

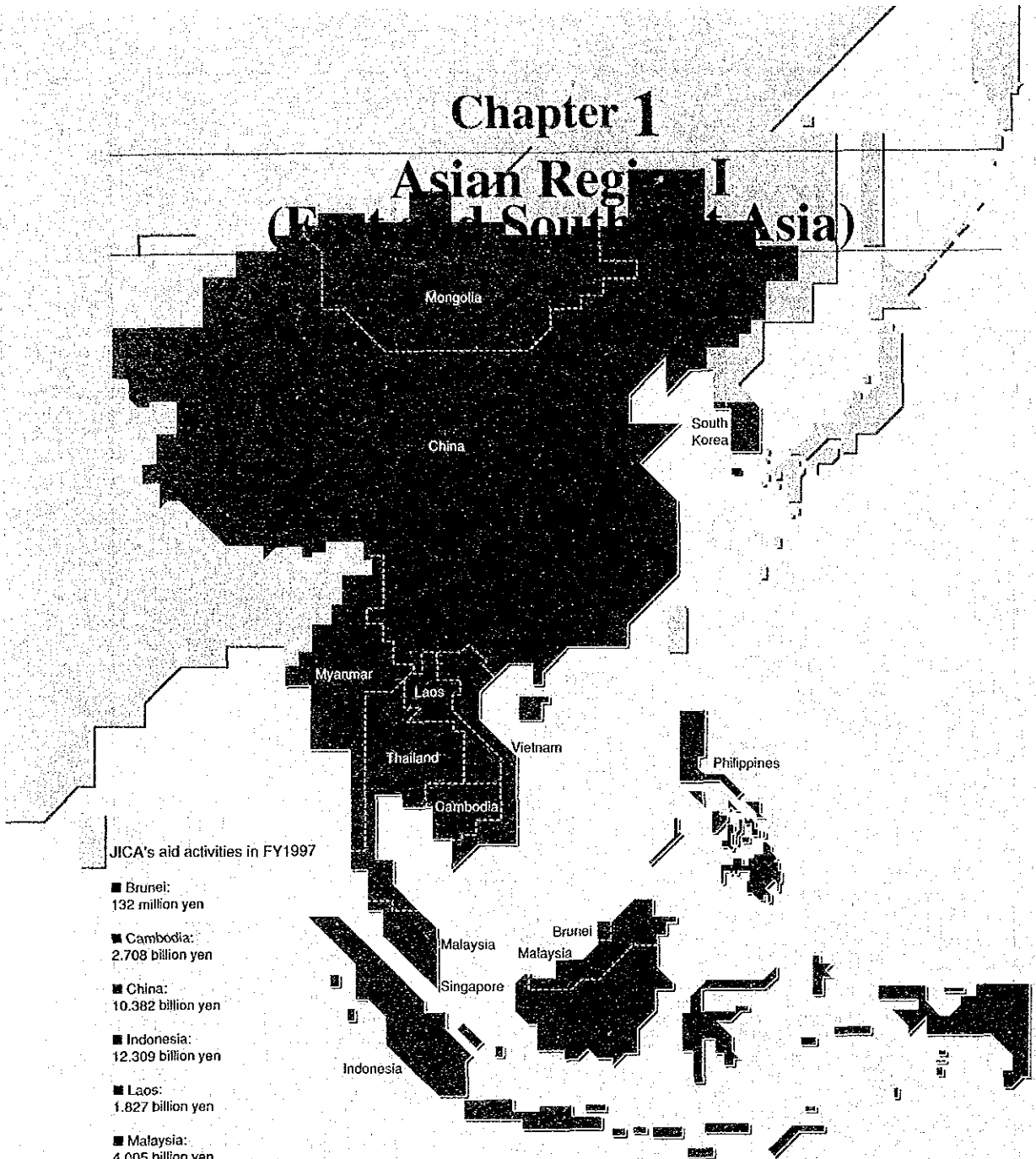
Part 2

JICA's Regional Activities

Chapter 1

Asian Region I

(East and South East Asia)



East and South East Asia

Present state of regional development

From rapid economic development to retrenchment and adjustment

East and Southeast Asia is a vast region including China, South Korea, Mongolia, the nine countries of ASEAN, and Cambodia. Its population accounts for one fifth of the world population. The region has a variety of political and economic systems and consists of a mix of countries at varying stages of development.

Export-oriented industrialization policies implemented largely from the late 1980s resulted in extensive foreign investment in these countries, which achieved exceptionally high levels of economic growth and gained a reputation as the powerhouse of global growth. According to the World Bank's "World Development Report," while the average per capita growth in GNP worldwide between 1985 and 1995 was 0.8 percent, the figure for East Asia and Oceania was 7.2 percent.

ASEAN, which has powered economic growth in Southeast Asia, had its thirtieth anniversary in 1997. It now consists of nine member states, following the granting of membership to Myanmar and Laos in July that year. The original plan was to achieve a membership of ten states to include Cambodia. Although this proved impossible owing to the political confusion issuing from armed clashes within Cambodia, ASEAN has grown to become a large economic sphere taking in most of the Indochinese peninsula.

Establishment of close cooperative ties within ASEAN, along with the region's economic dynamism, resulted in the formation of the ASEAN Free Trade Area (AFTA), which aims to encourage trade and investment throughout the region, and the holding of joint Asian-European summit conferences (ASEM) intended to cement ties with Europe.

However, the currency crisis which overtook the region during 1997 has brought about a major change of orientation from economic growth to retrenchment and adjustment.

Rectifying disparities caused by industrialization

Negative consequences of this smooth process of

economic development have included increases in developmental and income disparities between urban districts and provincial farming districts and the emergence of environmental problems such as pollution and slums. These may be counted among the strains induced by rapid economic growth.

The main challenges presented by development at the present time thus include the rectification of disparities caused by giving priority to industrialization and the realization of balanced economic development and an equitable society.

In Thailand, the focus of development in the eighth 5-year development plan has been changed from economic development to "people-centered development," and development is under way with the emphasis on the social sector and local farming communities. In the Philippines, with its high poverty levels in the provinces, the previous government of President Ramos promoted a "social reform agenda" in the context of its medium-term development plan, implementing measures prioritizing specific deprived regions.

In Vietnam and Laos, both of which are in the process of transition to a free market system, development policies taking account of local farming communities are being followed. In China, where income disparities between coastal areas and inland areas are increasing, the emphasis is on development of inland areas.

The economic crisis affecting East and Southeast Asia

1997 was a noteworthy year for East and Southeast Asia. It saw the return of Hong Kong to China, political changes in Cambodia, establishment of ASEAN as a nine-member body, and the devastating East Asian economic crisis.

The countries of East and Southeast Asia experienced steady economic development until then, but in South Korea, where exports had slumped seriously since 1996, monetary worries lurched to the fore as a result of the successive collapse of several long-established chaebols.

In Thailand too, private funds suddenly streamed overseas as a result of the bursting of the asset bubble involving real estate and shares, thereby bringing about a drastic fall in the value

* Terms marked with an asterisk are defined in the "Glossary of Development Assistance Terminology and JICA Terminology" at the end of this report.

of the currency. This economic crisis, which was set off by the Thai currency crisis, spread like wildfire from one to another of the Southeast Asian countries with similar structures. It had many serious social repercussions, forcing countries to adopt severe austerity measures and to review development policy. In Indonesia, where the crisis was felt most severely, this situation eventually led in May 1998 to the resignation of President Suharto and heightened

economic and social turmoil.

The economic crisis had serious repercussions on other countries too: China and Vietnam saw their export competitiveness decline due to the fall in the value of the ASEAN currencies, while Laos, Cambodia and Vietnam saw an extensive reduction in direct investment from ASEAN, which had until then fueled their passage to industrialization.

Front Line

China: Support with the final spurt toward eradication of polio

The Polio Control Project (project-type technical cooperation)



Ceremony marking the start of a concerted vaccination campaign in Chengdau, Sichuan Province in December 1996

●● Renewed outbreaks of polio in farming districts

Preventative inoculation (EPI) became common throughout China during the 1980s, resulting in a major decrease in the occurrence of polio. However, a new outbreak began in 1989, and more than 10,000 new cases of the disease were reported. Most of those affected were children in farming areas who had not had the opportunity for vaccination.

In 1991, at the request of the World Health Organization (WHO) and the Chinese government, Japan launched its "Polio Control Project" in China. Work was begun

focusing on provinces where the greatest number of cases of polio had been reported, particularly in Shandong but including also Hebei, Henan, Jiangsu, Anhui, and Jiangxi.

In order to control the disease, a start was made by implementing a full-scale polio vaccination campaign. This outstandingly successful campaign became the model for the concerted vaccination campaign (NIDs) embarked upon throughout the country in 1993. Teams of experts made frequent visits to farming areas where extensive outbreaks of polio had occurred, surveying paralytics and giving advice to local physicians.

●● Activities in southern districts

Since 1995 similar cooperation has spread to southern parts of China such as Sichuan, Yunnan, Guizhou, Guangxi and Jiangxi provinces. These are economically poor districts with isolated communities living deep in the mountains. Provinces adjacent to national borders run a constant risk of the intrusion of polio.

Experts have been working together with local staff to trace polio sufferers in remote areas. Their work includes visiting hospitals and investigating outbreaks of the disease.

Seminars on polio eradication and EPI training have been held in many areas with the participation of more than 10,000 people.

Thanks to these activities, there have been no cases of indigenous polio since 1995. In collaboration with the WHO and other international agencies, JICA is assisting the Chinese Ministry of Health in the final effort to eradicate the disease. It will not be long before Chinese children are completely free from the threat of polio.

(JICA China Office)

Japanese aid

Emergency aid for the economic crisis

As rapid as possible a recovery from the crisis affecting the economies and societies of East and Southeast Asia is a matter of paramount importance for Japan too. As well as providing financial support within international frameworks centering on the IMF, Japan is also involved in bilateral cooperation in such forms as yen loans and grant aid for structural adjustment* and support through trade finance. Support is being provided also in the form of the provision of scholarships to students from these countries wishing to study in Japan.

Indonesia has been particularly hard hit not only by the economic crisis but also by drought caused by the El Niño phenomenon, which has decimated food production. Commodity prices have shot up and goods have become increasingly scarce, with dire effects on the poor and socially vulnerable. In response to this situation, Japan has provided emergency grant aid such as pharmaceutical products and everyday necessities.

Large-scale forest fires broke out in Indonesia in 1997, and smoke from them had serious effects on neighboring countries. To cope with the damage caused by these forest fires and the smoke they generated, Japan dispatched emergency relief teams to Indonesia and Malaysia, and supplied fire extinguishers and other emergency relief goods. Since 1996 JICA has been providing project-type technical cooperation aimed at preventing forest fires in Indonesia. We intend to use this project in the future to further strengthen fire prevention and early fire-fighting activities.

Cooperation with the environment has always been one of the main pillars of Japanese aid. In East and Southeast Asia, financial aid and technical cooperation is being provided in a wide variety of fields including improvements to service water and drainage, refuse disposal, pollution measures, disaster prevention, and afforestation. Continuing support will be required in these fields to ensure that the economic crisis does not result in any let-up in

efforts to deal with environmental issues, in cases where the short-term results of such efforts are not immediately evident.

ASEAN Integrated Human Resources Development Program

For the countries of ASEAN to continue with stable growth within a context of economic globalization, an integrated financial system must be consolidated by strengthening financial institutions and fostering healthy capital markets. Encouraging the development of small and medium-scale companies is also important, since importation of intermediate goods contributes to increase in current account deficit. Japan's cooperation with human resources development in such fields centers on the ASEAN Integrated Human Resources Development Program proposed by Prime Minister Hashimoto in December 1997 at the ASEAN unofficial summit conference.

This program is tackled through the integration of various Japanese technical aid projects. Its aim is to train administrators able to tackle economic management (financial and monetary policy, etc.) and trade promotion and private businesspeople to work in small and medium-sized companies. Another key feature of this program is cooperation in the field of higher education, particularly in scientific fields. The aim here is to encourage people capable of underpinning sustained economic growth.

The Japan-ASEAN Development Round Table held in Okinawa in May 1998 stressed the importance of promoting the ASEAN Integrated Human Resources Development Program through the intake of overseas training participants and students by Japan, the dispatch abroad of Japanese experts, and the presentation of seminars. In higher education the emphasis was placed not only on foreign students coming to Japan but also on formation with Japanese cooperation of networks centering on ASEAN universities and strengthening the research capacities of higher educational institutions.

Practical cooperation with the "Development Strategies for the Greater Mekong Area"

In the Greater Mekong region, broad cooperation is under way aimed not only at individual countries but also across national borders to enable balanced development throughout the region. This approach is outlined in the "Development Strategies for the Greater Mekong Area" published by the Ministry of Foreign Affairs in July 1997.

To realize this development strategy embracing the whole of this region, JICA is conducting studies for the erection of a bridge to link the Thai and the Lao sides of the River Mekong and the upgrading of National Highway 9, which runs the length of Laos. Once this project is completed, a reliable land route will emerge stretching from Thailand to the South China Sea side of Vietnam. This route is likely to serve an important role in distribution throughout the area, including land-locked Laos.

Development of the River Mekong has great potential and is set to become an important factor in the development not only of the countries of the River Mekong basin but indeed for the whole of the Indochinese peninsula. JICA is supporting sustainable development of the River Mekong through bilateral aid* and is providing cooperation by sending experts to take part in the River Mekong Commission.

Maximum priority region for Japanese aid

Japan is the top donor* in almost all the countries in this region.*¹ As suggested by this fact, this is a maximum priority region for aid for both Japan and JICA. Of Japan's bilateral ODA in 1997, 1.94598 billion dollars was allocated to East and Southeast Asia, equivalent to 29.4 percent of the complete bilateral ODA budget. This sum breaks down into 887.22 million dollars (13.4%) for technical cooperation, 428.86 million dollars (6.5%) for grant aid, and 629.92 million dollars (9.5%) for loan aid. As far as JICA projects alone are concerned, costs for FY1997 amounted to 462.38 million dollars, or 35.5 percent of the whole.

JICA's activities

Response to the economic crisis, human resources development, etc.

Measures being taken by JICA in response to the economic crisis afflicting the ASEAN countries include the dispatch to Indonesia and Thailand of policy advisers to support investment and restructuring and the presentation of seminars on financial and economic policy aimed specifically at ASEAN countries. Such measures are bolstering human resources development in the field of economic management centering on the ASEAN Integrated Human Resources Development Program. In the case of Indonesia, where the economic crisis has aggravated material deprivation, support is taking forms such as the provision of medicines for emergency medical treatment. (See p. 22 for further details of JICA's response to the economic crisis.)

A supplementary budget for the implementation of "comprehensive economic measures" was authorized in June 1998 to allow for the consolidation of emergency support measures for responding to the Asian economic crisis. JICA is thus strengthening its efforts toward economic recovery and social stabilization in these countries.

Two important issues facing the nations of ASEAN are fostering industries with high added value to enable sustainable economic development and enhancing international competitiveness. These nations need also to raise their scientific and technological standards, to create new institutions, and to acquire the human resources needed for these purposes. JICA is cooperating with the training of technicians in the field of advanced measurement standards from a base of operations at the Standards and Industrial Research Institute Malaysia (SIRIM). In the Philippines, we are involved in project-type technical cooperation bearing on industrial standardization and quality control of industrial produce. In Thailand, JICA is providing project-type technical cooperation intended to protect and consolidate industrial ownership rights* such as patents and trademark rights.

*1: In FY1996, Japan was the top donor in nine countries within the region (Cambodia, China, Indonesia, Laos, Mongolia, Myanmar, Philippines, Thailand, Vietnam).

Raising living standards

JICA is also cooperating in the rectification of income disparities between urban districts and rural farming areas which are one of the negative offshoots of economic growth. In Indonesia, for instance, the eastern part of the country has become far less developed than Java and Sumatra. To encourage development in the east, cooperation includes the Project on Integrated Development in Barru, South Sulawesi,

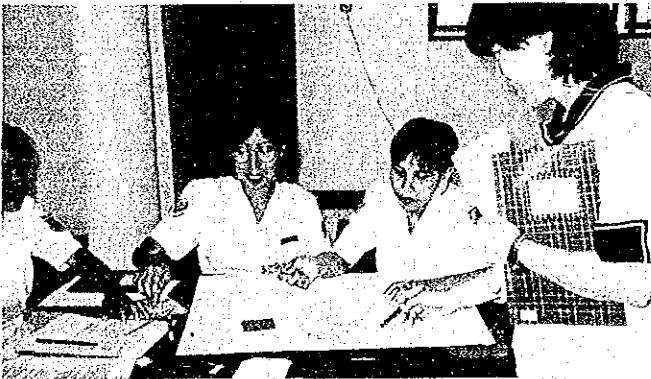
involving dispatch of a team of JOCVs; the Project on Strengthening Sulawesi Rural Community Development to Support Poverty Alleviation Programs, a project-type technical cooperation project being implemented in collaboration with NGOs*; and the Technical Cooperation Project for Improvement of the District Health Service in South Sulawesi, aimed at improving local health care such as maternal and child health.

Projects to raise standards of living in these

Front Line

Indonesia: System-building as the first step to improved local health care

The Technical Cooperation Project for Improvement of the District Health Service in South Sulawesi (project-type technical cooperation)



Improving the state of health care in Sulawesi by raising the abilities of organizations

Developing dynamic organizations

This project involves helping people to take the initiative in improving their organizations within the framework of local health care. The aim is to create organizations which are able to detect and solve problems, which incorporate assessments of work and new plans into their everyday operations, and which are led by people strongly motivated to effect improvements.

To realize these objectives within the framework of local health care, a start was made with human resources development

training for the heads of health departments in each of the administrative districts of South Sulawesi. The intention was to motivate trainees to make improvements in their daily work and equip them with the capacity to effect these improvements.

The latest information on public health is given to trainees, who attend lectures on topics such as exercise of leadership and participate in discussions on health problems affecting their respective districts.

With the aim of developing this training yet further, JICA is cooperating with the Department of Public Health Studies at a

university in South Sulawesi to upgrade this training to a graduate course for adults during FY1998.

Organizational and human resources development in clinical fields

Activities on the local level involve uncovering operational problems, devising and implementing ways to solve them, and carrying out group-oriented post-facto evaluations. Current activities occurring under the direction of the heads of health departments of administrative districts are concerned with how to lower the mortality rate of women in childbirth within the region. These activities are taking place at four to six health centers, each set up to cope with about 40,000 people.

Also in the clinical testing field, organizational and human resources development is taking place to bring about a constant increase in the quality of tests. System-building aimed at comprehensive improvements in local health care is now under way in this and other fields.

(JICA Indonesia Office)

districts are growing in importance in the midst of the economic crisis.

Main examples of cooperation in individual countries

In Vietnam, Cambodia, Laos, China and Mongolia, cooperation involves strengthening the administrative organization and implementation capacity required to effect the transition to a market economy. Cooperation in the provision of infrastructure and the

development of human resources is also being provided.

In Mongolia, JICA was involved in research cooperation under the title of Economic Reform and Development to support the process of transition to democracy and a market economy which has been under way since 1990. FY1998 will see the performance of a development study for formulating a medium-term development strategy for the transition to a market economy.

In China, transition to a market economy is

Front Line

Mongolia: A revolution in telecommunications technology to link this nation of steppes to the rest of the world

Project for Upgrading Telecommunications Facilities (grant aid, dispatch of experts)



Telecommunications technology takes root with cooperation in both basic and applied fields

●● Mongolia: a country at once near and far from Japan

Mongolia's infrastructure* suffered a catastrophic blow with the collapse of the communist system. JICA was quick off the mark in helping to repair this infrastructure. It used to take as long as a day and a half for communications to reach Japan from Mongolia: messages had to be conveyed first by satellite to Moscow, then by wire relay to Vladivostok, and finally by submarine cable to Hokkaido.

Ground station facilities for telecommunications satellites were completed with grant aid in 1993. Japanese experts were then sent to Mongolia to give guidance in their

operation, maintenance and management. One of the legacies of communism was lack of familiarity with the concepts of service and quality control; difficulties were aggravated by the inability of Mongolians to communicate in English. In this period of drastic change, a frequent problem was that, after receiving their training, engineers would often transfer to private companies which offered them higher salaries.

The experts thus worked conscientiously at providing technical training and English lessons for all engineers irrespective of rank.

●● An important foundation for economic development

JICA experts provided

instruction with work on circuitry expansion and repairing satellite equipment and, in applied areas, with negotiations with external communications carriers and Intelsat agencies. Trainees are thus equipped with the skills and knowledge they will require to work in the field of telecommunications.

The number of international telephone circuits increased in consequence from only 20 to 120, and it is now possible for Mongolians to communicate with Western countries from their homes and offices. Use of facsimile and data communications and the exchange of on-line information with banks and airline companies are also now possible. There is also potential for the use of new services such as the Internet and mobile telephones. The foundations have thereby been laid for economic development open to the world.

The Mongolian national television corporation is working on expanding its service to cover distant parts of the country through the use of Intelsat. Sparked off by Japanese cooperation, this revolution in communications technology is gradually linking Mongolia to the rest of the world and making itself felt in every corner of this vast country.

(JICA Mongolia Office)

being assisted through country-focused group training in areas such as intellectual property rights, taxation management, and industrial and commercial management.

Another important factor is support from the legal side with the transition to a market economy. Since 1996, JICA has been cooperating with improvements in the Vietnamese legal system to support the formulation of key government policies.

Owing to the inadequate state of the legal and judiciary systems in Cambodia, Cambodian lawyers and jurists have been visiting Japan since FY1995 to study judiciary systems. Japanese experts were sent to Cambodia in FY1997 to bolster the ongoing efforts being made to establish a legal system in that country.

The transition to a market economy in Myanmar is being supported by dispatching experts, taking in training participants, and

Front Line

Philippines: Creating healthy and prosperous farming communities

The Training Services Enhancement Project for Rural Life Improvement (project-type technical cooperation)



Women can improve living standards if cookery classes such as this can be translated into sales

●● Bohol Island chosen as the model site

Two-thirds of the population of the Philippines are engaged in farming, but the standard of living of the farming population remains low. The aim of this project is to consolidate training to improve standards of living provided by the Agricultural Training Institute of the Ministry of Agriculture to farmers and extension workers. A start was made on Bohol, a small island with plentiful natural resources. The idea is to use the experiment carried out on Bohol as the basis for developing a nationwide training program.

One of the items being focused

on in the context of these activities is the sweet potato known as the ubi, which is one Bohol's main products. With its brilliant purple coloration and distinctive fragrance, the ubi is popular as a material for use in ice cream and cakes, and as such is a product in which the local people take great pride. However, the ubi is not an easy crop to cultivate throughout the year and store. The project involved teaching farmers how to cultivate the ubi so that it could be harvested every year without damaging the land. Efforts were also made to improve storage and processing methods.

●● Cookery competition featuring the ubi sweet potato

Improvements in processing methods involved the experts and the counterparts* creating a high-quality ubi powder which retained the color and fragrance of the sweet potato. The ensuing cooking stage took the form of a competition in which ideas were sought from farmers. More than 50 submissions were forthcoming for use in meals and snacks.

On the day of the competition, the competitors came along to the village square armed with cooking devices. The individual submissions were examined, with nutritious value as one of the criteria, and outstanding submissions received commendations. Leaders of women's organizations in farming villages then gathered for a training session in how to prepare various dishes incorporating ubi, after which they transmitted the methods of preparation to their own villages. Training in marketing is planned for the future.

Experts and counterparts are thus working together with local people at this model site to enable individual farmers and local communities to make use of local produce to lead healthier and more prosperous lives.

(JICA Philippines Office)

implementing projects with the emphasis on humanitarian and emergency aid for the benefit of the poor and socially vulnerable.

Furtherance of South-South cooperation

The countries of East Asia are not merely the recipients of aid: they are also involved in cooperation with other developing countries as donors in their own right through South-South cooperation*.

Japan is working hard to support this development. A South-South Cooperation Support Conference was held in Okinawa in May 1998 at the behest of the Japanese government with the participation of 15 nations from ASEAN and Latin America. This conference confirmed the importance of South-South cooperation for the future.

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, together with Thailand or Singapore, would defray the costs of cooperation as equal partners. They also set out the framework for the implementation of technical assistance to other developing countries.

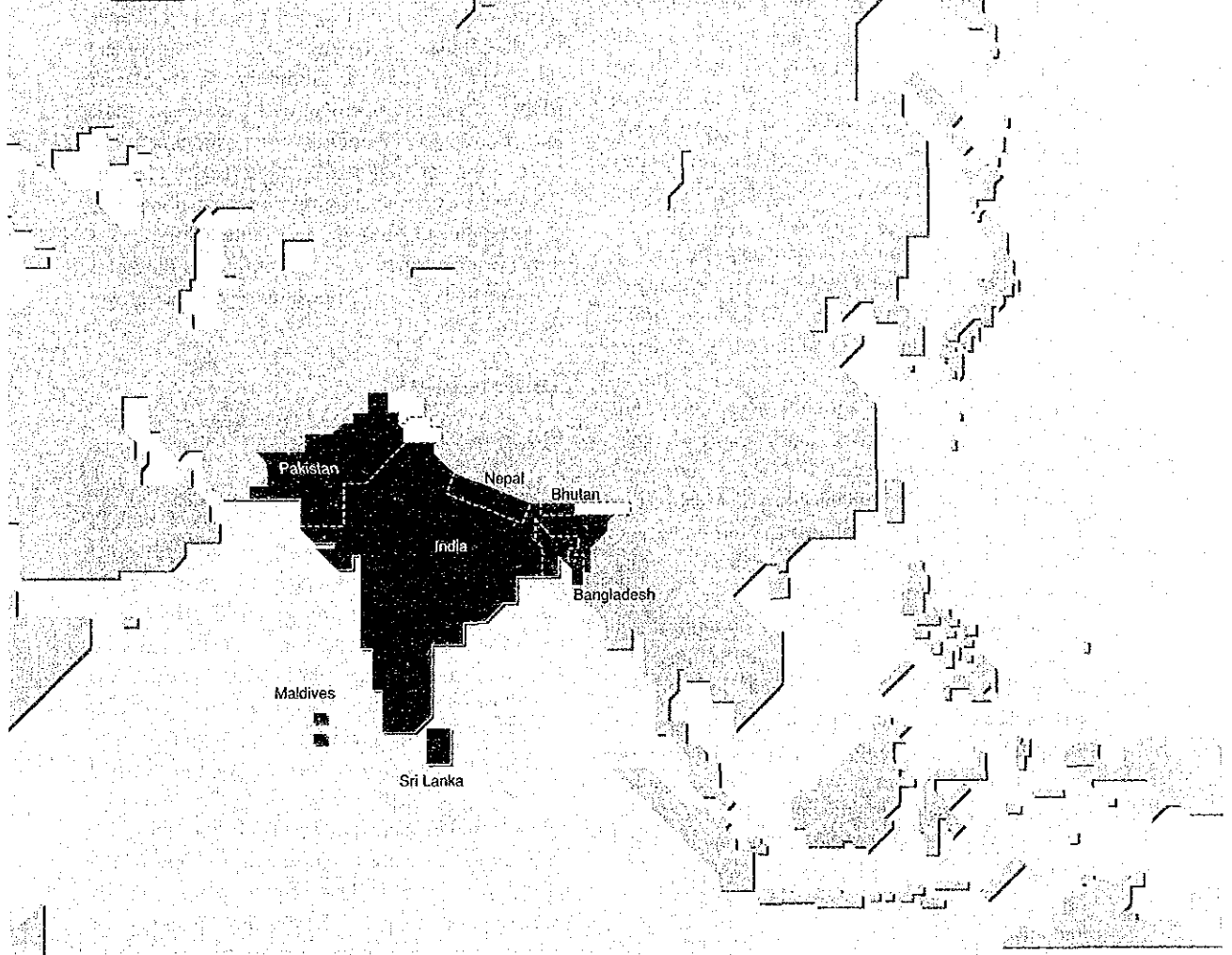
Partnership Program 21 was agreed upon with Singapore in 1997 as a framework for further developing this partnership agreement.

On the basis of this agreement, JICA presented a joint seminar on the topic of "Encouraging Trade and Stimulating Investment" in Laos with the participation of experts from Japan and Singapore. Both countries have sent experts in policing to South Africa as pioneers in the establishment of new cooperative frameworks.

Several other ASEAN countries are keen on pursuing South-South cooperation. They are taking in trainees not only from within ASEAN but also from Africa and are sending their own experts to these countries. JICA is providing support for such activities.

Chapter 2

Asian Region II (Southwest Asia)



JICA's aid activities in FY1997

- Bangladesh:
1,866 billion yen
- Bhutan:
496 million yen
- India:
1,335 billion yen
- Maldives:
268 million yen
- Nepal:
2,343 billion yen
- Pakistan:
1,347 billion yen
- Sri Lanka:
2,712 billion yen

*Southwest
Asia*

Present state of regional development

The Southwest Asian region consists of seven nations: Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka.

The region has a population of approximately 1.2 billion of whom about 560 million live in poverty, accounting for about one half of the world's poor. Together with the region's racial, cultural, religious, linguistic and climatic diversity, the low economic and income levels are factors contributing to political and social instability in the region.

With the exception of the Maldives, which relies primarily on tourism and fishing, the main industry of the countries in this region is agriculture, which is susceptible to climatic conditions. The structure of trade involves the export of primary commodities such as agricultural produce and textiles and the import of machinery and other capital goods. This means that these countries' economies are easily influenced by fluctuations in the international prices of primary products and that, in consequence, most countries are running constant trade deficits.

Like most countries which gained their independence after World War II, the countries of Southwest Asia initially aimed to become economically self-supporting by protecting their domestic industries through import substitution policies. However, in succession to Sri Lanka, which embarked on liberalization in 1977, India, Pakistan, Bangladesh and Nepal are moving in the direction of economic liberalization and are promoting policies of deregulation and encouraging investment and exports. These economic policies have recently borne fruit: the economies of the countries of Southwest Asia have been growing due to the development of light industry, especially textiles. But, nevertheless, as is clear from the fact that per capita GNP in the region amounts to only 160 to 900 dollars, Southwest Asia is the poorest region of the world and the one with the greatest development needs, including as it does four LLDCs* (Bangladesh, Bhutan, the Maldives and Nepal).

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. In 1996, India and Nepal concluded an agreement on the integrated development of the River Mahakali, and in December of the same year India and Bangladesh concluded an agreement on distribution of water from the River Ganges. Cooperation between countries in the region aimed at development extending over national borders is thus becoming increasingly common in the fields of irrigation, flood control and electric power development.

Japanese aid

Emphasis on grant and loan aid

Japan is an important donor nation for the Southwest Asian countries. In 1997, 963.54 million dollars, equivalent to 14.6 percent 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 1997 show that grant aid accounted for 38.3 percent, technical cooperation for 13.0 percent, and loans for 48.7 percent.

Grant aid is being expanded in the light of the presence of four LLDCs in the region, and is centering on cooperation for the upgrading of economic infrastructure, agricultural development, health, medical care, and human resources. Bangladesh, in particular, has been the world's main beneficiary in terms of total aid received until 1997.

Whereas the share of Japan's bilateral ODA occupied by technical cooperation amounted to 45.7 percent in 1997, the share of technical cooperation in Southwest Asia came to only 13 percent. This figure needs to be increased in the future in order to respond to wide-ranging development needs.

Aid priorities

This is a region where economic development generally lags behind other parts of the world and which has a large proportion of poor in its population. Accordingly, priority aid issues common to the region include economic development through upgrading of economic infrastructure*, poverty alleviation through support for basic needs such as health, medical care and

education, stabilization of local welfare, and environmental conservation to deal with poverty-induced forest destruction and deterioration in urban health conditions. Other regional characteristics include high mortality rates for infants and women in pregnancy and childbirth, religious and customary restrictions on women's activities in society, and major differences between men and women as regards literacy, etc. Cooperation is thus needed in the area of WID*

Front Line

Nepal: Applying the experience of Saitama Prefecture in setting up a regionally self-sufficient primary health care system

The Primary Health Care Project (project-type technical cooperation)



A meeting of health post directors. A health system has been set up according to schedule in Bhaktapur district, and priority is now being given to Nuwakot district.

●● The harsh reality of local health care

The national territory of Nepal consists of three types of terrain: plains, hills and mountains. This project which JICA is working on together with the Saitama prefectural government focuses on two districts in the hilly part of the country. The Nuwakot district in particular has few roads negotiable by motor vehicle; the only way to get around the region is on foot. Nepalese health indices are extremely low. The mortality rate among children up to and including age four is 118 per thousand. Lack of access to appropriate health and medical facilities is one of the

contributory factors here.

The Nepalese government is setting up health posts (HP) and sub health posts (SHP) for use by local communities all over the country. There are currently 765 health posts and 2,588 sub health posts throughout Nepal. People who have received training in medical care services are assigned to these posts, where they treat minor ailments, issue medicines, give vaccinations, and offer health education. Nevertheless, the actual state of affairs at present is that these facilities are still far from being trusted by local communities.

●● Working from health posts and sub health posts

The aim of this project is to inspire confidence on the part of local communities in the regional health and medical care system and to make it easier for people to use this system. Five long-term experts in fields such as public health and health education, together with short-term experts in pediatrics, nutrition and nursing, are working side by side with their Nepalese counterparts*. Their activities involve training, improving the system of referral to district hospitals, providing health education, and bolstering maternal and child health clinics.

The methods are aimed to get local people directly involved in these activities in the realization that health posts and sub health posts have been set up specifically for them. For instance, if a health post or sub health post has to be repaired, the building materials alone are provided, and the development committee in the area in question is charged with acquiring the necessary land and the actual building work. Guidance is also given to the effect that income gained by health posts from medicinal schemes should be used in ways agreed upon by local communities.

(JICA Nepal Office)

and to rectify gender-based differences.

In the annual talks and policy discussions which Japan holds with other countries, decisions are taken concerning high priority areas and issues within national economic and social development planning in order to ensure that aid is finely tailored to the actual situation in recipient countries. At the same time, recipient countries are strongly requested to provide their own share of the personnel and local costs* required for managing projects, so that the benefits of aid can be felt to the full.

In the field of population and HIV/AIDS, Japan has announced that it will be providing cooperation to the extent of 3 billion dollars during the seven-year period from FY1994 as part of its global issues initiative (GI)*. Project formulation study teams were sent to Bangladesh, India and Pakistan in FY1995 with a view to expanding cooperation in this field.

In May 1998, Japan decided to freeze all new grant and loan aid projects in India and Pakistan following the performance of nuclear tests by these two countries. Although technical cooperation is not subject to these restrictions, we shall need to take a close look at the content of individual projects and see how the situation develops in the future.

Execution of JICA projects

Southwest Asia is a region visited almost every year by floods and other natural disasters. Bangladesh is one of the most impoverished countries in this region. An annual consultative study mission on grant and loan aid was sent to Bangladesh in January 1998, following which Japan expressed its intention of continuing to give priority to cooperation for health and medical care, education, the environment and human resources development. Projects started in FY1997 include the Poultry Management Techniques Improvement Project, an example of project-type technical cooperation aimed at improving the nutrition of the Bangladeshi people and in particular at raising the standards of living of small-scale farmers. Surveys were also conducted in connection with possibilities for cooperation in the fields of arsenic pollution, maternal and child health, and elementary education.

India has been witnessing high levels of economic growth over the past few years, although the nation still has major development needs to

satisfy before it can be sure of steady, sustainable growth. This situation is ascribable especially to factors such as population growth, environmental deterioration caused by concentration of population in cities, and the existence of an extremely large class of poor, who account for as much as one-third of the population. A high-level mission on economic and technical cooperation sent to India in March 1995 identified three priority areas for cooperation, namely improvements in economic infrastructure, eradication of poverty, and conservation of the environment. Agreement was reached in FY1997 concerning implementation of the Project for Prevention of Emerging Diarrheal Diseases (project-type technical cooperation), and a start was made with the Study on Highway Bypasses (development study), which aims to alleviate traffic congestion in the major cities and to improve the urban environment.

An annual consultative study mission was sent to Nepal in September 1997 and confirmed that priority needed to be given to improving social infrastructure to alleviate poverty and to cooperation with environmental conservation, including measures to cope with natural disasters. In addition to complex cooperation aimed at forest conservation and village development in western Nepal, wide-ranging cooperation is taking place aimed at preventing tuberculosis and in fields of basic medical care. A development study entitled Study on Flood Mitigation Plans for Selected Rivers on the Terai Plain was begun in FY1997 with the aim of preventing flood damage.

In Pakistan, a Social Action Programme (SAP) was formulated in 1992 to emphasize social sectors which have tended to be overlooked in the past, such as elementary education, basic medical care, population and family planning. On the basis of these policies, JICA organized a Country Aid Study Group in FY1995 to analyze development needs and make proposals about how aid should be provided in the future, especially in social sectors. Grant aid has been provided in recent years for the construction of training facilities for women teachers and maternal and child health centers. A start was made in FY1996 with Maternal and Child Health (project-type technical cooperation), and experts were sent to the Ministry of Women's Development to advise on policy and to train teachers.

Sri Lanka is a nation where technical cooperation can be provided with relative ease owing to the generally 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, although there is a need for more effective linkage with technical cooperation such as development studies and the dispatch of experts in the future. A preliminary survey entitled

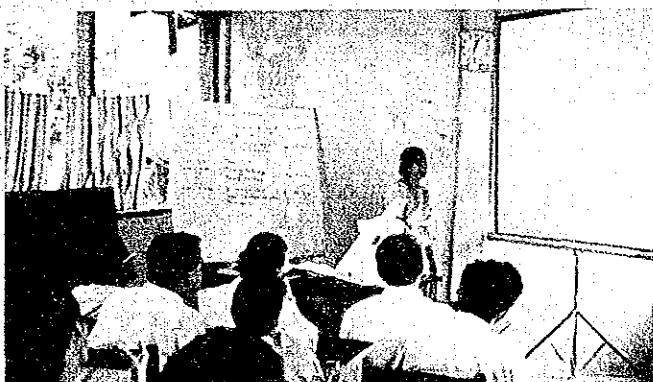
Study of Outer Colombo Circular Road and New Link Road from Colombo was carried out in FY1997.

Conversely, economic disparities between different parts of the country have contributed to the aggravation of religious and cultural antagonisms. These are causing considerable concern as hindrances to national development. Regional development must therefore constantly be borne in mind when providing cooperation.

Front Line

Sri Lanka: Getting down to solving serious employment problems

Occupational Training Curriculum Development (expert dispatch)



Regional staff present their valuable opinions at seminars

●● **Employment measures and occupational training**

Sri Lanka once flourished as a base for entrepôt trade among nations facing the Indian Ocean, but in recent years the nation has tended to lag behind other countries. The domestic unemployment rate stands at almost 20 percent, and the employment situation facing young people and university graduates is very serious. It is hoped that occupational training may be effective in solving this problem, which is currently being tackled by about twenty government ministries and agencies. But many problems remain to be solved due to the sheer variety of occupations,

levels and graduation certificates.

JICA has thus sent individual experts to Sri Lanka's Industrial Occupational Training Corporation to cooperate with "occupational training curriculum development."

The experts have been working on the development and dissemination of curricula. Dissemination is carried out principally by holding seminars both in Colombo and in the provinces. The seminars held in Colombo have involved a one-week course entitled "Training Skills and Assessment" given by short-term experts.

●● **Presented after a one-year wait**

The subject of the provincial

seminar was intended to be "Practical Curriculum Compilation and its Applications," a one-day course to be led by four lecturers. The schedule for the seminar was determined and the lecturers began preparing their teaching materials. However, the seminar had to be postponed time and time again because of the failure to submit proposals. Every time the lecturers thought that the seminar was at last going to get under way, there would turn out to be yet another delay in submitting the proposals.

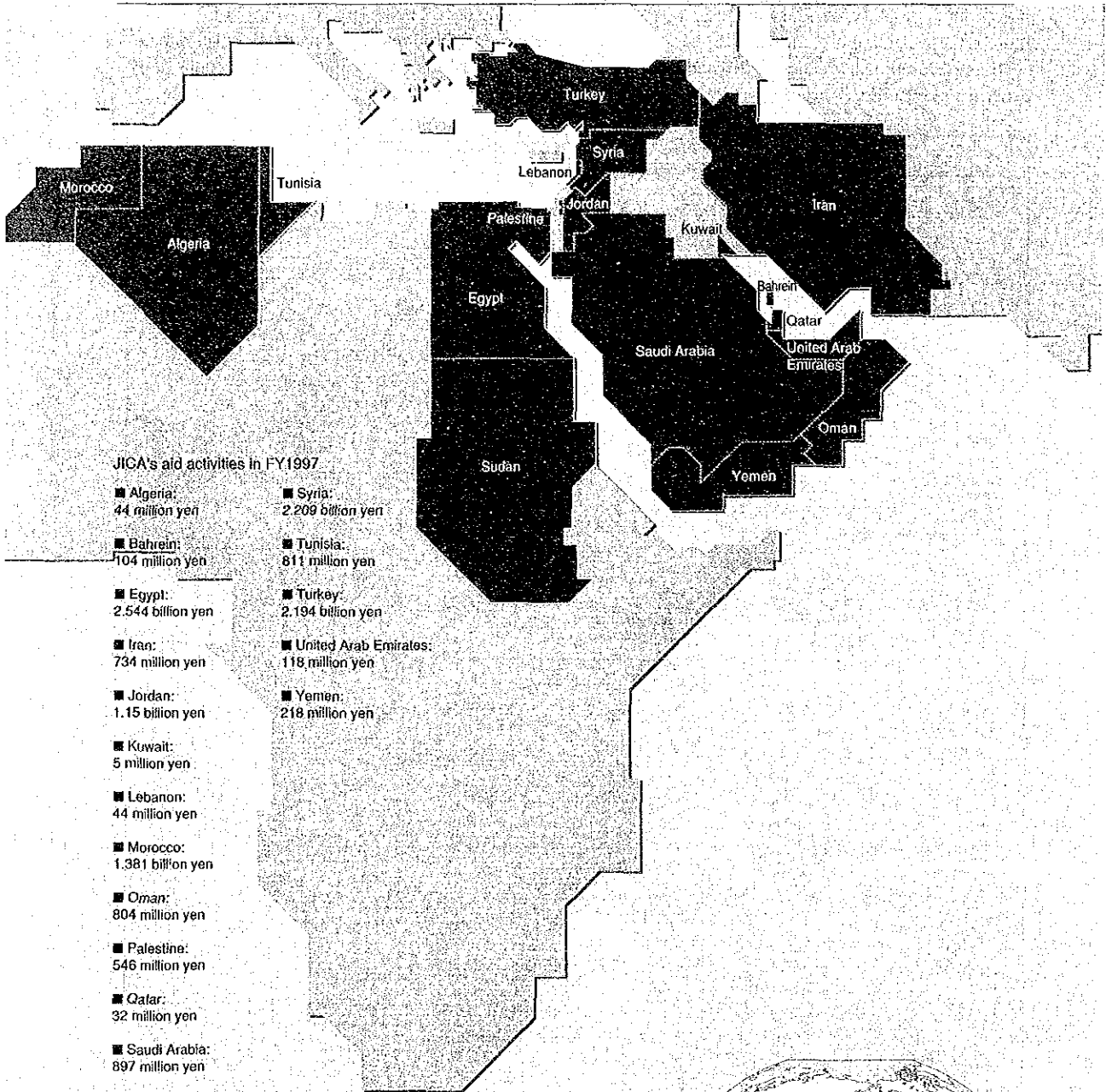
After waiting a year, teaching materials finally appeared just before the experts were due to return to Japan. Dividing up a part of the work, the experts provisionally printed the documentation, which was still only about seven-tenths complete, and the regional seminar at long last began.

An impassioned debate took place between the lecturers and the local employees at the seminar. Repeating this experience is likely to promote the mutual exchange of information between central and regional agencies, and is sure to have repercussions on the development and dissemination of curricula as well as on related fields. We feel certain that this is indeed the case, having witnessed for ourselves through these activities the strong determination of people to achieve self-reliance.

(JICA Sri Lanka Office)

Chapter 3

Middle East



Middle East



Present state of regional development

The Middle East region, 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. Set at the crossroads of Asia, Africa and Europe, this region is situated in a geographically important position, in addition to which it 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 disparities 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 aid

Japanese bilateral* ODA in the Middle East has accounted for 7 to 10 percent of all bilateral ODA since 1980. After the Gulf War in 1991, bilateral ODA within the region increased in terms of yen loans given as aid to the countries in the area, amounting to \$1.80656 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 1997 was \$512.92 million, equivalent to 7.8 percent.

The largest recipient in the region was Jordan, which received 27.2 percent of all bilateral ODA in the Middle East. Jordan was followed by Egypt (24.4%), Iran (13.7%), and Syria (12.9%) (net expenditure in 1997).

JICA projects in the Middle East in 1997 entailed expenditure of 13.87811 billion yen, equivalent to 8.8 percent of the total.

The United Arab Emirates, Qatar and Kuwait were removed from the DAC list* (list of developing countries) in January 1996, marking their graduation* from aid-recipient status.

Cooperation with these countries will therefore be gradually reduced in the future.

We are now looking into the possibilities for working together with Israel and Turkey on cooperation in Africa, the Middle East, and Central Asia respectively. We have formed links with TICA (Turkish International Cooperation Agency) in connection with third-country training*.

Apart from restricted humanitarian and emergency issues, cooperation is not being provided in Libya, Sudan, Iraq, and Afghanistan (as of April 1998).

Execution of JICA projects

Cooperation in line with diverse conditions in each country

Owing to the political, economic and social diversity of countries in the region, JICA is providing cooperation in line with conditions in each country.

In the case of oil-producing countries such as Saudi Arabia, support is provided to assist them in breaking away from a monocultural economy dependent on petroleum, with priority being given especially to technical cooperation with the development of human resources inside the country.

During his visit to Saudi Arabia in November 1997, Prime Minister Hashimoto proposed the "creation of a comprehensive partnership for the 21st century". JICA's role in this proposal involves the formulation of a Japan-Saudi Arabia cooperation agenda as a new field of activity to include human resources development, environmental issues, and medical care. Cooperative relations between the two countries will be furthered in line with this concept.

In the case of nations with relatively high income levels such as Tunisia and Turkey, support involves technical cooperation emphasizing 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 extensive development needs experienced by countries throughout the Middle East are development of water resources and tourism and preservation of the environment. JICA is considering cooperation in these areas for the future.

Coordination with advances in the peace process

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

The most conspicuous developments in this region in recent years have involved Palestine. In September 1993, agreement was reached between the Israeli government and the Palestine Liberation Organization (PLO) to the effect that Palestinians could 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 on enlargement of the Palestinian autonomous zone.

The peace process has been continuing erratically since the advent 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 this process.

Through the United Nations Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA), as early as 1985 Japan had accepted five training participants. In 1996, partially through the United Nations Development Programme (UNDP), 104 Palestinian participants, including 48 recipients of third-country training* in Egypt and Jordan, came to Japan on training programs. In FY1997, intake of participants bypassing international agencies was started, and 132 training participants, including 72 recipients of third-country training, visited Japan. 561 participants came to Japan on these training programs between FY1985 and FY1997.

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 using 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 FY 1995.

JICA's role enhanced with aid for Palestine

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 Interim Self-Government Authority. This marked the beginning of a new stage of fully fledged aid provision.

An agreement reached between the two countries on two grant aid projects, namely the Project for Supply of Medical Equipment for Hospitals in Gaza and the Project for Supply of Equipment for Higher Education (1), was concluded in March 1996, these being the first two examples of direct aid. JICA has been charged with the performance of surveys and promotion of implementation work in connection

with these two projects. As previously mentioned, Palestinian training participants have hitherto been brought to Japan under the auspices of international organizations, but from FY1997 the procedure was changed so that training is now carried out directly on a bilateral base, bypassing international agencies, as with other developing countries.

JICA is thus playing an increasingly important role in the provision of Japanese aid to Palestine. July 1998 saw the opening of a JICA office in Palestine.

Among the policy-related issues bearing on future cooperation in the Middle East are response to changes in conditions in the Persian Gulf, e.g. moves by the United States in

Front Line

Egypt: Technology transfer and human resources development for dealing with urgent environmental problems

The Environmental Monitoring Training Project (project-type technical cooperation)



The final target is establishment of an environmental monitoring system to cover the whole of Egypt

●●
Economic development and the emergence of environmental problems

The emergence of environmental problems and the state of development of a country's economy are two sides of the same coin. It was when per capita GDP had reached \$1,000 that pollution problems surfaced in economically developed East Asia. Having achieved a certain standard of living, people become more interested in the environment.

It was in 1994 that per capita GDP in Egypt reached a level of \$710. In the major cities such as Cairo, where the level is considerably higher, environmental problems have become an

important political and administrative issue.

Having succeeded in extricating itself from chronic economic difficulties with help from the IMF, since 1996 Egypt has been trying to join itself to the global economy by getting firmly on track toward high-level economic growth. An urgent priority if this is to be possible is dealing with the environmental problems which come in the wake of economic development.

●●
JICA's economic cooperation and collaboration with aid donors

Since the Basic Law on the Environment came into force in Egypt in 1994, Japan has been stepping up

the provision of aid especially through the dispatch of short-term and long-term experts in administrative and pollution measures and grant aid intended for the purchase of environmental monitoring equipment.

In coordination with grant aid, September 1997 saw the start of project-type technical cooperation entitled The Environmental Monitoring Training Project. The immediate target for this cooperation is to improve methods of environmental analysis for water and air quality. Five long-term experts are currently providing technical instruction, primarily at the Chemical Experimentation Laboratories of the Egyptian Environmental Affairs Agency.

About 20 people, most of whom majored in chemistry at university, were employed as counterparts*, and in FY1997 two training participants came to Japan. These project-trained individuals are involved in human resources development at regional research institutions and are themselves training more and more people to deal with environmental matters.

It is precisely such autonomous development and sustained dissemination on the levels of human resources development and technology transfer* which are the original aims of projects.

(JICA Egypt Office)

connection with United Nations inspections of Iraqi facilities suspected of being involved in the development of nuclear weapons, and how cooperation should be pursued with neighboring countries such as Syria, Lebanon and Jordan as

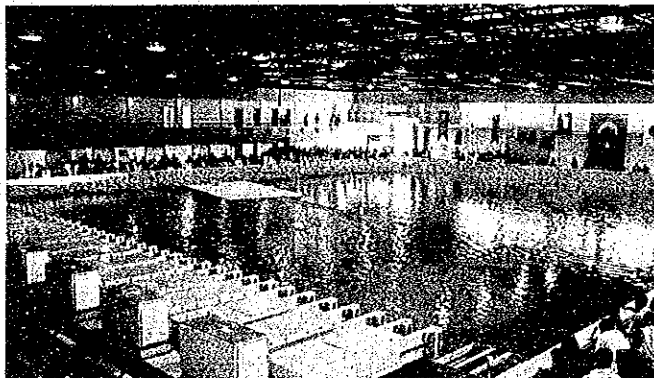
peace talks progress.

Effective and efficient cooperation must also be encouraged with Palestine, which is now well advanced on the peace process, and the major states of Egypt and Turkey.

Front Line

Turkey: Upgrading harbor functions in line with modern requirements

The Port Hydraulic Research Center Project (project-type technical cooperation)



The experimental flat water tank inside the Center completed in January 1997

●● Harbor upgrading and development

Turkey is located at the crossroads of Europe, the Middle East and Central Asia and is surrounded by the Black Sea, the Sea of Marmara, the Aegean Sea, and the Mediterranean. Its harbors have been well developed since ancient times. There are about 80 harbors in Turkey. Harbor construction falls within the jurisdiction of the General Directorate of Railways, Ports and Airports Construction (DLH) of the Ministry of Transport.

When upgrading and developing harbors, attention must be given to the stability of structures such as breakwaters and to noise levels. These can be studied by means of hydraulic model tests and numerical analysis, but the DLH does not possess the required facilities and engineers have inadequate knowledge and experience in this area.

The five-year Port Hydraulic Research Center Project got under way in January 1995 as a form of cooperation aimed at training personnel in this field.

●● Difficulties in recruiting counterparts

The Turkish government has constructed a building equipped with a large flat water tank measuring 40 x 30 x 1.2 meters for faithfully recreating complex sea waves. Japan supplied special equipment such as wave generators and analyzers. Four long-term experts including the project leader were sent from Japan and are transmitting advanced technology relating to hydraulic model tests, local observations, and numerical analysis methods to the Turkish counterparts.

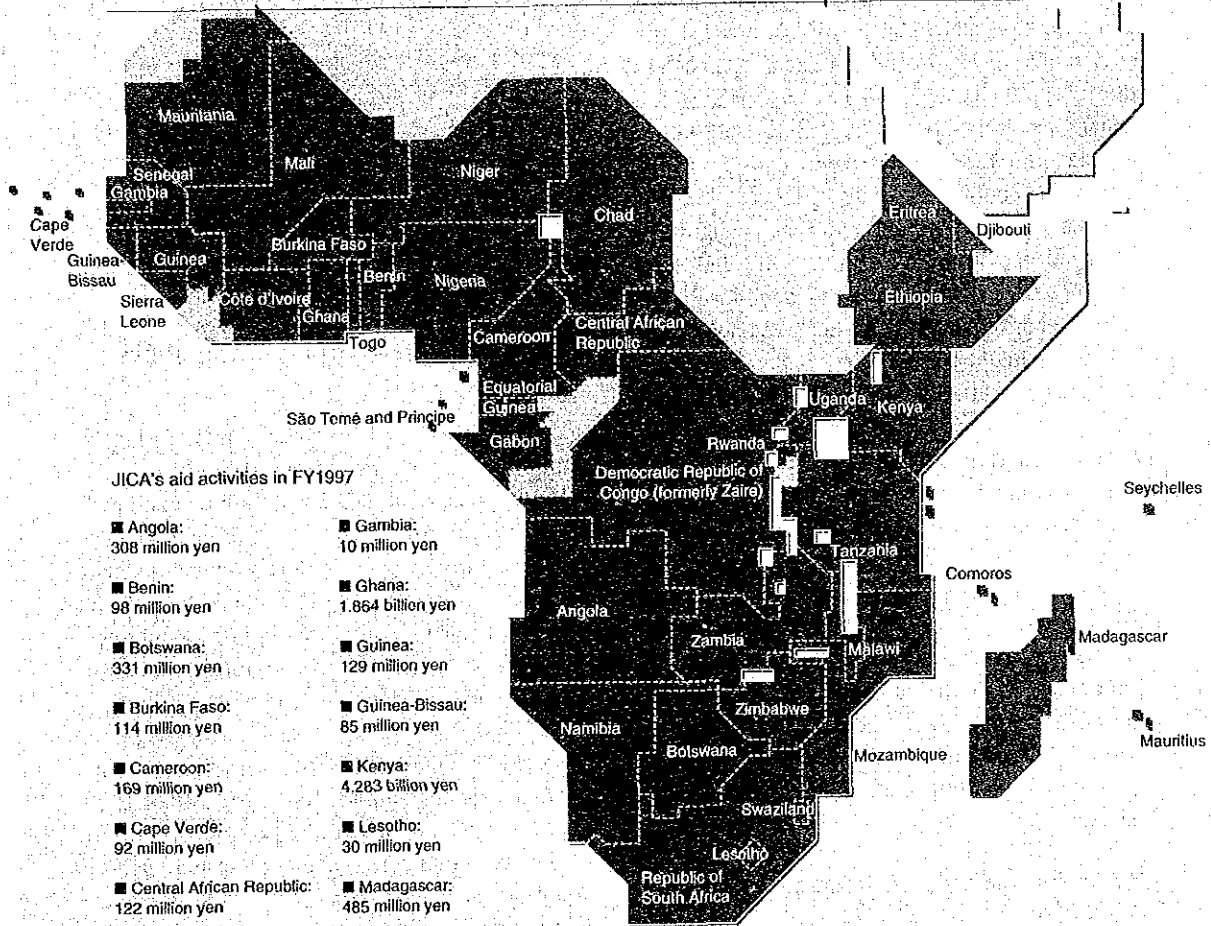
Turkey was in a precarious financial position at the time the project got under way and considerable difficulties were had recruiting counterparts.

The Japanese experts have been cooperating with Turkey in solving this problem. Seminars aimed at universities are being held, efforts are being made to publicize the project, and capable individuals are being recruited from universities.

(JICA Turkey Office)

Chapter 4

Africa



JICA's aid activities in FY1997

■ Angola:
308 million yen

■ Benin:
98 million yen

■ Botswana:
331 million yen

■ Burkina Faso:
114 million yen

■ Cameroon:
169 million yen

■ Cape Verde:
92 million yen

■ Central African Republic:
122 million yen

■ Chad:
29 million yen

■ Comoros:
13 million yen

■ Côte d'Ivoire:
635 million yen

■ Democratic Republic of
Congo (formerly Zaire):
4 million yen

■ Djibouti:
81 million yen

■ Equatorial Guinea:
6 million yen

■ Eritrea:
275 million yen

■ Ethiopia:
1,276 billion yen

■ Gabon:
42 million yen

■ Gambia:
10 million yen

■ Ghana:
1,864 billion yen

■ Guinea:
129 million yen

■ Guinea-Bissau:
85 million yen

■ Kenya:
4,283 billion yen

■ Lesotho:
30 million yen

■ Madagascar:
485 million yen

■ Malawi:
1,535 billion yen

■ Mali:
224 million yen

■ Mauritania:
481 million yen

■ Mauritius:
198 million yen

■ Mozambique:
428 million yen

■ Namibia:
219 million yen

■ Niger:
542 million yen

■ Nigeria:
33 million yen

■ Rwanda:
36 million yen

■ São Tomé and Príncipe:
17 million yen

■ Senegal:
1,047 billion yen

■ Seychelles:
70 million yen

■ Sierra Leone:
19 million yen

■ Republic of South Africa:
554 million yen

■ Swaziland:
92 million yen

■ Tanzania:
3,477 billion yen

■ Togo:
136 million yen

■ Uganda:
809 million yen

■ Zambia:
1,808 billion yen

■ Zimbabwe:
1,432 billion yen



Present state of regional development

Socioeconomic development facing 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 mostly occupied by arid regions such as the Sahara and Kalahari deserts and hot and humid tropical rain forest. The region consists of 47 developing countries.

Although most African countries gained their independence during the 1960s, many, under the influence of agricultural management during the colonial period, have inherited a monocultural structure with their economic foundations resting on specific primary products. 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 with limitations on 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. During the 1970s,

many countries had to take out large loans in order to maintain levels of income and investment. But since the 1980s, GNP has in real terms shown negative growth, and external debt has grown to enormous proportions. The 1980s are thus often referred to as "the lost decade." Accumulated debt at the start of the 1990s was twenty times higher than in the 1970s.

Thirty-two of the world's 48 LLDCs* are situated in Africa, and about two out of five of the population belong to the class of the absolute poor, having to live on less than one dollar a day. These figures give some indication of the difficulties attendant upon social and economic development in Africa.

Support for Africa in an atmosphere of change

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 one-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 in 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 abandoned their previous public sector-oriented policies and are striving to restructure and liberalize their economies under the guidance of the World Bank and the International Monetary Fund. Responding to these economic difficulties experienced by African countries, international organizations and the DAC 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 (SAF) as part of the efforts to support structural adjustment* in African countries.

Democratization and nation-building

The abolition of apartheid in the Republic of South Africa and the election of Nelson Mandela to the presidency are the most pertinent symbols of the trend to democracy. In line with the Japanese government's policy of giving assistance to South Africa as decided upon in July 1994, JICA embarked in earnest on the provision of aid and opened a local office in April 1997.

Apart from South Africa, other countries in the region such as Niger and Gambia have been moving toward democracy, while in Angola, a country which suffered from prolonged civil war, a peace treaty has been concluded between the government and anti-governmental organizations. All these countries are now set on the path to nation-building.

In contrast, the path to democracy in Nigeria and the Democratic Republic of the Congo (formerly Zaire) remains precarious. There are also many countries such as Burundi and Sierra Leone where political instability is blocking efforts on the part of both advanced countries and developing countries to promote economic and social development.

Japanese aid

The 1st Tokyo International Conference on African Development (TICAD)

In October 1993, the Japanese government, together with the United Nations and other international agencies, organized the 1st Tokyo International Conference on African Development (TICAD) to debate the current situation in Africa. As well as discussing the nature of development on the continent, 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 TICAD, the Japanese government announced that it would be providing grant aid of between 250 and 300 million dollars over the next three years for underground water development and expansion

of water supply. This was almost achieved. In line with this policy, JICA conducted a development study and a basic design study* which contributed to realization of the Japanese government's pledge. In the field of cooperation with human resources development, JICA has also been inviting young Africans to Japan for training.

Statement of determination to realize development

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 Japan's "African Aid Initiative" 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 the Republic of South Africa in April 1996, Yukihiko Ikeda, then Minister for Foreign Affairs, announced Japan's "African Aid Initiative", which proposed the holding of a second Tokyo International Conference on African Development (TICAD II), plans for supporting human resources development in Africa, and plans to support polio eradication.

TICAD II is due to take place in the autumn of 1998 with the participation of countries in Africa, Asia and the industrialized world and international agencies. Its aims will be to review the results of the first TICAD held in October 1993, to formulate new action plans, and to stimulate national and international interest in the subject. (See p. 25 for information on TICAD II.)

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 development aid for 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 seven countries for priority implementation of the new DAC development strategy. Five of these --

Ghana, Zimbabwe, Tanzania, Ethiopia and Senegal -- are situated in Africa. This approach to African aid cannot be realized by Japan single-handedly. Ideas need to be shared and tackled in collaboration with related donor* countries and international agencies.

Donor meetings are frequently held in Africa in areas where aid is provided, with discussions taking place on the provision of aid in accordance with local conditions. As a result, sectoral investment program (SIP), in which sectoral development and aid plans are put together as a single coordinated package, is becoming increasingly prevalent.

With this approach as a foothold, JICA is introducing new ideas into African cooperation and will project an image of the agency with the emphasis on human development.

Developments in bilateral cooperation in Africa

Japanese bilateral cooperation* in Africa amounted to \$1.04 billion, or 15.3 percent of all bilateral ODA, in 1989, although since 1990 it has decreased slightly to about 11 percent of the total. The figures for 1997 were 12.1 percent and \$828.2 million 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 30.5 percent in 1997, the proportion of grant aid in Africa was as high as 64.8 percent. Adding technical cooperation to this figure, the proportion occupied by grants amounts to 90.9 percent of all aid.

As far as yen loans are concerned, there are many countries which have problems in repaying loans. Moreover, there are few countries with the capacity to receive such loan aid. The relative importance of grant aid is thus set to rise yet further in the future.

The largest recipient country in the region in 1997 was Ghana, which accounted for 8.7 percent of all African bilateral aid. Ghana was followed by Kenya (8.6%) and Tanzania (6.9%).

Execution of JICA projects

Studies of approaches to cooperation in Africa

As should now be clear, cooperation in Africa entails many problems and difficulties; it needs therefore to be based on a distinctive approach. A start was made in 1990 with the establishment by JICA of the African Aid Study Group, consisting of outside experts and aimed specifically at the study of aid questions affecting Africa. Aid study groups were thereafter 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 natural resources as the base for daily living and as 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 biological diversity*, and the development of

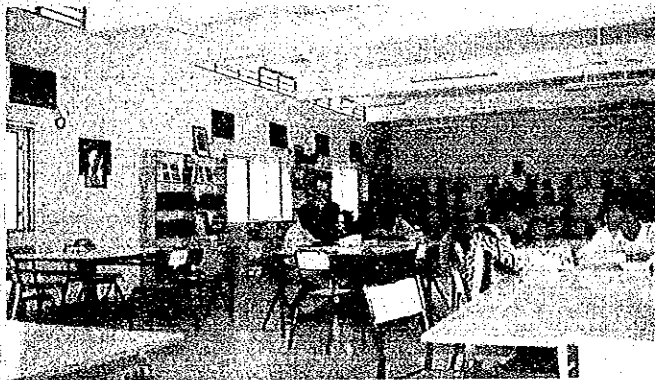
farming villages employing traditional farming methods.

In order to further cooperation with Africa, JICA is strengthening its implementation system. Offices have recently been established in the Côte d'Ivoire (FY1994), Zimbabwe (FY1995), and the Republic of South Africa (FY1996), resulting in a system employing 13 offices.

Front Line

Djibouti: The Fukuzawa Junior High School built in the desert

Project for the Construction of Junior High School Buildings (grant aid)



The library of the Fukuzawa Junior High School. A photograph of Yukichi Fukuzawa can be seen above the bookcases.

●● Education as the main force behind development

Djibouti is a small country with a population of 630,000 located at the entrance to the Red Sea, which links the Mediterranean with the Indian Ocean. It is poor in natural resources and its natural conditions are unsuited to farming. Believing that the country's people are its greatest resource, Djibouti is concentrating especially on human resources development and in particular the dissemination of primary education. However, although there are many outstanding teachers, the pressure on the national finances is severe. In consequence, the construction of satisfactory educational facilities is

lagging behind in this country where the daytime temperature may rise as high as 45 degrees. Buildings for a junior high school were thus constructed with Japanese grant aid.

The school was completed in 1994 and is the only junior high school in Balbala, a new housing area with a rapidly expanding population on the outskirts of the city of Djibouti. Known as the Fukuzawa Junior High School, it has about 2,000 pupils aged between about twelve and sixteen and operates with a four-year curriculum. Japan, like Djibouti, is poor in natural resources. The idea in naming the school after Yukichi Fukuzawa, the pioneer of modern education in Japan, was to learn

from Japan's example by holding up education as the main force behind development.

●● A symbol of Japan

With its portraits of Yukichi Fukuzawa hung in various parts of the school buildings, this school has become a symbol of Japanese cooperation. The President of Djibouti attended the opening ceremony. The pupils are delighted to be able to study at this school which was a gift from Japan, a country located at the eastern tip of their maps of the world. The school is much valued by most of the population, who refer to it as a "school like a jewel".

Djibouti is still a young country, having achieved independence from France only twenty years ago. The teachers responsible for educating the children in whose hands the future of the country lies are all young and brimming with enthusiasm. The young headmistress visited Japan in 1997 to attend JICA's "African Women Teachers' Course" (youth invitation program). Because of its name, the school has formed sister-school links with Keio Gijuku Junior High School, the school in Tokyo which was founded by Yukichi Fukuzawa.

(JICA France Office)

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 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

Front Line

Ghana: Agricultural development and environmental regeneration in West Africa

Integrated Watershed Management of Inland Valleys with Participation of Local Farming Communities (expert dispatch, research cooperation)



Leveling a paddy field. This is the most laborious part of creating a "hand-made" paddy field.

●● Development of small inland lowland catchment areas

Although individual small inland lowland catchment areas cover little more than several dozen hectares, they are reckoned to occupy an area of about 700,000 hectares in Ghana and an area of about 10 million hectares throughout West Africa. Policies aimed at sustainable agricultural development, centering on paddy fields in valleys, in such areas offer a major key to agricultural and environmental regeneration in West Africa. A three-year research cooperation* project concerned with comprehensive land use and development based on paddy farming was begun with the participation of local farming

communities in August 1997.

The aim is to develop a land use model for the whole of a catchment area while increasing in a sustainable and comprehensive manner the production of agricultural produce, livestock, freshwater fish and forestry on the basis of the development of paddy farming in small lowland areas. The selected target area is the Dwinyam River catchment area in the Ashanti region. Improvements are currently being made in the ecological environment, for example in connection with water circulation in catchment areas, and comprehensive research with an eco-technological orientation is under way.

JICA has dispatched long-term and short-term experts, who are

working at the Crops Research Institute (CRI). Counterparts* have been recruited from this and other leading Ghanaian national research institutes, and interdisciplinary research cooperation is now proceeding.

●● Development relying only on pickaxes and shovels

Efforts are being made to train farmers' associations primarily in paddy field development in the villages covered by the project. Association members, along with villagers, are taking part in the project. Mechanization has as far as possible been avoided so that the villagers will be able to continue with the project by themselves. Small paddy fields covering one hectare have been developed with simple tools such as pickaxes and shovels. But although the area is only one hectare, work carried out without recourse to machinery means that the villagers, the counterparts, and the experts need to establish close relationships and to share equally in the toil.

Centering on technology transfer* involving the closest attention to the needs of villagers and fieldwork in the case of the counterparts, the target now is to formulate a comprehensive development model by 2000.

(JICA Ghana Office)

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 the Canadian International Development Agency (CIDA) are benefiting from study of each other's aid methods and experience and are examining future possibilities for collaboration and cooperation. The two agencies worked together on presenting the JICA-CIDA Joint Seminar on Southern Africa in Tokyo in March 1995 and in Zimbabwe in March 1996,^{*1} and they are currently considering the implementation of joint projects in Zimbabwe.^{*2}

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 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 aggravating social problems through increase in income differentials, growth in unemployment, and deterioration in social services. The World Bank is itself providing cooperation with these points borne in mind. JICA believes that it too needs to take account of these negative aspects of structural adjustment and to provide cooperation in conjunction with the World Bank and other international agencies.

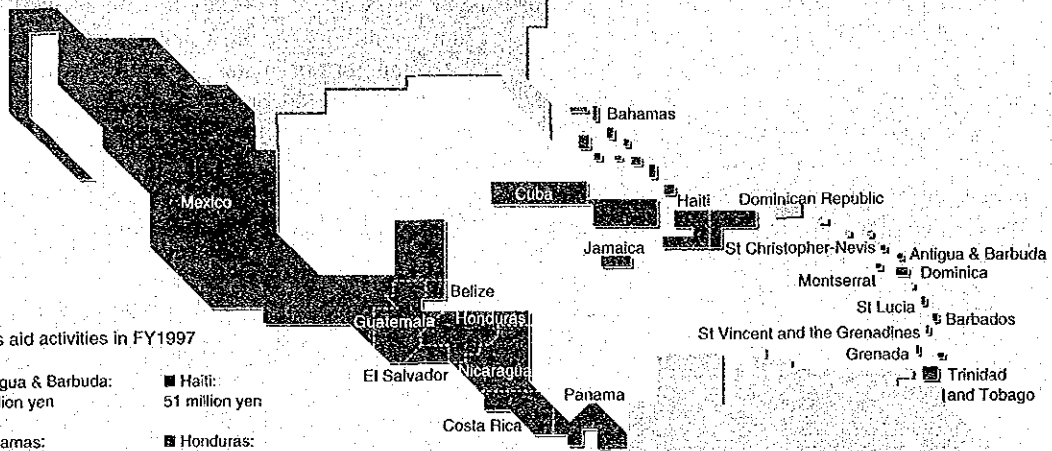
Collaboration with other industrialized countries and aid organizations is likely to be especially effective in regions such as Africa where Japan has relatively little experience of providing aid. We believe that such collaboration will have an important role to play in the future.

*1: A joint assessment with CIDA was performed in March 1997 in connection with JICA's Kilimanjaro Agricultural Development Project.

*2: Opinions were exchanged on sectoral approaches, in particular sector investment program (SIP), at a regular meeting held with the World Bank in December 1997. We intend to make use of the results of this meeting in future cooperation.

Chapter 5

Central America and the Caribbean



JICA's aid activities in FY1997

■ Antigua & Barbuda: 52 million yen	■ Haiti: 51 million yen
■ Bahamas: 2 million yen	■ Honduras: 1.947 billion yen
■ Barbados: 20 million yen	■ Jamaica: 515 million yen
■ Belize: 26 million yen	■ Mexico: 3.49 billion yen
■ Costa Rica: 855 million yen	■ Montserrat: 2 million yen
■ Cuba: 79 million yen	■ Nicaragua: 1.036 billion yen
■ Dominica: 56 million yen	■ Panama: 962 million yen
■ Dominican Republic: 1.016 billion yen	■ St Christopher-Nevis: 12 million yen
■ El Salvador: 1.003 billion yen	■ St Lucia: 128 million yen
■ Grenada: 163 million yen	■ St Vincent and the Grenadines: 92 million yen
■ Guatemala: 891 million yen	■ Trinidad and Tobago: 205 million yen

Central- America and the Caribbean

State of regional development

The Central American and Caribbean region comprises 21 countries, eight in Central America and thirteen in the Caribbean. It occupies an area of 2.96 million square kilometers, or about 2.2 percent of the world's surface, and is home to 154 million people, or about 2.8 percent of the world's population. The region has many small countries: eight have land areas of less than 10,000 square kilometers, and eleven, or about half the total, have populations of less than one million.

Mining flourishes throughout the region owing to the plentiful availability of natural resources. The main industries in the Caribbean countries are fisheries and tourism. With the exception of Mexico, manufacturing industry and other industries are lagging behind. On the economic plane, many countries in the region have problems of accumulated debt and are engaged in a process of reconstruction.

Income levels in the countries of this region are such that fourteen, including the Bahamas, Barbados and Mexico, are classified as upper-middle income countries* with per capita GNP in excess of 1,500 dollars. On the other hand, three -- Haiti, Nicaragua and Honduras -- are low-income countries* with per capita GNP of less than 750 dollars. A further four are lower-middle income countries* with per capita GNP of between 750 and 1,500 dollars. The region is thus one with large disparities of income.

The civil strife which began in the late 1970s and racked Central America for more than a decade devastated the territories of the countries involved and wreaked havoc on their economies. Repercussions were felt by neighboring countries in the form of refugee problems. A process of transition to civilian government at last began to emerge in the early 1980s, and all the countries in the region, with the sole exception of Cuba, now have democratically elected governments. Furthermore, all the countries of Central America have now achieved peace, following the signing of the Guatemalan peace treaty in December 1996.

The social and economic infrastructure of these countries was severely damaged during these years. Still today, many countries have inadequate social infrastructure in areas such as

water supply facilities, health and medical care, and basic education. Assistance from advanced countries is thus essential if these countries are to solve these problems, including the problem of accumulated debt.

Japanese aid

A region with a high proportion of technical cooperation

In 1997, \$360.92 million was provided to this region, a figure equivalent to 5.5 percent of all bilateral ODA*. This sum breaks down into the figures of \$162.93 million (45.2%) for grant aid, \$128.99 million (35.7%) for technical cooperation, and \$69.01 million (19.1%) for loan aid. Since the countries of Central America and the Caribbean have higher income levels than other regions and few are eligible for grant aid, the proportion of technical cooperation is higher than in other regions.

The end of civil strife in Central America during the early 1990s has brought about an increase in demand for funds for economic reconstruction in individual countries. Japan has been actively providing support for economic reconstruction and the passage to democracy in countries where civil strife has ended. Total ODA has tended to increase in recent years in consequence.

With their small populations and national areas, the Caribbean countries have relatively high per capita income levels, and Japan does not therefore have a strong record of cooperation in this region. On the other hand, the Caribbean countries themselves are increasingly hoping for Japanese cooperation. The Japan-Caribbean Consultations, held since 1993, are intended to bolster economic cooperation between Japan and the nations of the Caribbean.

Execution of JICA projects

Mexico keen on South-South cooperation

Mexico, the country with the largest land area and population in Central America, has seen a solid improvement in its status within the international community since effectuation of the North American Free Trade Agreement (NAFTA) in January 1994 and its entry to membership of

the OECD in May 1994. The nation has already begun its own cooperation, albeit on a small scale, with other countries in Central America and the Caribbean and, as the leader of the region, has incorporated South-South cooperation* into its foreign policy. Support for South-South cooperation is likely to be an effective way of implementing aid to Central America and the Caribbean. Japan has been sending project formulation specialists to Mexico since February 1997 to transmit Japan's expertise and experience and to look into the possibilities for cooperation and assistance.

Japan and Mexico have confirmed that the priority issues for cooperation between the two countries are the environment and human resources development contributing to industrial development and regional promotion. Cooperation provided by JICA to Mexico in FY1997 was connected especially with the National Center for Environmental Research and Training, Phase II (project-type technical cooperation) and was aimed primarily at environmental measures of relevance in the context of development policy. Other projects have included the Engineering and Industrial Development Center for Small and Medium Scale Industries at Queretaro State (project-type technical cooperation), aimed at strengthening the competitiveness of smaller companies, and Local Industry Promotion and Public Technology Service (country-focused group training).

FY1997 marked the hundredth anniversary of Japanese emigration to Mexico, and it was during this year that a start was made with the Integrated Agriculture, Livestock and Rural Development Study in Tapachula No. 8. The site of this project is the state of Chiapas, which is where the earliest Japanese emigrants settled and is one of the poorest parts of the country.

Cooperation in other countries of Central America

The priority areas for aid to El Salvador are the economic infrastructure* which stimulates production sector, social development, and the environment. The first project-type technical cooperation in this country, the Project for Strengthening Nursing Education, was begun in

FY1997 and the Study on Port Reactivation in La Union Department (development study) was implemented. "Civic Society and Democratization" in El Salvador was newly added to the Japan-U.S. Common Agenda* on the occasion of President Clinton's visit to Japan in April 1996. Thereafter, opinion-leaders in El Salvador were invited to Japan, and a country-focused group training course entitled "Development of Democracy and Civil Society" was held in FY1997.

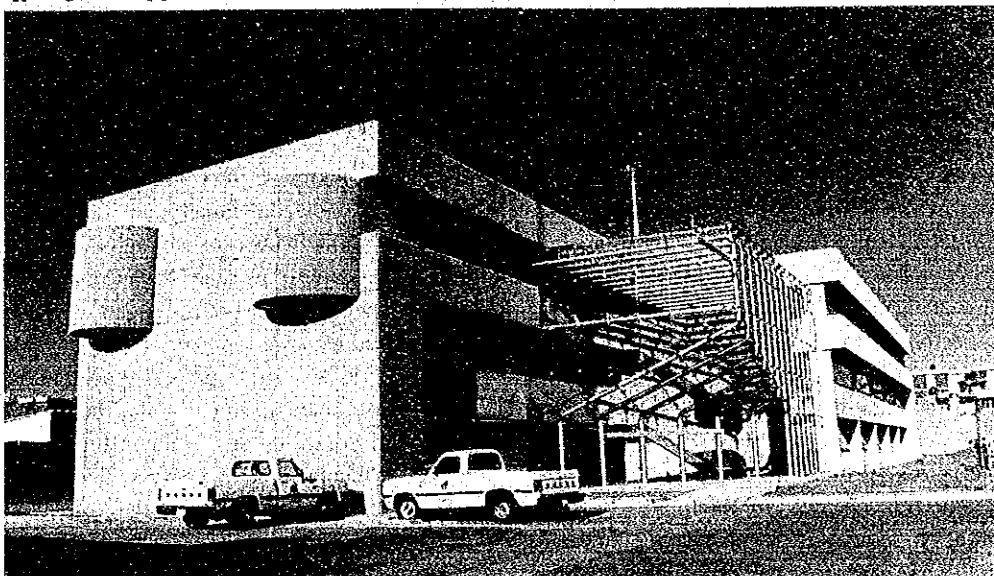
Nicaragua has a relatively high proportion of poor; with the exception of Haiti, it is the country with the lowest levels of income in Central America. Agreement has been reached between the Japanese and Nicaraguan governments that the priority areas for aid are social development and poverty measures, social and economic infrastructure, and the environment. Aid centering on grant aid has been expanding following the end of the civil war in Nicaragua in April 1990. Technical cooperation projects started in FY1997 include the Study on Agricultural Development in the Second and Fourth Frontier Regions along the Pacific Coast and the Study on Comprehensive Transportation Plan in the Municipality of Managua (development study).

In Guatemala, the government signed a peace treaty with left-wing guerrillas in December 1996, marking the end of civil strife in that country. This was followed in June 1997 by the dispatch of a mission on economic cooperation, and it was confirmed that the priority areas for aid would be the upgrading of social infrastructure (education, medical care, etc.), of economic infrastructure, and of law involving the government and the judiciary. Expanding elementary education among girls from the indigenous population is an item on the Japan-U.S. Common Agenda. To encourage links and cooperation with the United States in this field, in FY1996 JICA dispatched experts to Guatemala, and in FY1997 Guatemalan administrators active in the field of local education took part in country-focused group training course in Japan (entitled "Educational Administration at Regional Level").

Costa Rica has high educational levels and a well-organized social security system. It is the

Mexico: Training to cope with environmental measures

**The National Center for Environmental Research and Training
(project-type technical cooperation)**



Above: The National Center for Environmental Research and Training, which serves as the base for activities.
Below: Long-term experts give weekly lectures to Environmental Agency officials and counterparts on the measures being taken by Japan to deal with hazardous waste.

●●
**Heading toward the solution
of urban pollution problems**

Solving the serious problem of urban pollution especially in the nation's capital, Mexico City, is a matter of national importance for Mexico. Japan has been helping Mexico to tackle this issue, for instance by performing development studies in connection with atmospheric pollution. However, because of the continuing shortage of personnel with abilities in environmental areas, the National Center for Environmental Research and Training Project (Phase I) was started in July 1995 to run for two years. Cooperation was concerned with two specific areas, namely measures to deal with atmospheric pollution and hazardous waste.

The Mexican government provided 300 million yen to erect the buildings for this facility in the grounds of the Autonomous Metropolitan University at

Iztapalapa in Mexico City. The Mexicans contributed significantly to organization too, increasing the number of counterparts* from eight at the beginning of the project to twenty-two.

Japan sent short-term experts and organized public seminars on atmospheric pollution and hazardous waste as part of the training activities. The Japanese contribution to this project has met with high praise.

●●
**Tackling environmental
cooperation in earnest**

Building on the results achieved in Phase I of this project, Phase II, which involves full-scale technical cooperation, got under way in July 1997 and is scheduled to continue for three years. Analyzers and measuring equipment have been provided, and at long last everything is now ready for research and training activities to be carried out in earnest.

Technology transfer* to policy

officials and counterparts in the Environmental Agency is now going ahead at full speed. There are even now several counterparts lecturing at university on measures to deal with hazardous waste, reflecting their increasing proficiency in this field. Long-term experts in atmospheric pollution will shortly be sent to Mexico. We can thus expect to see the appearance before long of outstanding specialists who are able to contribute to improvements in Mexico's environmental policies in connection with the two fields of atmospheric pollution and hazardous waste.

(JICA Mexico Office)



country with the most stable democracy in Central America. One of the main examples of JICA's cooperation with Costa Rica was the Technical Instructor and Personnel Training Center for Industrial Development of Central America project (project-type technical cooperation), which was completed in August 1997. To ensure that the results of this project rebound on neighboring countries, third-country training* under the title of "Improving Productivity" has been held at this training center since FY1997.

Together with Haiti and Nicaragua, Honduras is one of the least developed countries in the region. Its development needs are considerable, and Japan is providing aid in many forms. Particularly worthy of mention is the fact that more JOCVs have been sent to Honduras than to any other country in Central America. Cooperation is focused on health care, basic education and environmental conservation. A Forest Conservation Project (project-type technical cooperation) is scheduled for the future.

Although economic levels in Panama are generally high, this is the country with the widest gap between the rich and the poor anywhere in Central America. In recent years there has been rapid depletion of forestry resources due to the use of slash-and-burn methods and felling. In addition to the effects on the environment, there is concern that the decrease in water storage volume may have an effect on navigation through the Panama Canal. Cooperation is thus required for reduction of poverty and environmental conservation. JICA has been dealing with these matters since 1994 through the Forest Conservation Technical Development Project (project-type technical cooperation). FY1998 will see the start of implementation of the Cattle Productivity Improvement Project, which aims to raise the incomes of small-scale farmers.

Cooperation in countries of the Caribbean

The countries of the Caribbean are mostly small in size and population and have gained their independence in relatively recent years. Japan does not have a strong record of cooperation in these countries because of their relatively high per

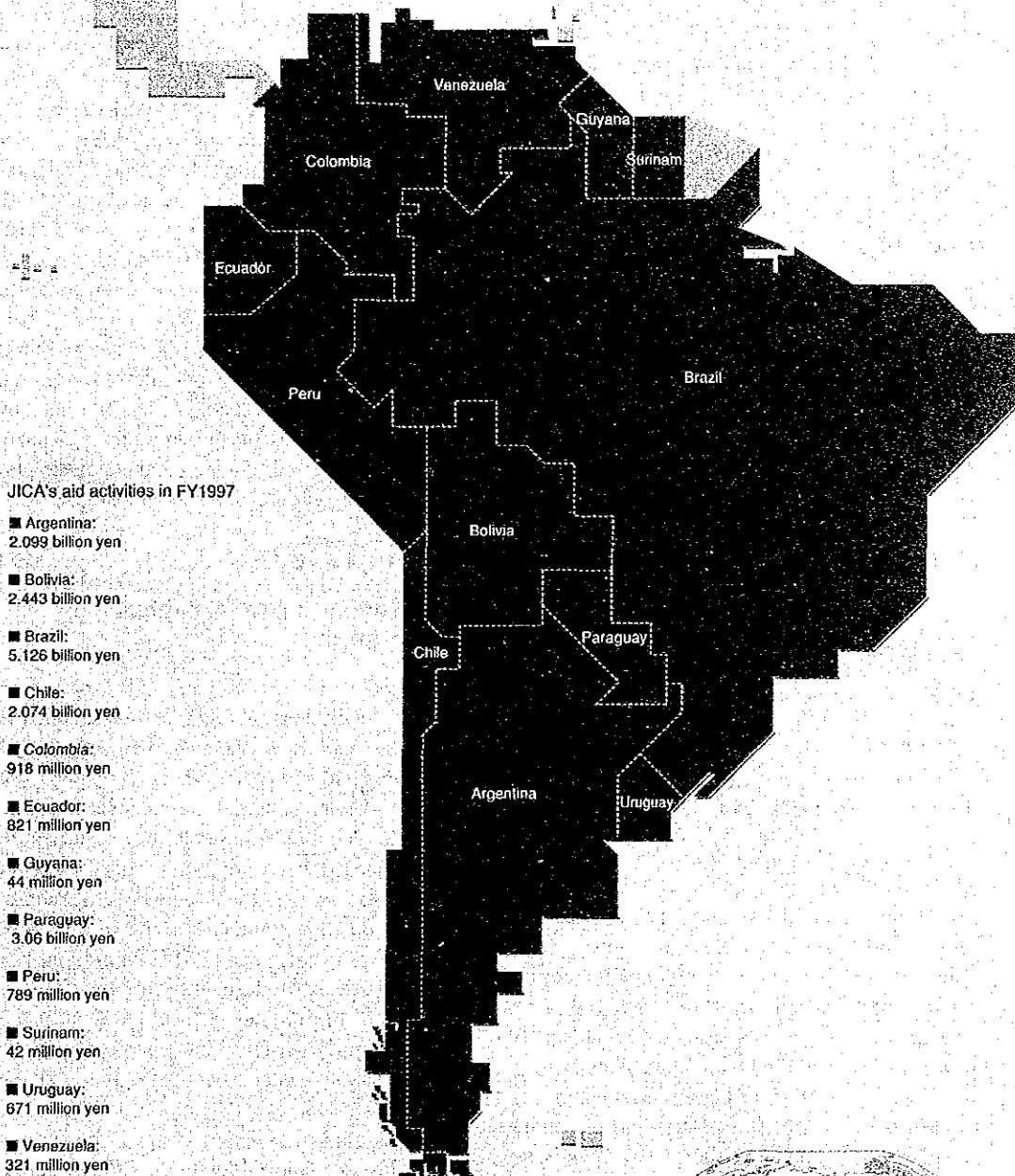
capita income and the small scale of their economies. Cooperation with the Caribbean region, with its large number of small nations, needs to involve support on a regional basis for common development issues, employing the resources of local agencies such as the Caribbean Community and Common Market (CARICOM). Cooperation has so far centered on training. However, on the basis of the Japan-Caribbean Consultations, Japanese experts have been sent since 1996 to CARICOM to strengthen cooperative links with the Caribbean nations.

Relations between Japan and Jamaica, the central nation in the Caribbean region, have been growing ever closer over the years. Cooperation is currently occurring in both the loan aid and the technical cooperation spheres. FY1997 saw the start of JICA's first project-type technical cooperation project in Jamaica, the Technical and Vocational Education and Training Improvement Project at Technical High Schools.

The Dominican Republic is the second most populous nation in the Caribbean after Cuba. It is home to many immigrants including those of Japanese descent. Extensive cooperation is being provided, especially in the fields of agriculture, education, and health and medical care, and with consideration given to the interests of immigrants and people of Japanese descent. A start was made in FY1997 with the Project for Agricultural Development on Sloped Terrains (project-type technical cooperation), which aims to disseminate pepper cultivation methods for which cooperation has been occurring since 1982.

Chapter 6

South America



South America



State of regional development

Vast land area and plentiful natural resources

Comprising twelve countries, South America covers an area of 17.72 million square kilometers (13 percent of the total global surface) and has a population of about 310 million (6 percent of the world's population). Most countries in the region are of large or medium size. The main features of the region include its vast land area and its wealth of natural and human resources.

Japanese emigration to South America has a long history. Many immigrants and people of Japanese descent live in Brazil, Peru, Argentina, Paraguay and Bolivia. Ever since diplomatic relations were established with Peru in 1873, Japan has maintained close relations with South America. There has been a constant exchange of prominent people and many Japanese companies have extended their business activities into the region.

South America includes several countries, such as Brazil and Argentina, where industrialization is well advanced and levels of income are relatively high. Although part of the developing world, these countries are thus regarded as semi-developed nations. On the other hand, there are also countries in the region where many years of political and economic turbulence have impeded the consolidation of social infrastructure.

Toward structural adjustment and economic integration

Those countries which borrowed funds from advanced countries and private financial institutions during the 1960s and 70s to promote rapid modernization have come up against considerable economic difficulties since the 1980s. In particular, they have seen a deterioration in their international balance of payments and they are finding it difficult to repay their loans on account of factors such as the drop in the prices of primary products and the hiking of international interest rates. Such were the circumstances under which a debt reduction agreement based on a new debt strategy* known as the Brady Plan was reached in almost all debtor countries in 1993. Debt levels have been

reduced by means of structural adjustment* policies intended to reduce the size of government, stem inflation, reform fiscal policy and state industries, improve taxation systems and liberalize trading systems implemented with the support of the World Bank and the IMF by the countries of South America.

Moves toward economic integration have been picking up since the early 1990s. One of the main manifestations of this development is the Mercado Comun del Sur (MERCOSUR)*, consisting of Argentina, Brazil, Paraguay and Uruguay. Certain countries have also taken steps to join the North American Free Trade Agreement (NAFTA) and the Asia Pacific Economic Cooperation (APEC) forum.

Wide-ranging and serious environmental problems are occurring in South America. These include atmospheric and other forms of pollution brought on by rapid economic development affecting the city of Santiago in Chile, and the destruction of forest in the area of the Amazon caused by an increase in the numbers of the poor left behind by economic development.

Japanese aid

Extensive need for technical cooperation

In 1997, \$354.11 million, or 5.4 percent of Japan's total bilateral ODA*, was supplied to South America. Since there are many countries in this region with high per capita GNP, relatively few South American countries are qualified to receive grant aid. Partially because of this, a feature of the aid provided to this region is the high proportion in comparison with other regions of technical cooperation, which amounts in the case of South America to 53.2 percent, or \$188.24 million.

Grant aid is used mainly in the fields of agriculture, health and medical care, and social infrastructure*. South America also maintains close relations with Japan through the fishing industry and possesses a cultural heritage of the utmost value. Extensive cooperation is thus occurring in connection with the fishing industry and culture.

Since South America has a great demand for technical cooperation and considerable capacity to absorb technology, such cooperation is

occurring in many fields. There has also been an increase in recent years in cooperation in industrial and environmental areas.

Taking account of the large population of immigrants and people of Japanese descent

Because of the large numbers of immigrants and people of Japanese descent in this region, aid is being provided with these people in mind.

Examples of such cooperation provided in FY1997 include the Project for the Improvement of Vegetable Production Techniques for Small Scale Farmers (project-type technical cooperation) and Environmental Conservation Oriented Field Cultivation (in-country training program*) in Paraguay, the Beef Cattle Improvement Project (project-type technical cooperation) in Bolivia, the Amazon Agricultural Research Cooperation Project (project-type

Front Line

Brazil: Safe Motherhood in Northeastern Brazil

The Maternal and Child Health Improvement Project in North-East Brazil (project-type technical cooperation)



The warmth and sincerity of the training provided by the Japanese experts created a heartfelt response

●● Aid to a poor region of Northeastern Brazil

Northeastern Brazil is a developing region of the country. Located at a southern latitude of 3 degrees, the city of Fortaleza is the capital of Ceara, which has for a long time been the poorest state in the northeast of Brazil.

The Ceara state government has been devoting much of its energy to health policy since 1986. It was the pioneer in Brazil of the community health worker system, and succeeded in reducing the infant mortality rate by a third in the space of three years by means of measures to combat diarrhea and by increasing the availability of

vaccinations. Ceara thus created the models which has made it the leader of community health care in Brazil. However, although considerable improvements have been made in infant health care, the state still lags behind in the field of health care for women. The aim of the present project is safe motherhood, in other words to enable the women of Northeastern Brazil to give birth to children under safe and appropriate conditions.

●● "Turning the light" on women

Although Brazil has plenty of outstanding obstetricians, it has no professional midwives. The present state of affairs is that affluent

women undergo Caesareans in hospital, while poor women have to undergo distressing deliveries without assistance.

The health authorities in Ceara state are currently attempting to create a new and humane model which will change the conditions under which women give birth in Brazil. Great hopes are thus held out for this project. Giving birth is referred to in Brazil as "dar a luz," which means "turning on the light." For this reason the project has acquired the nickname "Projeto Luz" (Light Project).

With the aim being to improve the conditions under which women give birth, everyone involved in this project is being called upon to display their abilities and expertise to the full in order to discover whether it will be possible to implant the best aspects of Japanese obstetrics in Northeastern Brazil and allow the light to shine on the women of the region, and whether, through these activities, those cooperating on the Japanese side will themselves be able to increase their experience of technical cooperation in the field of reproductive health*.

(JICA Brazil Office)

technical cooperation) in Brazil, and technical training programs aimed at people of Japanese descent.

Countries with relatively developed economies such as Argentina, Brazil and Chile are adopting a positive stance toward South-South cooperation* and are expanding their support for third-country training*. Various new schemes within the framework of South-South cooperation have recently been introduced with a view to expanding this form of regional cooperation by making full use of engineers and experts within the region. These include the introduction of a regional third-country expert system in Latin America in FY1996 and the start in FY1997 of a new system involving third-country experts of Japanese descent.

Execution of JICA projects

Argentina, Brazil

Argentina is the country with the highest levels of income in South America. The Argentinian Horizontal Cooperation Fund was established in 1992, marking the start of technical cooperation involving the provision of training in Argentina for people from all over Latin America and the dispatch of Argentinian experts to other countries in the region. In FY1997, JICA carried out third-country training in the fields of livestock farming, fisheries, and railways in order to support Argentina's efforts to promote South-South cooperation. Since FY1996, Argentinians have been receiving training at JICA's headquarters in connection with JICA's expertise in project implementation. Cooperation with Argentina covers many fields and takes account of the need to rectify regional disparities and environmental conservation. Project-type technical cooperation in connection with a Center for Research on the Prevention of Mine Pollution is due to start in FY1998.

Because of the importance of Brazil in Latin America and the fact that it has more immigrants and citizens of Japanese descent than any other overseas nation, Japan is providing vigorous cooperation to Brazil especially in the technical and loan aid fields. Brazil is the largest recipient

of technical cooperation in Latin America. The key areas of aid for Brazil are the environment, industry, agriculture, rectification of regional disparities, measures to combat poverty, and South-South cooperation.

JICA's wide-ranging technical cooperation includes the development of the northeastern area of Brazil, which occupies an important position in Brazil's development policy. Among the factors being considered in this context are rectification of regional disparities, measures to combat poverty, and maintaining a balance between development and environmental conservation. These activities include several project-type technical cooperation projects such as the Public Health Development Project for Northeast Brazil in Pernambuco and the Brazilian Amazon Forest Research Project (both begun in FY1995) and the Maternal and Child Health Improvement Project in Northeast Brazil (begun in FY1996). A start was made in FY1997 with the Conservation of Sand Dunes and Desertification Control Project in Rio Grande do Norte. This project has involved the dispatch of a team of experts to provide assistance with settlement in an arid inland part of northeastern Brazil.

Bolivia, Chile, Colombia

Bolivia is one of the poorest countries in Latin America and has extensive development needs. In addition, it has a large population of Japanese descent. Cooperation is therefore being actively provided to this country. A project identification study team sent to Bolivia in October 1997 reached agreement on priority areas for future aid. These include sustainable economic development, medical care aimed at raising standards of living, drinking water, education, and other fields connected with BHN*, measures to combat poverty, infrastructure* (bridges, etc.), and the environment. Extensive technical cooperation has been taking place in recent years in medical fields. The Health and Medical Care Delivery System in Santa Cruz project (project-type technical cooperation) has been implemented since FY1994, and the Health Improvement in Warnes Province, Santa Cruz State (dispatch of team of experts) and

Community Health Service projects (country-focused group training) since FY1996. A project formulation study on the subject of children's health was performed in FY1997.

Chile is a nation with relatively high levels of income, and Japan has for this reason been providing assistance mainly in the form of technical cooperation. At policy consultations

held in August 1997, it was confirmed that emphasis would be placed on South-South cooperation, the environment, measures to combat poverty, and raising productivity and quality. An example is the cooperation which has been provided since FY1995 for the National Center for the Environment (project-type technical cooperation). 1997 marked the

Front Line

Bolivia: Study on river pollution in the Andes brought on by 400 years of mining

The Study on Evaluation of Environmental Impact of Mining Sector in Potosi (Development Studies)



Cerro Rico seen from the city of Potosi. The Bolivian capital, La Paz, was once a relay station for the transportation of gold and silver from Potosi.

●● **Serious river pollution caused by mining**

This study was carried out in the world-famous mining town of Potosi. Following the discovery of large ore deposits in the mines of Potosi in 1545, silver and tin were found and the Potosi mines became known as "Cerro Rico" or the "Hill of Riches."

The department of Potosi is located in the Andes mountains. The rivers into which the meltwater flows wind their way through the department. The river water contains large quantities of mineral resources which are the product of mining activities and are having the serious effect of making the land barren. This is having important repercussions on agricultural

productivity in the department of Potosi and indeed on the department's economy as a whole. Pollution of the River Pilcomayo is symptomatic of this situation: this is an international river which passes through neighboring Paraguay and connects up with the River La Plata in Argentina, and finding a solution to this problem is an urgent priority.

●● **Finding practical solutions through mutual cooperation**

Such are the conditions under which the present study is being carried out over a three-year period beginning in 1997. Its aims are to bring to light the state of pollution of the River Pilcomayo, to specify the sources of pollution in the upper reaches of the river, to formulate a

practical policy to prevent mineral pollution, and to prepare an environmental management plan. It is hoped that the activities will facilitate the transfer of technology in the form of study methods, etc., to engineers in the department of Potosi and universities cooperating with this study.

The departmental capital of Potosi, which is the base from where this study is being carried out, is situated at an altitude of 4,070 meters, some 300 meters higher than Mount Fuji in Japan. Maintaining the health of the study team at such high altitudes is thus a constant source of concern. The Potosi departmental government is carrying out medical examinations for the duration of the study. This is just one aspect of the cooperation between Japan and Bolivia occurring in connection with the implementation of this study.

The study team is working under these severe conditions in an attempt to find a solution to the major problems caused by the mining activities which have been continuing now for more than four centuries. The team is also working in the hope that it will be possible to implement policies which will enable farmers to follow their occupation in full peace of mind.

(JICA Bolivia Office)

centenary of relations between Japan and Chile. As one of the events held to commemorate this occasion, JICA presented a workshop on South-South Cooperation with the participation of development planning experts sent to Latin America and representatives of aid recipient countries.

As in the case of Chile, Japanese cooperation with Colombia has taken place primarily in the technical area. The priority areas for future development aid agreed upon by Japan and Colombia include environmental measures, primary education, basic medical care and other areas of social development, and raising productivity and quality to strengthen the international competitiveness of industry as a whole. A preliminary study on the Recovery of Precious Metals from Vein-Type Complex Ores (project-type technical cooperation) was carried out in FY1997. For security reasons, the regions of Colombia to which aid involving the dispatch of personnel is provided has been restricted. A safety confirmation survey mission was sent to Colombia in November and December 1997 to gather information on the security situation in that country and to review the areas to which cooperation can be provided.

Paraguay, Peru

Paraguay resembles Bolivia in that both countries have extensive development needs and large populations of Japanese descent. Japanese cooperation with Paraguay has hitherto centered on agriculture. Paraguay, after Brazil, was the second major recipient of JICA's technical cooperation in FY1997 in terms of net expenditure. The priority areas for future development confirmed in the policy consultations held in July 1997 are agriculture, health and medical care, the environment, and human resources development. However, since per capita GNP in Paraguay exceeds the figure qualifying a country to receive grant aid, it was confirmed that future aid would center on technical cooperation.

The main cooperation projects embarked upon in FY1997 were the Project for the Improvement

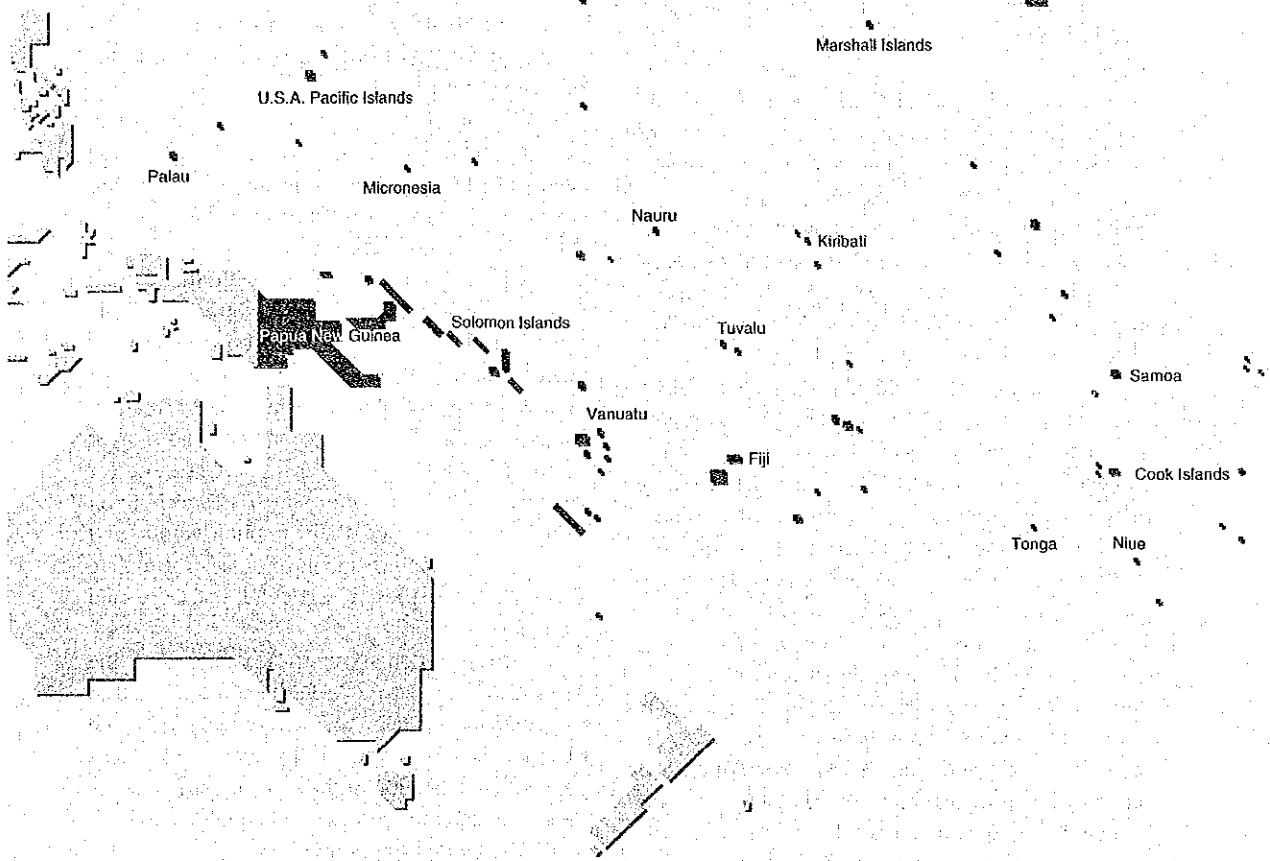
of Vegetable Production Techniques for Small Scale Farmers and the Japan-Paraguay Skills Development Promotion Center (project-type technical cooperation). In FY1998, a team of experts is due to be dispatched to take part in the Water Quality Improvement Plan for Lake Ypacara and its Basin. Among the nations belonging to MERCOSUR, Paraguay is lagging furthest behind in development, and strengthening the country's competitiveness within the region is an urgent priority. JICA is intending to carry out a development study to assist Paraguay to affect the transition to a market economy from FY1998.

Following the murder of three JICA experts in Peru in July 1991, technical cooperation to that country has involved primarily the intake of training participants and the supply of equipment. Although public order has since improved, the official residence of the Japanese ambassador in Lima was occupied in December 1996, an incident which resulted in a further suspension of the dispatch of Japanese experts to Peru. Following the resolution of this incident in April 1997, a security measures survey mission was sent to Peru in July that year and a high-level mission on economic and technical cooperation was sent in February 1998. Agreement was reached on these occasions that priority areas for aid in the future would be support for the poor, support for social sectors such as education and health and medical care, upgrading of economic infrastructure, and environmental conservation. It was also agreed that cooperation involving the dispatch of experts and other personnel would be provided, but only in districts where security could be assured.

For these reasons, cooperation during FY1997 centered upon training programs, in particular six country-focused group training courses such as Infectious Diseases Control and Measures and Management in Small Industry Promotion.

Chapter 7

Oceania



JICA's aid activities in FY1997

■ Fiji: 1,107 billion yen	■ Solomon Islands: 210 million yen
■ Kiribati: 51 million yen	■ Tonga: 363 million yen
■ Marshall Islands: 136 million yen	■ Tuvalu: 21 million yen
■ Micronesia: 487 million yen	■ Vanatu: 231 million yen
■ Nauru: 43 million yen	■ Cook Islands: 16 million yen
■ Palau: 215 million yen	■ Niue: 5 million yen
■ Papua New Guinea: 1,238 billion yen	■ U.S.A. Pacific Islands: 1 million yen
■ Samoa: 473 million yen	

Oceania

State of regional development

Countries scattered over the vast expanse of the Pacific Ocean

Oceania, which covers a wide north-south expanse of the Pacific Ocean straddling the equator, comprises Australia, New Zealand and twelve independent island states as well as dominions, trust territories and overseas possessions. The total land area is 9 million square kilometers, 98 percent of which is occupied by Australia, New Zealand and Papua New Guinea. The land area of all the other island states combined is only 180,000 square kilometers. These are all small states, the most populous being Fiji, with a population of 780,000 (1995) and the most sparsely populated, such as Niue and Nauru, having populations of less than 10,000.

The countries of the region are on the whole politically and socially stable. The problem surrounding the secession and independence of Bougainville in Papua New Guinea, where conflict had been continuing since 1988, was finally resolved with the signing of a peace treaty in April 1998. Most of the nations in this area are small states with no natural resources of their own. Leaving aside Australia and New Zealand, there are considerable discrepancies in per capita GNP throughout the region. The figure for Nauru, which possesses plentiful phosphorus ore reserves, is about \$10,000, while, on the other hand, there are countries without natural resources such as Tuvalu where the figure is less than \$1,000.

Many problems relating to economic autonomy

The economic structure of this region is characterized by strong dependency on primary industries. This structure is a fragile one easily upset by weather conditions and fluctuations in international prices. Many problems remain to be tackled if these countries are to achieve any degree of economic autonomy, problems related to the fact that the countries often themselves consist of large numbers of islands, the small size of domestic markets, the distance from international markets, and the inadequate means of transportation and communication to compensate for such disadvantages. On the other hand, partially because

the sluggishness of the Australian economy has meant that aid from Australia -- one of the former sovereign powers in the region -- has tended to decrease, since the early 1990s growth in bilateral aid* and multilateral aid* to developing countries in Oceania has been rather stagnant. Accordingly, achievement of a degree of economic autonomy involving a break-away from structural reliance on aid is increasingly becoming a pressing issue for these countries.

In Micronesia, since achieving independence from the United States, three countries -- the Federated States of Micronesia, the Marshall Islands and Palau -- have been receiving financial aid in the form of compact money based on the Compact of Free Association with the United States. The scheduled termination of this agreement means that aid based on this compact money will be cut off to the Federated States of Micronesia and the Marshall Islands in 2001 and to Palau in 2009. Creating economies no longer reliant on aid is therefore an important issue for these countries, all three of which are working on reducing the size of their public sectors and increasing private investment in order to stimulate their main industries of agriculture, fishery and tourism.

A meeting of donor countries organized by the Asian Development Bank on the subject of aid to the Federated States of Micronesia and the Marshall Islands was held in December 1995. This gives some indication of the growing international interest in supporting these two countries on their road to economic autonomy.

Japanese aid

Centering on BHN, agriculture, forestry and fisheries


The share of Japan's overall bilateral ODA occupied by Oceania was only 2.4 percent in 1997. Nevertheless, because of the lack of growth in aid to Oceania being provided by the former sovereign nations, the expectations of Japanese aid are growing annually. Japanese cooperation with Oceania has hitherto been concerned primarily with the training of people required in the process of nation-building, and has therefore included the dispatch of experts and JOCVs and the provision of training in Japan for local

technicians and specialists. Projects have centered on forestry, rice cultivation, improvements to fishing ports, cultivating fish and shellfish and increasing stocks, and the creation and upgrading of basic infrastructure* related to BHN* (building of schools, hospitals, water supply facilities, etc.).

Promoting links with other donors and agencies

Since the island nations of Oceania have small populations and economies and are scattered over a wide geographical expanse, an approach

which treats the area comprehensively is indispensable. Japanese cooperation with this area is relatively recent, and our reserves of knowledge and experience are still inadequate. We are thus working together with the main donor countries, Australia, New Zealand and the United States, and with regional and international agencies such as the Pacific Commission (PC) and the South Pacific Forum (SPF). Recent examples of such cooperation include conservation of coral reefs in Palau and school education in Tonga (Japan and the United

Front Line	
Samoa: Problems of waste increasing in this "Paradise in the Southern Seas"	
Study on Urban Environment Improvement (Senior Overseas Volunteers, etc.)	
	<p>the state of the disposal site at the local level along with the measures actually being taken by the Samoan government. Since the government considered that management of waste was a matter of considerable importance, senior overseas volunteers specializing in waste disposal were sent to Samoa and began working together with local counterparts* on solving this problem in November 1997.</p> <p>With the cooperation of JICA's Australia office, an overseas project formulation study (a project identification study using Australian consultants) was begun in January 1998, and a detailed survey was carried out on the current state of waste disposal and on how improvements might be made.</p> <p>As a result of this survey and of the activities of the senior overseas volunteers, the state of pollution of water and soil in the vicinity of Samoan waste disposal sites was brought to light. We are now at the stage of studying possible improvements which the Samoans would find hard to undertake on their own.</p> <p style="text-align: right;">(JICA Samoa Office)</p>
<p>Waste strewn around the hills</p> <p>●●</p> <p>Extinct mangrove forests</p> <p>Samoa is a small island nation in the South Pacific with a population of 160,000. Economic activity has picked up considerably in recent years, but the problem of how to deal with the waste generated by this activity has been growing more and more serious year by year. There was once a beautiful mangrove forest in the port of Vaiusu just outside the nation's capital of Apia, but it became used as a refuse dump and is now littered with scrap cars and other kinds of waste. A new disposal area was created in the hills, but there was increasing concern about soil and</p>	<p>water pollution in the area.</p> <p>The government of Samoa drew up a national plan for overseeing improvements in the environment in 1993. However, this plan was concerned largely with targets which the nation should strive to achieve, and it proved impossible to come up with effective measures because of inadequate budgeting and personnel. The Ministry of Land and Environmental Surveying in the government of Samoa thus made a tentative approach to the Japanese government to seek assistance.</p> <p>●●</p> <p>Dispatch of senior overseas volunteers</p> <p>JICA's Samoa office investigated</p>

States), raising standards of regional health care in Fiji (Japan and Australia), and distance learning in Fiji at the University of the South Pacific (Japan, Australia and New Zealand).

As well as making funds available to the South Pacific Forum (\$500,000 in FY1997), Japan collaborated with the SPF in establishing the Pacific Islands Center in Tokyo in October 1996. A Japan-SPF Summit Conference attended by the leaders of countries belonging to the SPF was held in Japan in October 1997. This was another example of how Japan and countries in the Pacific region are striving to strengthen their political and economic relations and encourage the development of tourism.

Execution of JICA projects

Priority items proposed by the Aid Study Group

In order to extend aid to Oceania in a more detailed and methodical manner, in 1991 JICA set up the Oceania Regional Aid Study Group, which analyzed development needs and studied how aid might best be provided in the future. It published its findings in the form of a report. Stressing the need to provide aid in a manner taking account of the diversity of the region and of factors peculiar to island nations which restrict development, the report proposed three specific priority issues: aid to support economic autonomy; overcoming problems imposed by geographical isolation and small size; and conservation-type aid, referring specifically to development which contributes to the maintenance of traditional values.

Deforestation and the destruction of coastal ecosystems are well advanced throughout Oceania; conservation of the environment and protection of natural resources have become important issues. The island nations of this region are using marine and forest resources to earn foreign currency which can be used to promote economic growth and raise living standards, but overfishing and the rapid depletion of forest have become serious problems in certain areas. There are many countries in the region for which tourism is an important industry within their economies. In these countries, the

conservation of nature in forms such as coral reefs holds the key to future development.

Sustainable use of resources in harmony with the natural ecosystem is an urgent priority in Oceania; provision of aid should be dependent on concern for the environment at both the planning and the implementation stages.

In this connection, JICA has been engaged on an "Aquaculture Research and Development Project" in Tonga since 1991. The aim of this project-type technical cooperation is to develop the technology required for increasing the cultivation of fishery products.

In Papua New Guinea, JICA is working on project-type technical cooperation under the name of "Forest Research Project, Phase 2." This project got under way in 1995 as part of ongoing research cooperation aimed at raising testing and research standards for the development of forest resources. It follows in the steps of the highly successful first phase of the "Forest Research Project" implemented between 1989 and 1994.

A preliminary survey mission was dispatched in January 1998 to study implementation of project-type technical cooperation for a "Fisheries Training Center" in the Federated States of Micronesia.

JOCVs active Basic Human Needs areas

As part of the development aid extended to the Oceania region as a whole through regional international agencies and on the basis of an agreement with the South Pacific Applied Geoscience Commission (SOPAC), since 1985 Japan has been conducting the "South Pacific Seabed Mineral Resources Study" with the aim of assessing potential seabed resources and bolstering resource management.

As for projects conducted jointly with other donor countries, January 1996 saw the start of a "Health Promotion Project" in Fiji in collaboration with Australia. The aim of this project is to disseminate information about health and medical care in Fiji. It is of particular interest as the first project that Japan and Australia have worked on together on in Oceania. A basic design study was carried out in November 1997 and April 1998 with the

participation of experts from the United States in connection with the "Center for Research on Coral Reef Conservation." This project will be implemented in Palau within the framework of the Japan-U.S. Common Agenda*.

JICA's total costs in FY1997 in Oceania amounted to 4.61667 billion yen, representing 2.9 percent of total worldwide costs. Despite this relatively small figure, around 200 JOCVs, or about one in ten of all JOCVs, are active in this

region especially in making improvements in Basic Human Needs and are being highly praised for their work. A dispatch agreement was reached in FY1996 with Palau to supplement those already existing with Vanuatu, Samoa, the Solomon Islands, Tonga, Papua New Guinea, Fiji, the Marshall Islands, and the Federated States of Micronesia. JOCVs were sent to Palau for the first time in FY1997.

Front Line

Tonga: Aiming toward the sustainable use and conservation of fishery resources

The Aquaculture Research and Development Project (project-type technical cooperation)



A workshop organized jointly with the Tongan Ministry of Fisheries and the Food and Agriculture Organization of the United Nations (FAO) to contribute to human resources development in the countries of the Pacific.

●● The giant clam: a valuable resource

The giant clam lives among the coral reefs of the South Pacific, and the largest specimens may grow to a size of one meter. In addition to being a source of high-quality animal protein, they are a valuable resource which can be exported as a tropical fish for esthetic appreciation. This shellfish can be found motionless in the shallows where the sun shines brightly; the ease with which it can be taken means that supplies are soon exhausted.

In the Aquaculture Research and Development Project, experts are teaching people about the management of marine resources

and are giving guidance in seedling production in connection with giant clams, button shells, and turban shells in order to enable the sustainable use of marine resources in the South Pacific. The most detailed care is required night and day when dealing with living things.

By observing the experts cleaning the water tanks and taking precautions in the middle of the night to ensure that any damage caused by cyclones is kept to the minimum, the Tongan staff are slowly but surely acquiring the skills needed to cultivate and manage living things.

●● Development into a marine park

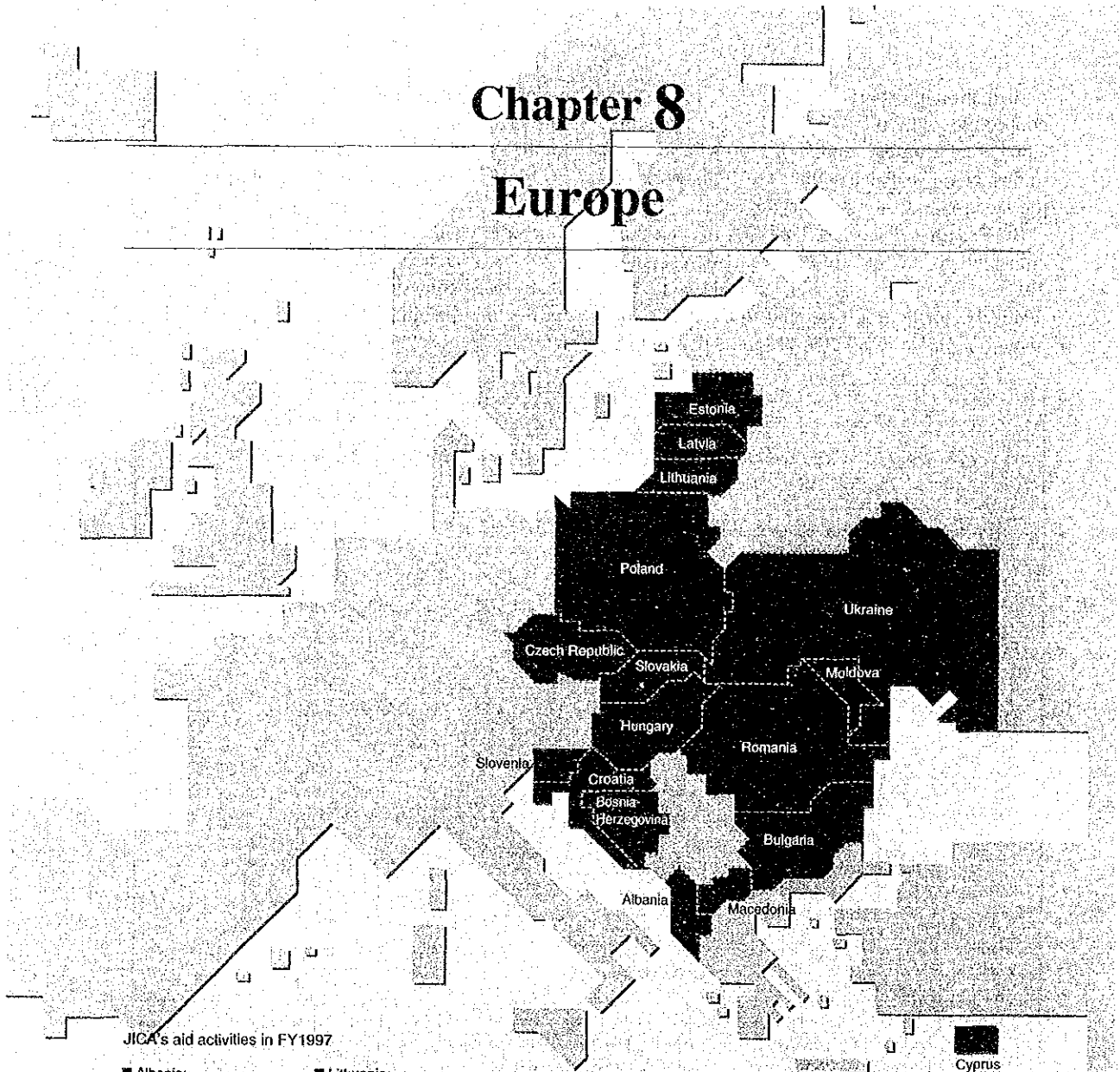
This seedling production technology can be used in many countries. Especially in the South Pacific, there are many points in common between countries as regards the features of marine resources, the ways in which they are used, and the related socio-economic structure, and it seems likely therefore that these methods can be effectively applied to other countries in the region. Workshops on the cultivation and propagation of shellfish are being held for the benefit of eight countries in the Pacific in collaboration with an international agency, the Food and Agriculture Organization of the United Nations (FAO).

The project is closely connected with environmental problems. Coral reefs which abound with seedlings are full of biological diversity*, and their protection is an important question. In this project, efforts to protect the seedlings are being made by establishing zones in which taking the seedlings is prohibited. Studies are also being carried out together with the Environment Office of the Tongan government into the possibilities for building on this idea to create a marine park for the management of marine resources.

(JICA Tonga Resident Office)

Chapter 8

Europe



JICA's aid activities in FY1997

■ Albania: 59 million yen	■ Lithuania: 67 million yen
■ Bosnia-Herzegovina: 268 million yen	■ Macedonia: 446 million yen
■ Bulgaria: 1,277 billion yen	■ Malta: 27 million yen
■ Croatia: 34 million yen	■ Moldova: 26 million yen
■ Cyprus: 2 million yen	■ Poland: 1,281 billion yen
■ Czech Republic: 44 million yen	■ Romania: 693 million yen
■ Estonia: 10 million yen	■ Slovakia: 84 million yen
■ Hungary: 712 million yen	■ Slovenia: 38 million yen
■ Latvia: 13 million yen	■ Ukraine: 4 million yen

Europe

State of regional development

Framework of support for Central and Eastern Europe

The countries of central and eastern Europe were placed under communist regimes for many years after the Second World War. Human rights and environmental problems became serious matters of concern under centralized planned economic systems. During the 1980s, the inefficiency of economic management under such systems emerged as a serious problem.

From the late 1980s, however, Poland and Hungary led the central and eastern European nations as a whole in effecting political and economic reforms involving a transfer to the market economy under democratically elected regimes.

The advanced industrialized countries actively supported these reforms as the move to democratization got under way. One of the ways in which this support was provided was through the G24 meeting of countries interested in providing aid to this area. The G24 group consists of twenty-four nations including the twelve of the European Union, Japan, the United States, Canada and Australia. International organizations such as the IMF, the World Bank, and the OECD are also taking part in G24.

G24 was established on the basis of a declaration made at the Arche Summit in July 1989 with the aim of discussing the provision of aid to Poland and Hungary. In addition to these two countries, aid is currently being provided also to the Czech Republic, Slovakia, Bulgaria, Romania, Albania, Estonia, Latvia, Lithuania, Slovenia, Macedonia, Bosnia-Herzegovina, Croatia, and Moldova (transferred from Part II to Part I of the DAC list* in January 1997).

Japanese aid

Countries effecting the transition to a market economy

Japanese aid to central and eastern Europe was initially provided to five countries, Poland, Hungary, Czechoslovakia (which divided into the Czech Republic and the Slovak Federal Republic

on January 1, 1993), Bulgaria, and Romania. Aid is currently being provided to all the countries of central and eastern Europe with the exception of Yugoslavia.

Japanese bilateral ODA* to Europe in 1997 amounted to \$135 million, or 2.0 percent of the total bilateral ODA budget.

Under democratic regimes which have come to power in free elections, the nations of central and eastern Europe are proceeding with economic reforms to enable them to effect the transfer to market economies. But in addition to problems of political confusion and ethnic strife, they are having to face up to the serious economic problem presented by the loss of the Soviet Union as a vast export market and supplier of primary resources and energy.

Under these conditions, Poland, Hungary, the Czech Republic, Estonia, Slovenia, and Cyprus were accepted in July 1997 as candidates for membership of the European Union, and they are now moving steadily toward market economies and union with Western markets. On the other hand, considerable disparities are beginning to emerge as regards economic conditions and the state of progress along the path to democracy and the market economy between these countries and others such as Albania, Macedonia, Bulgaria and Romania.

It is thus increasingly becoming necessary to tailor cooperation to the economic conditions and aid requirements of individual countries and to distinguish between, on the one hand, intellectual aid involving, for instance, assistance with the move toward a market economy and, on the other hand, traditional socioeconomic development cooperation.

Assisting the process of reconstruction in Bosnia-Herzegovina

In the case of Bosnia-Herzegovina, following the Dayton Accords of November 1995, there has been a growing international move toward providing aid for the process of reconstruction in that country. The Japanese government dispatched a high level mission on economic and technical cooperation with participation from JICA to Bosnia-Herzegovina in February 1996.

Following a meeting of the donor nations in April 1996, economic cooperation with Bosnia-Herzegovina was begun, including contributions to the human resources fund maintained by the United Nations Development Programme (UNDP).

JICA has been sending project formulation specialists continually since November 1996 and has also sent project formulation study teams to

the region. We have been contributing to reconstruction in Bosnia-Herzegovina primarily through grant aid and technical cooperation in fields where good results can be expected in a relatively short time such as electrical power, transportation, and medical care. Development studies will be carried out from FY1998 in areas such as transportation, water supply and drainage, the idea being to provide cooperation

Front Line

Bulgaria: Assisting excavations to investigate the ancient country of Thrace

Dispatch of JOCVs



A museum is able to display its functions to the full when it possesses a thorough database.

Working with a shrinking budget

Four JOCVs were sent in 1997 to the History Museum in Yambol, a city in eastern Bulgaria. Financial difficulties have resulted in major cuts in Bulgaria's cultural affairs budget. These cuts have made it difficult to continue the excavations on the site of the ancient Thracian city of Kable (4th c. B.C.) which were begun in 1972, and they have even put the maintenance of ordinary museum activities in jeopardy. Such was the background to the request made by the Yambol History Museum in 1995 for the dispatch of a team of JOCVs.

Volunteers specializing in four

areas -- archaeology, surveying, photography, and systems engineering -- are currently working with local staff.

The archaeological and surveying experts are working on formulating excavation plans, giving guidance in methodology, and implementing and providing instruction in surveying in the context of the excavations on the Kable site which are carried out every summer.

The photography expert has been working in the photographic studio in the museum building, photographing items found in the course of the excavations for inclusion in the academic papers written by members of the museum staff. Previous photographs have not

been stored with due care and the picture quality is very poor. The museum hopes therefore that we will be able to take new, high-quality photographs of all the relics uncovered to date.

Creating a database of archaeological finds

The system engineer is working together with local staff on creating an archaeological database and museum information system for the first time at any Bulgarian museum. The Ministry of Culture is showing particular interest in the database to include all of the relics found at this site, since it is likely to be an extremely powerful database combining written data with photographs of the relics.

Both historically and geographically, Bulgaria stands at a cultural crossroads, and it contains within its borders many relics and historical cultural artifacts of inestimable value. It is because of this that museums have such a large role to play in this country. We anticipate that the archaeological database at the Yambol museum will play a major role in increasing the flow of information between museums throughout Bulgaria.

(JOCV Bulgaria Coordinating Staff Office)

likely to contribute to recovery from the devastation brought on by the civil war and to medium- and long-term development in the future. Support for Bosnia-Herzegovina is being provided through JICA's Austrian office.

Execution of JICA projects

Priority fields of cooperation for JICA

The introduction of expertise in connection with economic policy, macro-economic management, and managerial skills rooted in the market economy is essential if the nations of central and eastern Europe are going to be able to effect a smooth transition to the market economy. Environmental problems, which became very serious under the communist regimes that formerly held sway over these countries, are now affecting neighboring countries as well. Infrastructure* built up under centralized planned economies has not been adequately maintained and administered and stands in need of thorough overhaul.

On the other hand, in contrast to most developing countries, these nations possess very high scientific and technological standards together with highly skilled human resources. Accordingly, when identifying and formulating cooperation projects, care must be taken to ensure that the technology and experience developed and accumulated under the former communist regimes tallies with the technology and experience that Japan is actually able to offer.

The following may be listed as the priority fields of aid which JICA is able to offer this region:

- (1) Transition from planned economy to market economy (economic policy, increased productivity, management, etc.);
- (2) Environmental problems such as air pollution and waste disposal;
- (3) Rebuilding of economic infrastructure.

In the case of economically backward countries such as Albania, Macedonia, Bulgaria and Romania, these forms of cooperation are being supplemented by traditional socio-economic cooperation in forms such as

agricultural development, upgrading of medical equipment, and the development of service water and sewage facilities and water resources.

Results of JICA cooperation and topics for the future

In the field of cooperation with the transition to a market economy, Poland is being provided with cooperation in connection with industrial policy. As well as familiarizing Poland with the industrial policies followed by Japan in the postwar years, the idea is to provide assistance with industrial policy (specifically the development of industrial technology and financing of small and medium enterprises) based on Japan's policy models. To these ends, long-term and short-term experts are being dispatched to Poland in accordance with a three-year plan in effect between May 1996 and May 1999. In Poland, JICA is cooperating through regional integrated development studies aimed at supporting the transition to a market economy and human resources development in the field of computers.

In Hungary, technical transfer* is taking place with the aim of improving productivity.

Cooperation (development studies) in environmental fields includes improvements in the energy efficiency of thermal power stations and steel manufacturing plants together with measures to combat air pollution (Bulgaria, Poland, Macedonia); environmental conservation of rivers and lakes (Hungary, Bulgaria, Romania, Slovakia); improvements in sewage systems (Albania); sewage disposal (Lithuania); and forest conservation (Romania). New projects are also being identified and formulated by project formulation study teams and specialists dispatched to the region.

In the field of economic infrastructure, studies are being carried out in connection with urban traffic (Romania) and the supply of equipment relating to public transportation, restoration of electricity supply cables, and road-working equipment (Bosnia-Herzegovina).

JOCVs are working in Poland, Hungary, Bulgaria and Romania mainly in educational and cultural fields, for instance as Japanese language

teachers and sports coaches.

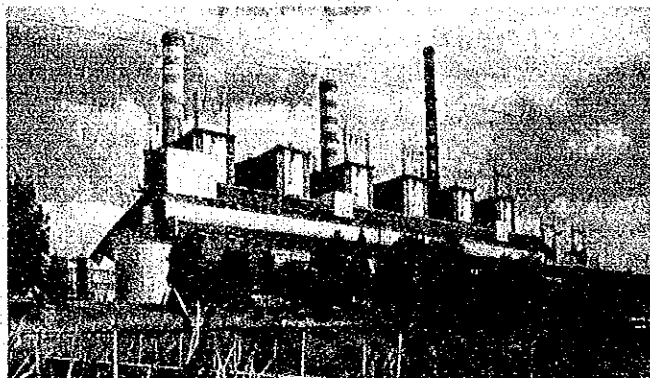
JICA has gained plentiful experience and solid results through the cooperation it has already provided with the transition to the market economy and environmental conservation. As well as building on these achievements, a future topic which JICA needs to tackle is that of deciding how cooperation should be provided to

countries such as Croatia, Macedonia, Albania, Estonia, Latvia, Lithuania, Ukraine and Moldova, where the agency has not hitherto been sufficiently active. JICA is already tackling such new topics through the dispatch of project identification and formulation study teams and specialists.

Front Line

Poland: Creating plans for the development of regions lagging behind in development

The Study on Integrated Regional Development in Konin Province (development study)



The scarcity of lignite is threatening the very survival of the power stations which have hitherto underpinned aluminum production.

●● Providing a shield against the effects of resources depletion

Since 1989, Poland has been making the transition to a market economy on the basis of shock treatment involving radical macro-economic policies. Considerable progress has been made as a result. However, although Warsaw and the nation's other major cities have benefited from this series of economic reforms, regions which do not possess strong industries of their own have often found themselves being left behind in the process of development.

Konin Province is a typical example of such a region. Konin was

formerly a supplier of electric power fueled by lignite produced within the province. Making use of this electric power as Poland's only base for the production of aluminum, Konin contributed significantly to the national economy. However, supplies of lignite are likely to run dry in the near future, and one can foresee that restructuring, which will inevitably affect the electric power and aluminum industries, is going to have severe repercussions on the region. Forty-four percent of Konin Province's population are engaged in farming. Most farmers are self-employed and are unable to extricate themselves from low productivity.

●●

A model for other provinces

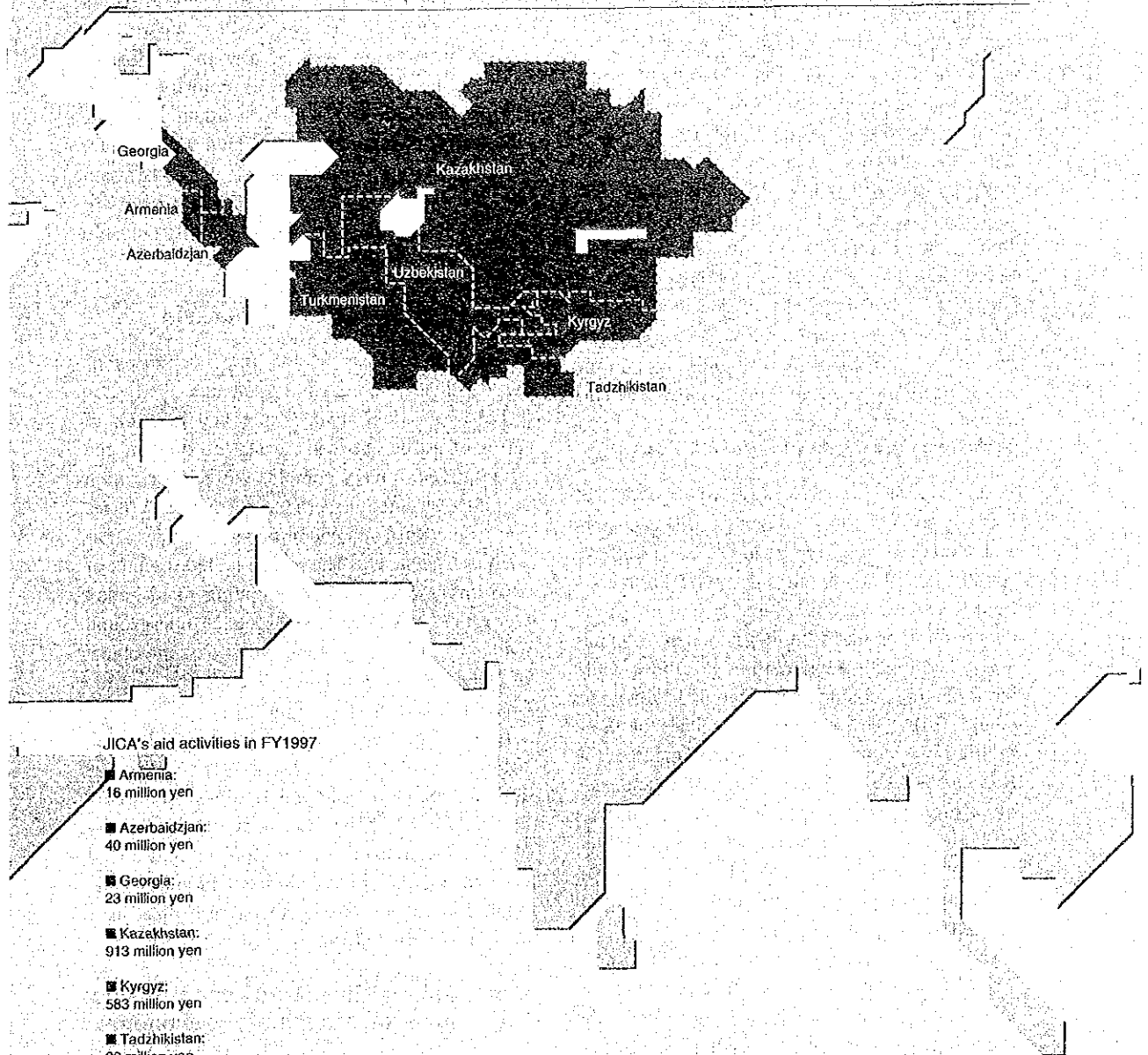
In light of this situation, a study was performed aimed at effecting changes in the province's industrial structure and at proposing new forms of diversified regional development, taking account of Poland's current attempts to make the transition to a market economy and the nation's eventual aim of signing up to the European Union. This was a new type of integrated regional development study centering on the submission of policy proposals. Much trouble was taken to incorporate ideas fully capable of realization.

These efforts paid off: the results of the study have met with high praise from the Polish government and indeed from agencies such as the European Union and the European Bank for Reconstruction and Development (EBRD) in that they offer a model for future development not only to Konin Province but also to other provinces where development is falling behind. We anticipate that the development projects proposed in this study will be widely implemented in the future.

(JICA Austria Office)

Chapter 9

Central Asia and Caucasasia



Central Asia and Caucasasia

Current state of regional development

Following the collapse of the Soviet Union in December 1991, the fifteen republics which formerly made up the union gained their independence. The five countries of Central Asia and the three of Caucasia are situated along the Silk Road, which was once the main artery linking the civilizations of East and West. These countries are now surrounded by Russia, China and various Islamic countries. They have faced considerable difficulties since gaining their independence from the Soviet Union and have implemented reforms paving the way for democracy and the market economy. However, the speed with which these reforms are being put into effect differs considerably from country to country, and political and economic diversification is becoming increasingly evident.

The five countries of Central Asia

Central Asia comprises the five nations of Uzbekistan, Kazakhstan, Kyrgyz, Turkmenistan, and Tadjikistan. The total area of these countries is about 4 million square kilometers (ten times the size of Japan), and the total population is around 53 million. Tadjikistan has a population with Iranian ethnic affinities, while the other four countries are peopled largely by ethnic Turks. The indigenous peoples of these multiethnic countries are supplemented by Russians and Uzbeks together with small pockets of Koreans and Germans. The religious affiliation of most of the population is to the Shia sect of Islam. These countries have been undergoing an astonishing degree of cultural recovery since gaining their independence.

Uzbekistan is situated at the center of Central Asia. President Karimov has been implementing gradual political and economic reform. Under the strong leadership of President Nazarbaev, Kazakhstan has been proceeding since independence with policies of democratization and economic reform. The capital of Kazakhstan was moved in December 1997 from Almaty to Akmola (renamed Astana in May 1998) in the northern part of the country. Kyrgyz is

proceeding more positively than any other nation in the region with democratization and economic reform under President Akaev, who possesses a very strong basis of support in his country. Underpinned by the nation's plentiful supply of underground resources, political stability is present also in Turkmenistan, where the conservative camp associated with the former Communist Party retains a majority in the national assembly under President Nyazov. Tadjikistan entered a state of civil war in 1992. Although a peace treaty was concluded between the government and anti-governmental forces in 1996, this nation remains in a politically unstable condition.

The three countries of Caucasia

Caucasia consists of the three countries of Azerbaidzjan, Georgia and Armenia.

This region is situated at a key location in terms of traffic between Russia, Europe and the Middle East. It has a complex ethnic distribution lapping over into northern Caucasia, which forms part of the Russian Federation and includes areas such as Chechenya. The region includes a mix of Muslims and Christians belonging to orthodox Georgian and Armenian sects. Underground resources including oil are likely to be the object of extensive development in the future along the Caspian Sea in Azerbaidzjan.

Ethnic strife increased in intensity following the breakup of the Soviet Union. A cease-fire was agreed upon in the Nagorno-Karabakh conflict in May 1994, and disputes over the predominantly Muslim Abkhasia Autonomous Republic of Georgia and the South Ossetia autonomous state, inhabited by the minority Ossetian people, have now largely died down.

Conditions in the various countries as they move toward a market economy

Common to all countries in the region is the problem of turbulence as they strive to effect the transition from their previous centrally planned economies to the market economy. This problem is having major repercussions on each country's economy, and it seems likely that economic

difficulties on this front will continue for some time to come. There are also various social problems caused by the presence of Russians and other ethnic minorities within the countries, the outflow of Russians who had previously held key positions in government institutions, and high rates of population growth and unemployment.

Progress with introduction of the market economy differs from country to country. Kazakhstan and Kyrgyz are pushing forward enthusiastically in this connection, but Uzbekistan and Turkmenistan are adopting a more gradual approach through wariness of the social upheavals which might occur in the wake of sudden economic reform.

Agriculture is the main industry in each country, although Kazakhstan also has a relatively developed industrial sector. As to underground resources, Kazakhstan, Turkmenistan, Uzbekistan and Azerbaidzjan are fortunate to possess supplies of natural gas, oil and metallic minerals. Foreign capital is thus flowing into these countries. Kyrgyz is also considered likely to possess plentiful supplies of metallic minerals. Tadjikistan has few resources, and the unstable political conditions in this country are another factor behind its economic stagnation.

Japanese aid

Positioned on the Silk Road

Japan has been providing cooperation in forms such as provision of training within Japan and the dispatch of Japanese experts since 1991, before the nations of central Asia were added to the DAC list*. Thanks to lobbying on their behalf by Japan, these countries were added to the DAC list on January 1, 1993.

JICA began cooperation with the three Caucasian countries in FY1991. However, the unstable political and social situation in these countries meant that this was the only form of cooperation offered until the end of FY1995. Training was provided on a very limited scale, the total number of training participants during these years being only 10 to 14. However, in July 1996, once the conflicts in the area had abated,

Japan sent a policy consultation study team which included members of JICA to these three countries, and a start was made with grant aid in the form of food aid*.

In July 1997, Prime Minister Hashimoto proposed the new principles of his "Eurasian diplomacy." The eight countries of Central Asia and the Caucasus were grouped together as the "Silk Road" region, and Mr. Hashimoto expressed the intention of the Japanese government to develop relations with this region with the same vigor as was being applied to relations with Russia and China.

Because of several factors including the geopolitical importance of the Silk Road region for the stability of Eurasia as a whole, the presence of rich supplies of mineral resources including oil and natural gas in the Caspian Sea area, and the large number of countries in Central Asia which are friendly to Japan, we are striving to live up to the expectations of these countries by bolstering Japanese relations with them in many fields including economic cooperation.

Priority areas of support for Central Asia and Caucasus

There are four priority areas for Japanese aid to Central Asia, namely support for the transition to a market economy, upgrading of transportation and communications infrastructure*, upgrading of social infrastructure, and environmental conservation. The priority areas for Japanese aid to Caucasus are upgrading the economic and social infrastructure, consolidating the foundations of the economic structure (i.e. stabilizing public finances), and supporting the transition to a market economy.

Although social and economic infrastructure was to some extent in place when these countries were part of the Soviet Union, this has become a priority area for aid provision since much of this infrastructure is now inadequately maintained and managed, facilities are dilapidated, and demand is constantly increasing.

In the environmental field, a problem demanding immediate response is that of the progressive diminution and pollution of the Aral Sea, an inland sea located in both Uzbekistan and

Kazakhstan. Two international rivers -- the Amu Darya and the Syrdaja -- flow into the Aral Sea, but the amount of water flowing into the sea from them has decreased greatly owing to the massive diversion for irrigation purposes of water from the rivers to assist cotton cultivation in this otherwise arid area. This problem has been compounded by water pollution and deterioration in the health of the local people caused by the use of chemicals in agricultural development.

Japanese bilateral ODA* to Central Asia and Caucasia in 1997 amounted to \$156.88 million (2.4% of all Japanese bilateral ODA), of which \$24.54 million was accounted for by technical cooperation, \$41.47 million by grant aid, and \$90.87 million by loan aid.

Execution of JICA projects

Special training courses for participants from Central Asia

JICA has been providing aid to Central Asia in forms such as the training in Japan of participants from this region and the performance of development studies. As to training in Japan, courses tailored specifically to the needs of Central Asian countries and concerned with subjects such as the transition to a market economy and environmental conservation were established for a five-year period between 1993 and 1997.

These were attended by 99 participants from five countries in 1997 and by 514 participants over the five years. Figures for training participants visiting Japan from Central Asia, including those coming for individual training, were 141 in FY1997 and a total of 575 for the years up to FY1997.

Because Russian is the language generally used, relatively few Japanese experts have been sent to this region (26 in FY1997). Efforts are however being made to enable the most effective use of the resources available through cooperation begun in FY1996 in Uzbekistan aimed at training personnel to manage the transition to a market economy and, in Kazakhstan, policy support-type cooperation such as the presentation of seminars on

development finance.

Development studies have been performed in connection with support for the transition to the market economy (Kazakhstan, Kyrgyz), resource development (Kazakhstan, Uzbekistan, Kyrgyz), and improvements in air transportation (Kazakhstan, Uzbekistan). Other development studies have been concerned with water resource management and introducing greater efficiency into use of water from the Amu Darya and Syrdaja rivers in order to contribute to the solution of environmental problems affecting the Aral Sea (Kazakhstan, Uzbekistan).

All five countries are receiving grant aid, and four -- the exception being Tadjikistan -- are being supplied with pediatric medical equipment and agricultural machinery.

JICA on several occasions sent project formulation specialists and study teams to Caucasia in FY1997 to formulate actual cooperation projects based on technical cooperation and grant aid. A start will be made on the most promising of these projects in the course of FY1998.

Consolidating the aid implementation system to ensure positive cooperation

There are considerable disparities between the various countries of Central Asia and Caucasia as regards political and economic conditions and the extent of progress made on the path to introduction of the market economy. An important topic for the future will therefore be to provide detailed cooperation in line with the conditions in individual countries on the basis of the results of past studies.

Since Russian is the language common to this region and because not enough information has yet been obtained on individual fields of aid, improvements must be made in Japan's aid implementation system. In order to deal with this topic, the FY1998 budget is providing the expenses needed to set up JICA's first office in this region. From a base at the JICA Uzbekistan Office, we intend to step up our cooperation with the "Silk Road" region.