tanzania and Senegal. Agreement has been reached between Japan and the United States particularly with regard to collaboration in Kenya and Ghana. JICA is working on identifying and formulating practical projects for collaboration by sending project formulation specialists to Kenya.

JICA and CIDA are benefiting from the study of each other's aid methods and experience and are examining future possibilities for collaboration and cooperation. As was mentioned earlier, the two agencies have worked together on presenting the JICA-CIDA Joint Seminar on Southern Africa in Tokyo in March 1995 and in Zimbabwe in March 1996, and they are currently considering the implementation of joint projects in Zimbabwe and Tanzania.

The World Bank is active with the IMF in pushing ahead with structural adjustment policies in Africa. The influence on policy of the World Bank is thus

Senegal:

Water supply project using solar light to reduce energy consumption and costs

Rural water supply project

Supply of water for everyday use: one of Senegal's national priorities

Senegal is located on the western tip of Africa, most of the country being situated in the dry zone. Providing local communities with water is thus one of the main priorities of the government. Since the late 1970s, Japan has provided Senegal with ODA for local water supply projects on many occasions and has striven to ensure that stable supplies of water for everyday use are available to local communities.

Because of the large size of the villages concerned, rural water supply projects have been based on a system whereby ground water is drawn into a water supply tower by a diesel pump from an existing well likely to contain sufficient quantities of water. Using the difference of elevation, the water is then drawn to a public tap in the village. This system needed, however, to be improved because local people were having to foot the bills for the diesel fuel and for the system's management and upkeep. Attention was thus turned to whether it might be possible to adopt a system which took advantage of Senegal's year-round sunlight.

The Japanese government became interested in this new energy plan which made no use of fuel and therefore imposed no financial burden on local people in connection with management and upkeep. Following a study in 1992, water supply facilities using solar light were constructed with grant aid in the three regions of Louga, Tambacounda and Kolda.

Facilitating use of the equipment

While this project was being implemented, a problem arose in connection with the storage battery.

When using solar light as a power source, the ideal situation is that energy accumulated while the sun is shining should be stored in a battery to enable water to be pumped up at any time of the day or night. But considering local social and economic conditions, the capacity of local people to pay the necessary costs, and local technical abilities, it was clear that management and upkeep of a storage battery would be too much of a burden.

Japanese experts therefore carried out detailed on-site studies and had a full exchange of opinions with both the Senegalese government and local communities.



Villagers using a public water tap.

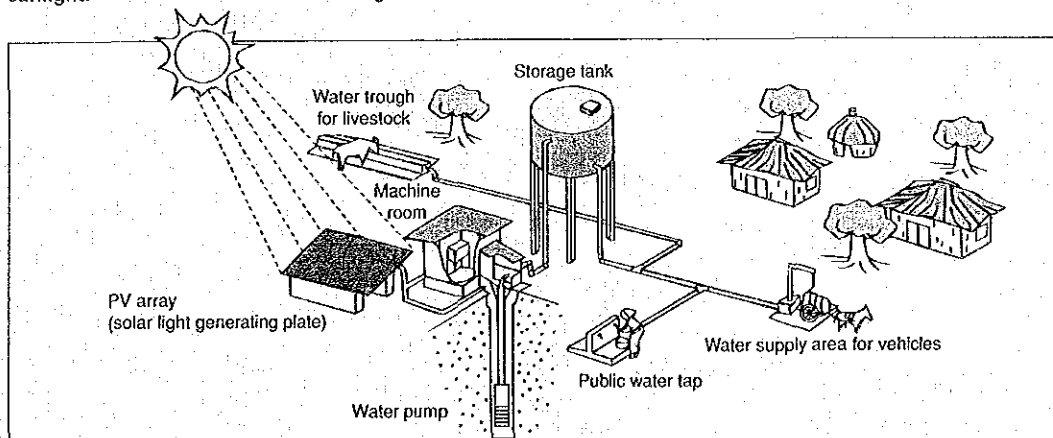
The result was that it was decided that the water supply facilities to be built would be as easy as possible to use and not equipped with a storage battery.

Use of solar light is a focus of worldwide attention at the moment, and this project represented a pioneering venture along these lines. We intend to follow up on the work which has been done so far by ensuring that local people are able to make effective use of this equipment and look after it appropriately.

(JICA Senegal Office)

Rural water supply project

A grant aid project under which water supply facilities using solar light as the energy source for well pumps are to be built in ten villages in Senegal.



tending to grow in the economic and social development sectors. On the other hand, the sudden economic liberalization and administrative and financial reforms which are occurring in the course of implementation of structural adjustment policies are having the effect of increasing the burden on the weaker members of society through increase in income differentials, growth in unemployment, and deterioration in social services. The World Bank is thus collaborating with other donors to provide aid in a manner which takes account of the need to alleviate poverty. JICA believes that it too needs to give attention to this new aspect of sub-Saharan aid and to provide cooperation in conjunction with the World Bank.

Discussions were held with the World Bank on the subject of aid to Africa in autumn 1996. Implementation of joint projects in the field of sectoral investment planning led by the World Bank is now being considered.

Collaboration with other industrialized countries and aid organizations is likely to be especially effective in regions such as Africa where Japan has relatively little experience of providing aid. Such collaboration will thus have an important role to play in the future.