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Chapter 2 Focal Points of JICA Projects

Operational and Organizational Restructuring Aimed at Strengthening Country- and Development Issue-Specific Approaches

Background to the Emergence of Country- and Development Issue-Specific Approaches

From the earliest days of Japanese technical cooperation, efforts were made to expand with project types such as technical training participation and recruitment of experts. With the emergence in 1966 of the Medical Cooperation Department of the Overseas Technical Cooperation Agency (the precursor of JICA), the operational structure was improved in specific fields such as agriculture, mining and heavy industry, and social development. International cooperation systems were still inadequate and there were few cooperation agencies responsive to the intake of training participants and the recruitment of experts. Under these conditions, efficient expansion of technical cooperation was dependent upon gaining more and more experience in cooperation while improving the implementation system in accordance with specific project types and sectors.

On the other hand, problems came to light as the systems underpinning the various project types were improved and the scale of projects expanded. In order to respond promptly and sensitively to the diverse and complex needs of developing countries, comprehensive plans had to be formulated which accurately reflected the specific situations in individual countries. The approach, based on a combination of project types and sectors, as adopted thus far has not always provided an adequate response to such matters. A country-specific and issue-specific approach was thus considered, since this approach involves the formulation of plans for specific countries and issues, and presents a new framework for the comprehensive coordination of cooperation projects in a manner transcending project types and sectors.



Country-specific approach strengthened through organizational restructuring (study in Papua New Guinea)

Realizing the Country- and Development Issue-Specific Approaches

Realization of this new approach commenced in earnest with the establishment of JICA in 1974. 1981 saw the establishment of the Regional Department as a division involved in the comprehensive coordination of JICA projects from the national and regional standpoints. Country-specific aid studies were then begun, the first such being performed in the Philippines in 1986. The aim here was to conduct comprehensive studies from many angles, with the participation of outside experts, on ways in which aid was being provided to the main recipient nations. Up to FY1998, studies had been performed in a total of 32 countries and regions.

A start was made in 1989 with the formulation of implementation guidelines for country-specific aid and basic plans for country-specific projects. The aim was to analyze the whole range of social and economic conditions facing specific countries and to decide on which aid issues should be given priority. These guidelines and plans are updated every year; in 1998 they were formulated for 64 countries. Within the context of increasing demand for aid diversification (represented by such developments as high-level growth in Asian countries and the adoption of the market economy in the former communist countries), the guidelines are in a very literal sense to direct policy. Accompanying the introduction of these country-specific guidelines, on the implementation front, the Regional Department was expanded into two departments in 1989 and into three in 1991.

Development of this country-specific approach has deepened the awareness on the part of all those involved of development issues that need to be tackled above and beyond the conventional framework of sectional units. During the early 1990s, the conclusion of the Cold War meant that development issues such as the environment and population came to be reassessed as global issues* requiring a unified response from the international community. This was the background to the establishment in 1993 of environmental and women's departments and it marked the start of a serious attempt by JICA to confront these issues.

Fundamental Organizational Restructuring

JICA embarked on the introduction in stages of country- and issue-specific approaches in order to provide a precise response to the needs of developing countries. The foundations were provided by an implementation system centering on the project types and fields that have efficiently supported the qualitative expansion of Japanese technical cooperation since its inception. A major impetus to this development will be provided by the operational and organizational restructuring scheduled for FY1999.

This restructuring project has been occasioned by the increasing public demand for further reform of ODA. ODA was one of the focuses of the debate on structural reform of public finances that started in 1997, with

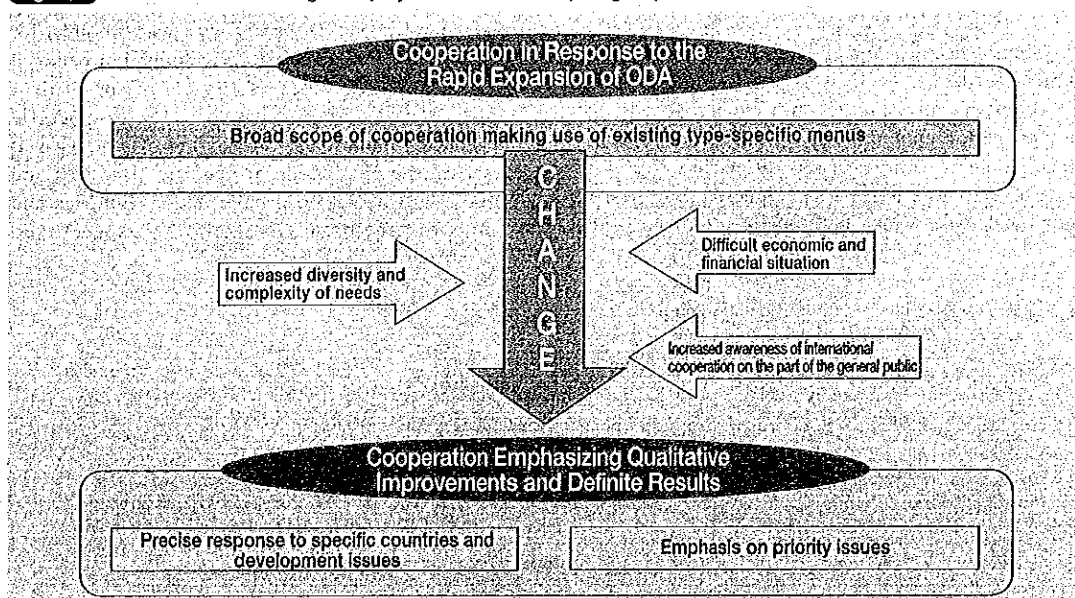
proposals for reform being made from many directions. In particular, the Discussion Group on ODA Reform for the 21st Century, an advisory body to the Minister of Foreign Affairs that produced a report on this subject in January 1998, recommended comprehensive reforms including measures such as clarification of country-specific approaches and priority sectors. On the basis of these recommendations, JICA embarked on a comprehensive project review and came up with a reform plan in April 1998. Operational and organizational restructuring aimed at strengthening country- and development issue-specific approaches is at the core of this plan (see Fig. 1-2).

The aim of this operational and organizational restructuring project is qualitative improvement to be achieved by making more efficient use of limited aid resources in a tight financial environment. A start was made by strengthening the planning formulation stage in connection with countries and development issues. Operational or regional departments with organizational control over the comprehensive coordination of regional and national units were set up for the first time in the 40-year history of JICA and its predecessor in order to strengthen organic links at the planning and implementation stages.

Establishment of Regional Departments

The newly established regional departments adopt an integrated approach at every stage from planning

Fig. 1-2 Conditions surrounding JICA projects and issues requiring response



through to implementation of country-specific projects. In the past the formulation of country-specific plans and the implementation of projects were the responsibilities of different departments. Centralization of planning and implementation within regional departments creates smoother conditions for a comprehensive response transcending project types. National and regional information and experience obtained through projects is gathered centrally in the regional departments and fed into planning and projects, thereby enabling a more detailed response in line with individual conditions. Matters in need of immediate attention, such as the Asian economic crisis and disaster recovery can also be dealt with more rapidly above and beyond project classification differences. The principal project types centralized under the control of regional departments are acceptance of technical training participants and individual expert recruitment. Project-type technical cooperation and development study projects will be implemented as before on the basis of close collaboration with regional departments by independent operational departments divided according to sector.

As can be seen in Fig. 1-3, there are four regional departments dealing respectively with the ASEAN region and Cambodia; other parts of Asia and Oceania; Latin America; and Africa, the Middle East and Europe.

Plans for Country-Specific Projects and Development of Issue-Specific Guidelines

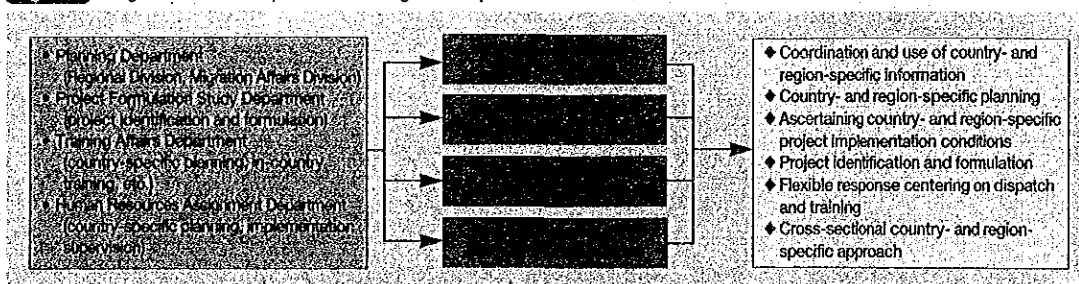
Country-specific planning is at the root of the new country-specific approach. This planning is intended to be a development of the previous country-specific aid implementation guidelines and basic country-specific project planning, but the details differ considerably in terms of emphasis on results. Specifically, priority sectors and issues which have emerged through policy

dialog on the governmental level are first confirmed, after which development issues facing the country in question are extrapolated and JICA's cooperation policy is clarified. A plan for introducing the project types required for realizing actual targets is then systematically produced. In the course of this process, practical discussions are held with government representatives from the recipient country and agreement is reached on extrapolation of priority development and concrete issues. In other words, country-specific project plans are drawn up to reflect the aid policies listed in country-specific aid plans bearing on Japanese ODA as a whole.

On the other hand, when drawing up country-specific project plans for individual countries, we need to take account of basic policy relating to development issues such as the environment and poverty, while at the same time noting factors individual to the country in question. A new set of issue-specific guidelines is compiled as a matter of basic policy. In the initial instance, around 30 issues (such as support with introduction of the market economy, measures to counter desertification, population, and global human security*) were dealt with in this way. Along with country-specific project planning, issue-specific guidelines are intended to drive JICA's new country- and development issue-specific approach.

In order for country-specific project planning to be fully effective, accurate information on matters such as the country's development needs must be gained and used as the basis for appropriate judgments. Improvements have been devised in this connection in the present operational and organizational restructuring plans. As regards acquisition of information, a comprehensive database known as the "Country Information System" will be newly created in order for JICA to make integrated use of information gathered from various countries in the course of project implementation. In addition, "Country-Specific Assistance Committees", consisting of experts well versed in the conditions of specific countries and regions, will be set up for the major countries and regions to provide advice from their specialized

Fig. 1-3 Organization and operations of regional departments



standpoints on decisions affecting project policy and other related matters. In the first instance these committees will be set up to deal with three issues affecting five countries and ten regions.

Promotion of Localization

JICA's 56 overseas offices located worldwide are thoroughly versed in the development needs of the countries over which they have charge. Together with the newly established regional departments, these overseas offices are considered to have a crucial role to play under the new country- and issue-specific approach, and their roles will be strengthened accordingly. For instance, in connection with country-specific project planning, overseas offices are playing a key role in important fields such as formulation of

original proposals and discussions with the governments of recipient countries. Furthermore, in order to identify high-quality projects and to strengthen information-gathering capacity on development issues, the number of staff dealing exclusively with these matters will be increased.

New operations have been started in recent years aimed at a finely tuned response to the needs of developing countries. These include relatively simple overseas development studies carried out flexibly by local people and development welfare support to underpin the activities of local NGOs. Overseas offices are playing a central role in both the planning and implementation of activities closely linked to the needs of specific localities. JICA's overseas offices are situated on the front line of aid provision, and their roles will be enhanced under the new country-specific approach.

Cooperation with Important Regional Issues



Educational activities aimed at silk-growers (Karnataka State, India)

Response to the Asian Economic Crisis

The Asian economic crisis began with the sudden fall in the value of the Thai baht in July 1997. In rapid succession it seriously affected the countries of ASEAN and South Korea, all of which had, until then, enjoyed smooth economic growth. The main factors underlying this crisis were a) the decline in the competitiveness of exports caused by escalating wages and the pegging of currencies to the dollar, b) economic development relying on floating private short-term capital from overseas, and c) inadequacies in financial systems.

The measures needed to solve these problems include implementation of solid macroeconomic policies, systemic reform in the economic and financial

spheres of countries in East Asia where systems are still inadequate, strengthening of industrial infrastructure to enhance productivity and export competitiveness, and the immediate training of personnel to underpin these efforts.

The most vulnerable segments of society (in particular the poor, the disabled, women and children) are those most prone to the adverse effects of the economic crisis, and appropriate methods of assistance must be put into immediate effect for their relief.

JICA has hitherto cooperated with human development and organizational improvements in developing countries on the economic and financial fronts, but emergency support in connection with the Asian economic crisis needs to be provided from the

following three standpoints:

- (1) Strengthening the training of personnel to contribute to economic reconstruction in the economic and financial sectors;
- (2) Further strengthening of support for the most vulnerable segments of society and the poor, who are most severely hit by the currency crisis;
- (3) Support with local costs* to ensure smooth implementation of JICA projects.

Let us now take a look at how JICA is tackling these three key tasks.

Personnel training in the economic and financial sectors

One of the measures taken by the Japanese government in response to the Asian economic crisis was the Japan-ASEAN Integrated Human Resources Development Program proposed by Prime Minister Hashimoto in December 1997. The idea behind this program was to train around 20,000 people in the financial and economic sectors of ASEAN countries over a period of five years.

As part of this program, JICA used its supplementary budget for FY1998 of ¥2.85 billion for the benefit of those countries of Southeast Asia most severely hit by the crisis. With a view to training people to play a part in economic reconstruction, JICA dispatched advisors to the trading finance and capital market sectors along with experts in such fields as investment promotion, industrial restructuring, and support for small- and medium-scale enterprises. In addition, intensive training was carried out mainly in the financial sector including in-country training in finance affecting small- and medium-scale enterprises, and third-country training* in the credit administration sector.

In order to support the smooth implementation of the "New Miyazawa Initiative" (involving support totaling US\$30 billion for economic reconstruction throughout Asia) announced by the Japanese government in October 1998, additional cooperation will be provided in the form of sending on-site monitoring experts to ASEAN countries.

JICA has hosted three ASEAN financial and economic policy seminars, in March and November

Front Line

Support for Small- and Medium-Scale Enterprises and Peripheral Industries

Indonesia

Emergency relief for the economic crisis

◆ The Asian economic crisis and emergency aid

Among the countries of the Southeast Asian region, the economic crisis that began in 1997 has had the most serious repercussions in Indonesia. Under the pressure of economic difficulties, Indonesia has been beset by political and social problems for which there as yet seems no end in sight.

Since early 1998, there has been a growing awareness in Indonesia that the growth of small- and medium-scale enterprises and peripheral industries must be encouraged in order to overcome economic problems, re-stimulate the economy, and create new employment opportunities. Furthermore, the Indonesian Ministry of Industry and Commerce has made it clear that support for small- and medium-scale enterprises (including further encouragement of peripheral industries) and stimulation of exports to overseas markets are among its priority policy issues.

Such was the background to the dispatch of a policy advisor by JICA to the Indonesian Ministry of Industry and Commerce in April 1998. This advisor has been involved primarily in coordinating overseas support relating to the Ministry of Industry and Commerce and in providing urgent support

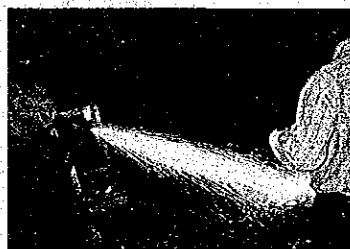
for the stimulation of small- and medium-scale enterprises and peripheral industries*.

◆ New support for the private sector through governmental channels

In the field of emergency support, a start was made with the creation of in-country training courses based on the Japan-ASEAN Integrated Human Resources Development Program. This is a new venture hosted by the Ministry of Industry and Commerce in which training is given to people in the private sector working in small- and medium-scale enterprises in Indonesia, making use of existing facilities such as those of the Development Research Institute and the Industrial Standardization Center. Six courses were started in FY1998, including "Starting up Businesses and Fostering of Entrepreneurs", "Clothing Design for Small- and Medium-scale Enterprises", and "Ceramic Production Methods and Administrative Skills." During training, emphasis is placed not only on technical skills, but also on such applied areas as the psychology of entrepreneurship, business administration, marketing information, and interpretation of customer needs.

A noteworthy by-product of this training was that many participants brought along products originating in their own companies and submitted them for appraisal from other

Expert Dispatch



Importance placed on both technical training and applied aspects of cooperation

participants, or were given the chance to see products from industries other than their own; this had the effect of stimulating new product development. While participants from private companies were strongly aware of the crisis affecting the Indonesian economy, they were at the same time maintaining a highly self-reliant attitude. Their determination to gain as much as possible from this training and to apply their newly acquired knowledge after returning to their respective work places could be clearly sensed. The earnestness of each participant fired the course organizers and instructors with even greater enthusiasm and determination to work toward economic reconstruction. (JICA Indonesia Office)

1998 and March 1999. Policy-makers in the financial, economic planning and development sectors of ASEAN countries were invited to attend these seminars in Japan for public debate, which also involved the World Bank and the IMF, on the background to the current financial crisis, conditions in each affected country, and measures to ensure future economic stability and growth.

Support for vulnerable social groups

ASEAN countries will have to implement severe austerity measures to rebuild their economies. It is proving impossible to respond adequately to the social sector: several countries are having, for instance, to cut back on subsidies for food, education and medical care. This is having a serious effect on the poor and on vulnerable social groups such as women, children and the disabled.

In order to give support to vulnerable social groups left behind by economic growth, JICA has hitherto been working on poverty alleviation, public health and hygiene, maternal and child health, strengthening of local medical care, and support for the self-reliance of the disabled.

Supplementing such support, 28 development welfare support projects centering on the ASEAN countries were implemented with the sum of ¥510 million from the supplementary FY1998 budget to deal with the Asian economic crisis. These projects have been implemented in conjunction with NGOs. Aimed at social sectors such as health and medical care, education, and employment, they are intended to bring direct benefits to the local people.

Projects have involved distribution of medicines to poor people suffering from tuberculosis and training in methods for the treatment of the disease in the Philippines. In Indonesia, projects entailing improvements in the market for everyday necessities and revitalization of cooperatives have been implemented for the benefit of small-scale farmers, fishermen and laborers in the province of southern Sulawesi. In Thailand, community-based health and environmental improvement projects and projects for increasing awareness among young people of the dangers of drugs have also been implemented, aimed at the poorest classes living in the urban slums of Bangkok.

The decline in services in the health and medical care sector brought about by the economic crisis has had a serious effect on the health of people living in each country. As a new approach to this matter, in April 1998 JICA invited health and medical care policy staff from ASEAN countries to Japan to attend a

symposium on "The Asian Economic Crisis and Health." The effects of the economic crisis on health were examined and ways of dealing with this problem were studied.

Local costs support

Local costs support is connected with counterpart* costs. These are normally borne by the implementing agency in the partner country in the context of JICA's project-type technical cooperation and expert dispatch projects in the ASEAN region. JICA steps in when, because of the economic crisis, the implementing agency is unable to pay these costs and it appears the smooth implementation of a project may be compromised.

In Indonesia, for example, local training in practical trade matters had been scheduled to occur 80 or so times. However, the Indonesian budget was reduced considerably under the effects of the economic crisis, and it was feared that the training would have to be reduced. However, JICA's provision of local costs support has made it possible to implement training on every occasion. This training is concerned primarily with support for exports, which are essential for economic recovery, and for this reason the training was attended by large numbers of people including the unemployed. Also, as part of food acquisition support in Indonesia, seeds that passed soybean inspections have been distributed free of charge to local farmers through local costs support under a project-type technical cooperation scheme entitled "Quality Soybean Seed Multiplication and Training Project."

Other support in connection with the economic crisis

The economic crisis has also had a serious effect on each country's budget and development planning. In FY1998, the JICA Country-Specific Aid Research Institute was set up in Indonesia and the Philippines, where it is involved in study and analysis of each country's development planning. The Institute has been studying future directions for Japanese economic cooperation with due consideration given to the economic crisis, and has made proposals accordingly.

In the case of Indonesia, a development survey relating to formulation of an economic model for promotion of long-term development planning has been carried out. In conjunction, a long-term expert has been sent to the State Development Planning Agency (BAPPENAS) to provide support with emergency

economic policy under the conditions imposed by the economic crisis.

Future cooperation

The recent economic problems are manifestations of a distinctively 21st century type of crisis: the opening up of financial markets through globalization has seriously affected developing countries which have hitherto undergone smooth economic growth. Countries such as those of ASEAN, which experienced rapid economic development during the 1980s and 1990s, are particularly susceptible to crises of this kind. In cases such as the present one, where the crisis occurred simultaneously in several countries for many complex

reasons, the efforts of a single country alone will be insufficient to solve the problems involved. It is clear that this particular economic crisis bears a very close connection to the economic problems besetting Japan.

Assisting the process of recovery from this crisis and giving support for each country's economy and industrial development (with a view to ensuring that the economies of the affected countries are able to stabilize and undergo new development) are important matters closely related to Japan's own future. JICA will continue its ongoing cooperation projects using every means at our disposal. We also intend to strengthen our links with other donors* providing similar forms of support in order to give more effective and efficient types of assistance.

Support for African development (follow-up on TICAD II) •••••

The 2nd International Conference on African Development

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In October 1998, Japan hosted the 2nd International Conference on African Development (TICAD II), organized jointly with the United Nations. Almost all African countries took part in this conference, including those of northern Africa. The conference was also attended by 16 of the leading donor nations, 40 international agencies, and 22 NGOs involved in the provision of aid to Africa. This was an extremely high-level conference attended by as many as 15 heads of state and national leaders.

The 1st International Conference on African Development (TICAD I) was held in October 1993. Japan played the leading role in organizing this conference, which contributed significantly to deepening the debate on African development in the international community. Support for self-help is a key concept of Japanese aid, and the fact that this concept was discussed as one of the main topics of the conference had an important effect on African countries, which had until then been in a state of reliance on aid under the conditions imposed by the Cold War.

Developments since TICAD I were reviewed at TICAD II, and the importance of ownership by African countries and of supportive partnerships* with national governments and agencies was

reconfirmed. The "Tokyo Action Plan", which is intended to provide a set of guidelines for the 21st century, was adopted at the conference.

In the Action Plan, agreement was reached on priority policies and activities in three fields, namely social development (education, health and population, and support for the poor); economic development (development of the private sector, industry and agriculture, and overseas debt problems); and bases for development (good governance, prevention of conflict, and post-conflict development). As for approaches to encouraging development in Africa, emphasis was placed on strengthening cooperation (between African countries and donors, collaboration between donors), regional cooperation and integration (response to joint regional topics), and South-South cooperation* (cooperation between Asia and Africa and within Africa). An illustrative list giving details of around 370 development programs and projects in line with the Action Plan was also created. A dialog session between African representatives and Japanese private companies was held with the aims of expanding trade and investment between Asia and Africa and sharing development experience.

Japan's African Support Policies

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The main African support policies proposed by Japan at TICAD II were as follows:

(1) Provision of grant aid to the extent of ¥90 billion

over the coming five years in the educational, health and medical care, and water supply sectors. (Social development sector)

(2) Establishment of the Asia-Africa Investment Information Service Center, organization of an Asia-Africa business forum, support for the training of debt administrators and studies on expanding the range of debt relief grant aid. (Economic development sector)

(3) Support for the removal of land mines in southern Africa, support in the fields of good governance and conflict through cooperation with the UNDP (United Nations Development Programme), OAU (Organization of African Unity), and UNHCR (United Nations High Commission for Refugees). (Foundations for development)

(4) Training programs in Asia and North Africa aimed at 2,000 Africans over the coming five years. (South-South cooperation)

(5) Establishment of human resources development bases in Africa and development of a research agency network plan. (Strengthening cooperation)

(6) Implementation of a follow-up program using TICAD II facilities (UNDP Asia-Africa Cooperation Foundation). (Follow-up)

JICA's Contribution

In the realization that the Tokyo Action Plan sets forth the direction of Japanese cooperation with Africa, JICA is being required to play a leading role in the implementation of Japan's policy of support for Africa under the direction of the Ministry of Foreign Affairs. The most important point as regards African development is that of ownership on the part of the African countries themselves. In order to stimulate ownership, it is going to be necessary to devote more attention than before to improving the efficiency of administrative agencies and of the private sector in African countries (capacity-building*), in other words, to human development in the broad sense of the term.

JICA believes that human resources development is important in connection with the whole range of issues that Africa must face; indeed JICA believes that human resources development is the key to all of Africa's development problems. Because of this, JICA will continue to implement projects in the future with an emphasis on human resources development.

Front Line

Groundwater Development and Water Supply Training Project

Ethiopia

Supplying clean water to local communities

(project-type technical cooperation)

◆ Water supply available in only 10% of rural villages

Rows of women and children carrying large water vessels on their bent backs are commonly seen in the Ethiopian capital of Addis Ababa.

The rate of distribution of water supply in rural districts of Ethiopia is still little more than 10%. Many ordinary people have to spend a great deal of effort and money getting hold of water for everyday purposes, and this is a major factor contributing to poor health and poverty.

With the emergence of a democratic government in Ethiopia in 1991, decentralization policies based on a federal system were promoted, and development of groundwater and water supply projects in rural areas became the responsibility of individual provincial governments. These governments are giving priority to groundwater development by, for instance, purchasing excavators on their own initiative; however, little progress is being made in this area because of the inadequate knowledge and inexperience of the

technicians involved in groundwater exploration and well excavation.

◆ Training of technicians and public participatory implementation

The aim of this project, which began in January 1998, is to set up a training center under the control of the Ministry of Water Resources where training can be provided for technicians employed by provincial governments. Six long-term experts have been dispatched, and after a preliminary period of one year during which the center was built and teaching materials were compiled, training courses were started in the fields of groundwater exploration, equipment maintenance, and well excavation methods.

With the involvement of the local people, well development plans were formulated and a water administration union was organized to collect water fees and to carry out maintenance and management. Owing to the absolute necessity of sustainable local development, these activities formed the basis for model projects that were implemented in several areas and enabled collaboration with NGOs fully-



Six experts have been sent to train technicians in groundwater exploration and well excavation

experienced in rural development projects. The aim is thus to plan this project so that it takes firm root in the local communities.

(JICA Ethiopia Office)

The following activities are at present being implemented or planned for the future:

1. Support with debt management

Basic research on debt management has already been completed. In Singapore, we are planning to implement third-country training aimed specifically at African countries. In Kenya, JICA experts will attend seminars and provide support with the organization of the seminars to ensure their effectiveness.

2. Support for removal of land mines

A project formation study team is due to be sent to Mozambique in FY1999 to study support for the removal of land mines in southern Africa.

3. Training program based on South-South cooperation

Over the coming five years, 1,000 Africans are scheduled to take part in third-country training in Asia and North Africa.

Around 1,000 Africans will also receive training over the next five years at the South-South Technical Cooperation Center in Indonesia. JICA is studying the possibilities for technical cooperation and grant aid in connection with the establishment and operation of training courses at this Center.

4. Establishment of bases for human resources development in Africa

In conjunction with other donors, JICA is implementing human resources development activities at the Jomo Kenyatta College of Agriculture and Industry in Kenya aimed at promoting practical and applied research and regional economic activities likely to bring benefits to neighboring countries.

5. Formulation of grant aid projects

JICA is working on the formulation of grant aid projects in the fields of education, health and medical care, and water supply. (Project formulation studies were completed in FY1998 in connection with health and medical care in West Africa and local water supply in areas such as southern and central Africa.)

6. International measures to combat parasites

In cooperation with the WHO, JICA is engaged in South-South cooperation involving the creation of bases for human resources development and research activities in Africa (Ghana and Kenya) and Asia (Thailand). These will serve as sites for joint international research and the exchange of information on measures to deal with parasites as well as for third-country training of people from neighboring countries.

7. Promotion of eradication of polio

Within the framework of the Japan-U.S. Common Agenda*, the supply of vaccines and medical equipment through children's grant aid and special medical equipment supply will be implemented on an ongoing basis with a view to contributing to the worldwide eradication of polio. We will also be tackling more determinedly than ever before the eradication of polio in Africa through grassroots cooperation involving JOCVs. Our first efforts in this connection will entail the dispatch of vaccination surveillance staff in FY1999.

8. Promotion of rice cultivation in Africa

Project-type technical cooperation will start in Côte d'Ivoire in FY1999, and technical cooperation involving appropriate technical examinations and demonstrations will be implemented. Possibilities for technical transfer* to neighboring countries in the future will also be studied.

JICA experts will continue to be sent to WARDA (West Africa Rice Development Association), and continuing support will be provided for the development of new types of rice created through cross-fertilization between Asian and African strains. This topic is currently being researched by WARDA and IRRI (International Rice Research Institute) in the Philippines.

9. Support for Africa through trilateral cooperation involving Japan, France and Malaysia

With support from Japan and France, a vocational training program for Africans will be implemented at CIAST (Center for Instructor and Advanced Skill Training) in Malaysia. (Third-country training was already implemented in February 1999.)

10. Support with strengthening intra-regional cooperation

Possibilities for holding intra-regional cooperation workshops within each region of Africa through collaboration with regional cooperation agencies are being studied. In Southern Africa, an intra-regional cooperation workshop was held and a project formation study was performed between February and April 1999 in conjunction with SADC (Southern Africa Development Community*).

11. Support for democratization and good governance

Democratization seminars and training courses aimed at improving the public administration systems of African countries will be continued and expanded.

Cooperation for New Aid Needs



Support for victims of land mines in Cambodia

Response to international cooperation in connection with global human security

Human Security

Human security was raised as a concept and paired with people-centered development in the Human Development Report published by the United Nations Development Programme (UNDP) in 1994.

The term "security" is generally associated with national security. In other words, the means to ensure that one's country is not negatively affected by diplomatic, economic and military interference from other nations.

In contrast, "human security" is a more comprehensive concept than that of national security and denotes the security required for people to be able to lead better lives with complete peace of mind. Obvious examples include being able to live a healthy life, living in a plentiful natural environment, and being free from stress. Human security is classified into seven main categories by the UNDP; the connections between these categories are shown in Fig. 1-4.

Security Categories

Human security can be viewed from other angles, but let us examine it here in line with the seven categories just mentioned. Human security is by no means a matter only affecting developing countries; the topics it raises are also of immediate concern to

advanced countries. However, since JICA projects are concerned primarily with developing countries, the following explanation will consider human security from the standpoint of these countries.

Food security

Food is of course essential for human existence, but we do not refer here merely to food supply. Various methods are involved such as the creation of systems to enable people to use land, water, labor and other resources for engaging in food production (e.g. agricultural land reform); the installation of market distribution systems and facilities to permit the stable supply of food products; and research and development aimed at raising production quantities together with their distribution.

Health security

Provision of medical services is the most immediate concern in this connection. Availability of vaccinations against infectious diseases such as polio, training of medical practitioners, and improvements in health care are all aspects of health security. The spread of accurate information on disease is another aspect. Infectious ailments such as diarrhea, dysentery and schistosomiasis, which are common among children in developing countries, can be alleviated considerably through the supply of clean water. Development of groundwater supplies and

sewage processing are therefore important aspects of health security.

Environmental security

Environmental security begins with conservation of the natural environment and measures to remedy pollution. Of particular importance is an environment in which people can live with peace of mind regarding the quality of their air and water, soil conservation and waste disposal. Depletion of resources accompanying deterioration of the natural environment deprives local communities reliant on natural resources of their ability to support themselves. Examples include a decrease in firewood due to the destruction of forests, a reduction in animal protein intake due to the depletion of fishery resources, and the inevitable decline in cash income that follows such events.

Personal security

Protection of the physical security of the individual is what is referred to here as personal security. Physical protection from the threat of war, crime and disaster, from threats to the more vulnerable members of society (women, children, ethnic minorities, etc.), and from the dangers of drugs is something which cannot necessarily always be solved at the individual level: it is obvious that this matter is directly connected with the nature of the society and state to which an

individual belongs. Crime and narcotics are closely linked to the problem of poverty.

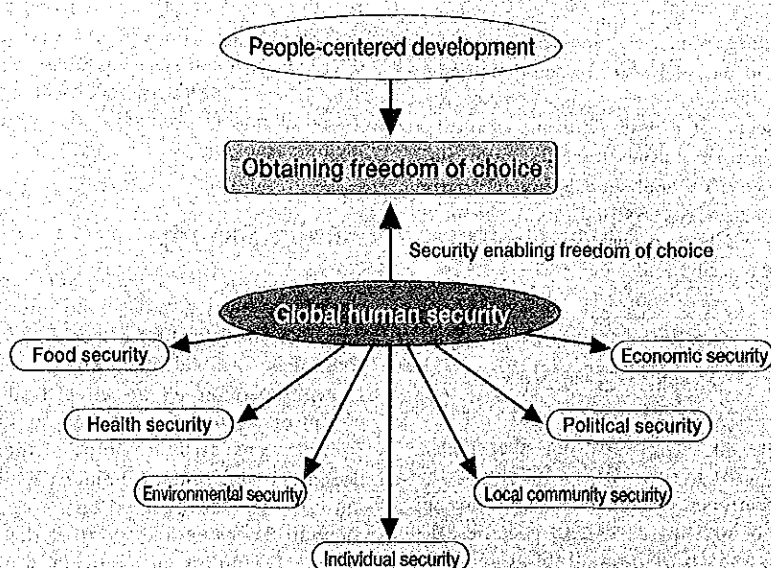
Local community security

Villages and other local communities (*) are based on the unit of the family. Local communities are underpinned by norms and customs fostered by the people, whose security is ensured by their belonging to the group. However, traditional customs constantly change with the progress of modernization and in the end are replaced by social norms and state legal systems. For instance, mechanisms for the use and allotment of distinct local resources utilized by local people (such as land, water and forests) are generally determined by means of social norms. However, as in the case of nationalization of forest land, it sometimes happens that the norms of local communities are restricted by the central government, regardless of the wishes of the local people, whose lives are nevertheless seriously affected.

On the other hand, local communities usually have a strong sense of racial, ethnic and religious identity. Discrimination and conflict between different ethnic groups often embroil local communities and result in conflict. Recent examples of this include the civil wars

(*) These administrative units include naturally generated types based on the traditional village and artificial types formed by topography and the drawing of borders.

Fig: 1-4 The conceptual scheme of human security



in Rwanda and Yugoslavia and the conflict between Palestinians and Israelis.

Political security

Forms of human security that have a major influence on politics include fundamental human rights and military expenditure.

Fundamental human rights include freedom of expression, thought and belief; however, the existence of political insecurity and of military regimes has always tended to result in the curtailment of these types of freedom. Placing limitations on reports critical of the government and on political activities is not just a question of human rights: it reflects a system in which the will of the people is not being reflected in politics. On the other hand, excessive military expenditure imposes a heavy burden on national finances. Establishing a political system on both the external and internal fronts which does not bring about an increase in military expenditure makes it possible to allocate this money to other areas of the budget and is a useful way to reduce risks involving maintenance of order and conflict. What is thus needed is a political system which respects human rights and emphasizes the lives of ordinary people.

Economic security

Economic security essentially means protecting employment. Employment as referred to here does not mean merely gainful occupation in urban areas, but also self-employment and cash income activities including agriculture. A system which guarantees stable employment and labor conditions is essential for obtaining a stable income. Systems which provide the financing required for starting up and expanding agricultural and self-employed businesses, and especially systems which provide low levels of unsecured financing for small enterprises, are likely to be effective. Doing away with gender-based wage differentials and providing vocational training to create a core of skilled technicians are also important topics.

Improvements in labor conditions involving, for instance, abolition of employment discrimination on the basis of gender and ethnic background and doing away with unjustly low wages also correspond to economic security.

JICA and "Human Security"

The concept of "human security" came into being as one of a pair of concepts (along with "national security") at the end of the Cold War with the emergence during the 1990s of "people-centered development". The roles of aid in ensuring human security are highly varied as indicated by the seven types mentioned above.

JICA has been tackling the field of human security in recent years in connection especially with the following activities:

- (1) Land mines
Removal of land mines and support for the victims of land mines in Cambodia and Bosnia-Herzegovina.
- (2) Drug Abuse
Training courses in measures to deal with drugs, study of the introduction of substitute crops in Myanmar.
- (3) Welfare support for the disabled
Studies aimed at placing the concerns of the disabled in the mainstream of development.
- (4) Poverty
Expansion of projects to alleviate poverty in Indonesia and elsewhere.
- (5) Strengthening of local NGO support
Implementation and expansion of projects carried out in conjunction with local NGOs aimed at cooperation on the grassroots level.



Health security achieved by means of medical services such as vaccination (Ghana)



Vietnam

(6) Rotating fund for medication

Introduction of a fund managed and run by local government authorities and local people for the purchase of medication.

(7) Support for democratization

Tajikistan democratization seminar aimed at reconciliation between the governmental and anti-governmental factions and recovery following the establishment of peace accords.

The topics dealt with over the past year have been concerned especially with strengthening and expanding support for the socially vulnerable in the countries of Asia, which have been hit by an economic crisis of unprecedented gravity. Specifically, under the conditions imposed by the deterioration in public finances caused by the economic crisis, the budget for medical care and welfare has been slashed and there has been a conspicuous deterioration in public administration services in the regions. It was considered that the more vulnerable sectors of society, such as people with low incomes, women and children, would be particularly hard hit by these developments. It was decided therefore to significantly increase support for local NGOs engaged in activities in these fields. Senior overseas volunteers in the fields of medical care and welfare were dispatched and vaccines were provided.

Conflict Prevention, Recovery Support and "Human Security"

As has already been mentioned, "human security" covers a wide range of fields. The main topics faced over the past two years have been those of how to prevent frequently occurring regional conflicts and how to move from emergency humanitarian aid to development aid once a conflict is over. Since the end of the Cold War, conflicts have occurred frequently in many countries and regions, and emergency humanitarian aid in response to them has been provided on an unprecedented scale. The loss of human life and property and the costs of humanitarian aid have, however, been vast. This has made it necessary to consider the role that aid has to play in preventing conflict and the question of how humanitarian aid centering on the supply of commodities and medical services can be efficiently linked to recovery support activities aimed at long-term development.

In order to deal with such topics, JICA has entered into a dialog with Japanese NGOs experienced in emergency humanitarian aid and the United Nations High Commission for Refugees (UNHCR). We participated in the Meeting on Conflict and Peace within the Development Assistance Committee (DAC) and are involved in discussions with other donors aimed at determining the direction of future topics.

Cooperation on Common Development Issues



Community Empowerment Program in Myanmar

Cooperation on priority development issues

in the DAC New Development Strategy

The DAC New Development Strategy

In May 1996, the Development Assistance Committee* (DAC) of the OECD adopted a new development strategy known as "Shaping the 21st Century: the Contribution of Development Cooperation" (the so-called "DAC New Development Strategy"*). The most important aim of this strategy is to improve the quality of life for everyone. The strategy stresses the three following key points:

- (1) Poverty alleviation and social development, improvement and regeneration of the sustainable potential of the environment ("social development and environmental improvement");
- (2) Encouragement of "economic growth" through the participation of developing countries in globalization from a medium-term standpoint;
- (3) Establishment of appropriate governmental roles for supporting "social development and environmental improvement" and "economic growth".

Methods for realizing these three key points involve a comprehensive approach to development and aid. They include self-help on the part of developing countries (ownership) and cooperation (partnership) with advanced countries providing related support and a comprehensive approach for mobilizing all levels of government, the private sector and NGOs toward development together with individual approaches with emphasis on results.

In the implementation of the DAC New Development Strategy, Japan is placing importance especially upon Cambodia, Peru, Ethiopia, Ghana, Tanzania, Zimbabwe, and Senegal.

Targets and Activities Fixed Under the DAC New Development Strategy

The DAC New Development Strategy has set improvements in the quality of life for all people as the goal of sustainable development*. In order to clarify this vision, the DAC has set various targets in the fields of economic welfare, social development, and sustainable potential and regeneration of the environment. Specifically, economic welfare is concerned with the problem of poverty, social development with education and health and medical care, and sustainable potential and regeneration of the environment with environmental problems. The following seven targets have been selected in these four fields between 2005 and 2015:

Poverty

Target: To halve the proportion of people living in extreme poverty before 2015.

The Copenhagen Declaration and the action plan announced at the 1995 Social Development Summit proposed the eradication of world poverty through national policies and international cooperation. Extreme poverty (absolute poverty) is defined by the World Bank as an annual per capita income of less than US\$370.00. Using this as a standard, 1.3 billion people, or 30% of the population of the developing world, are living in a state of extreme poverty, and this figure is tending to rise. On the other hand, the number of people living in poverty has been halved in some

developing countries, and generalization of these results will demonstrate both the necessity and capacity for continuing with efforts to alleviate poverty. This target is not meant to represent a global mean, but rather to serve as a goal to be achieved by individual countries aiming toward conspicuous advances.

To give one example, JICA is providing "social services for encouraging self-reliance on the part of vulnerable members of society" as a community empowerment program aimed at the many people in Cambodia who have fallen into poverty as a consequence of the civil war in that country. Efforts are *being made to alleviate poverty by encouraging social participation through implementation of medical care and social services for the disabled, and the training and encouragement of social workers.*

Education

Target: To make primary education available to people in all countries by 2015.

The aim of making primary education universally available was espoused at the "Education for All" World Conference held at Jomtien in Thailand in 1990; it received further support at the 1995 World Summit for Social Development and the United Nations World Conference on Women held in Beijing in 1995. It was confirmed at these conferences that basic reading,

writing and numerical skills were essential factors for increasing participation in social activities.

Japan's grant aid is being used to build primary schools and provide tables and chairs in the Senegalese capital of Dakar in order to improve the learning environment. Classes are divided into two so as to cope with class overcrowding, a phenomenon caused by the massive influx of population from the countryside into the capital. JICA drew up the plans for this particular cooperation project, which has contributed to improvements in the learning environment, and has also increased opportunities for learning with a view to realizing Senegal's stated objective of 100% elementary school attendance by 2000.

Target: To abolish gender distinctions in primary and secondary education by 2005 in order to demonstrate progress toward gender equality and women's status enhancement (empowerment*).

Resolutions on gender equality in primary and secondary education were passed at the International Conference on Population and Development (Cairo, 1994), the United Nations World Conference on Women (Beijing, 1995), and the World Summit for Social Development (1995). Investment in girls' education is one of the most important development issues, and there is an awareness that gender equality in education is a fundamental criterion of social equality and efficiency.

Front Line

Cooperation for Girls' Education **Guatemala**

Making basic education available to all

(dispatch of experts, etc.)

◆ Girls prevented from entering primary school

Thirty years of civil strife finally came to an end in Guatemala in 1996, whereupon various national projects aimed at creating an egalitarian and peaceful society were embarked upon under the conditions of the peace treaty. One of these projects involves the spread of basic education to the whole population.

Most people living in the rural areas of Guatemala are poor and can have little thought of sending their children to primary school. Girls in particular are expected to play an important part in the performance of household chores. Many marry at the age of around fifteen. Under these conditions, there is little general awareness of the need for girls to acquire basic scholastic abilities. In comparison with boys, it is difficult for girls not only to complete their primary education but even to enter primary school in the first place.

Educational cooperation taking account of factors that prevent girls from receiving primary education has been provided since 1991, mainly by the United States Agency for International Development (USAID). Since 1995, Japan has been participating in provision of support for girls' primary school attendance through the Japan-U.S. Common Agenda.

◆ Renewed cooperation with the United States

The first study group was sent to Guatemala in 1995. Later, individual experts (1996) and JOCVs (1998) were sent to the Guatemalan Ministry of Education. We have since been helping to enhance the functions of educational administration agencies through equipment supply, training in Japan, grassroots grant aid, employment of overseas survey specialists, and use of the United Nations Development Programme's WID* fund. The key to cooperation, which

will equip people with the ability to deal with these issues and will create mechanisms which transcend distinctions between the public and private sectors, is the coordination and strengthening of cooperation between all those involved.

Assuming that support aimed at strengthening organizational capacity is one of the pivots of this process, the other pivot consists of support for the specification of educational content and methods which will prove effective in solving problems connected with girls' school attendance. It used to be the case that there was insufficient liaising between Japan and the United States because each side was preoccupied with getting its own experimental projects off the ground. But all those involved in providing cooperation are now getting together again to pool their resources as partners of the Ministry of Education.

(JICA Guatemala Office)



Midwives in the Philippines demonstrate the potential of women

An example of this is the cooperation JICA is providing for girls' education in Guatemala. This has involved the dispatch of experts and JOCVs, supply of small-scale libraries with grassroots grant aid*, and acceptance of participants for training programs in a highly effective combination of cooperation methods. Educational methods are being developed and training is being provided in order to heighten awareness of the need to make education generally available to girls, to strengthen the capacity of educational administration, to develop and diffuse teaching materials, and to increase girls' school attendance rates.

Health and medical care

Target: To reduce mortality rates of newborn babies and children under the age of five to a third of their 1990 levels by 2015.

The mortality rate of newborn babies is an important index of the health and nutritional state of the most vulnerable members of a social community. Target ratios were adopted in the DAC New Development Strategy, but numerical targets were set at the 1994 Cairo International Conference on Population and Development. These aim to achieve a mortality rate of under 0.35% for newborn babies and under 0.45% for children under the age of five by 2015.

Target: To reduce the mortality rate of women during pregnancy and childbirth to a quarter of the 1990 level by 2015.

The targets set at the International Conference on Population and Development in 1994 envisaged halving the 1990 mortality rate of women during pregnancy and childbirth by 2000, and then halving the figure again by 2015. These targets were supported at

Front Line

The Integrated Family Planning, Nutrition and Parasite Control Project

Ghana

Integrated healthcare project at the grassroots level

(Community Empowerment Program)

◆ In partnership with local NGOs

Birim North, a district in the Eastern Region in the south of Ghana, is one of the least developed parts of the country as regards hospitals and other aspects of social infrastructure. The local authorities have placed improvements in health care as the district's priority issue, but outside assistance is required if fundamental improvements are going to be made.

In response to local needs, in March 1998 JICA embarked upon a model integrated health project in partnership with a local NGO known as the Planned Parenthood Association of Ghana (PPAG), which enjoys a high reputation for its activities in the field of reproductive health. This was JICA's first Community Empowerment Program in Africa.

This project has been planned to make use of the experience gained through a previous project implemented in the Central Region of Ghana by the PPAG with the support of the Japanese Family Planning International Cooperation Foundation (JOYCEF). It is concerned with the health of the local people, and in particular with reducing mortality rates among newborn

babies and pregnant mothers and with distributing family planning methods. It is aimed specifically at around 16,000 people living in ten villages in this district. The PPAG is implementing various activities with the participation of the local community intended to organise and integrate activities on the grass-roots level such as distribution of family planning, maternal and child care services and promotion of nutritional improvements, environmental hygiene and school health.

◆ Activities centering on volunteer work by local people

Local people who attended an explanatory meeting relating to the project held in March 1998 said that they would do everything to make the project their own if we did what we could to support their village. The central agents of this project are the local community. Activities in the villages center on the local administrative committees of each village and health and family planning promotion volunteers (consisting of one man and one woman chosen from individual villages).

The PPAG staff provide technical support for these community activities in



Local people play a key role in the project

conjunction with nurses, health instructors, agricultural extension workers and other staff from the district administrative offices. Local administrative staff are learning how to provide better services to villagers through implementation of the project.

JOCVs providing guidance in the fields of health and hygiene began work in the area in May 1999. We hope that this project, in conjunction with other JICA projects, will in the future serve as a model for integrated health projects on the grassroots level.

(JICA Ghana Office)

the United Nations World Conference on Women. This approach is being followed in the DAC New Development Strategy.

Target: To enable all individuals of the appropriate age to receive reproductive health* services through a basic health system as soon as possible before 2015.

This target was approved at the 1994 Cairo conference. Giving people freedom of choice over childbirth is intended to stabilize population and enable sustainable development, and this is the approach being followed in this case.

In Ghana, which has a high level of population increase, JICA is implementing project-type technical cooperation involving maternal and child health services. Re-training of people involved in governmental health and medical care is taking place with the aims of making family planning more widespread and reducing illness and mortality rates in mothers and children. In the Integrated Family Planning, Nutrition and Parasite Control Project (Community Empowerment Program), comprehensive health activities including family planning and improving nutrition of mothers and children are being implemented on the community level through the Ghanaian Family Planning Association.

Environment

Target: To formulate and implement national strategies for sustainable development in all countries by 2005, the aim being effectively to reverse by 2015 the ongoing depletion of environmental resources on both the global and national levels.

This target had its beginnings in the United Nations Conference on the Environment and Development held in Rio de Janeiro in 1992. The aim is to ensure that all countries become aware of environmental problems and acquire the capacity to deal with them by 2015.

Initiatives for Sustainable Development toward the 21st Century (ISD Plan)

.....

In June 1997, Japan announced the "Initiatives for Sustainable Development toward the 21st Century" (ISD Plan) as an expression of our determination to make further progress in environmental cooperation centering

on ODA. The main issues to be confronted in future action plans were broached in this plan - namely, air and water pollution and waste disposal, global warming, conservation of the natural environment and sustainable management of forest resources (afforestation). JICA is currently providing extensive environmental cooperation on the basis of the ISD Plan.

Group training: Course on global warming

The problem of global warming affects all the world's countries, both the advanced and the developing. This is a global environmental problem that cannot be solved through the efforts of the advanced nations alone. In order to encourage developing countries to deal with this problem, global warming must be positioned in the context of sustainable development. Developing countries must become more aware of the problem and their capacity to deal with it on the social, economic and institutional fronts must be enhanced. People from developing countries involved in measures to combat global warming are therefore being invited to Japan for training.

Group training: Course on monitoring acid rain and remedial methods

An East Asian Acid Rain Monitoring Network has been set up to work on solving the problem of acid rain in East Asia, where industrialization is proceeding rapidly. Joint possession by all participating companies of acid rain measurement data and other related information will contribute to a common awareness of the current state of acid rain and will establish the foundations for promoting a future response to this problem. To enable the deployment of acid rain monitoring methods and other methods needed to deal with this problem, people from developing countries working in this field are being invited to Japan for training.

Development study: Study on Coastal/Marine Habitat and Biological Inventories in the Northern Part of the Red Sea Coast (Saudi Arabia)

Biodiversity* on the northern coast of the Red Sea is in crisis owing to the development of coastal towns in Saudi Arabia. Basic information is therefore being gathered on the biological and social environments required for establishing a nature reserve in this area. This study also involves the production of mapping of the biological environment and inventories providing data on natural resources.

JICA's Efforts in the Wake of the Kyoto Initiative

The third session of the Conference of the Parties to the United Nations Framework Convention on Climate Change was held in Kyoto in December 1997 under Japan's chairmanship. It was on this occasion that Japan announced the "Kyoto Initiative", which is intended, primarily through ODA, to further strengthen the support being given to developing countries to combat global warming.

One of the three mainstays of the Kyoto Initiative is cooperation with human resources development. Japan has agreed to cooperate in the training of 3,000 people from developing countries involved in tackling global warming over a period of five years beginning in FY1998.

JICA is contributing to training in this area through group training conducted by means of courses on combating global warming, project-type technical cooperation in connection with energy-saving, new and renewable forms of energy, forest conservation and afforestation, dispatch of experts, and training of JOCV counterparts.

Grassroots support

The Need for Grassroots Support

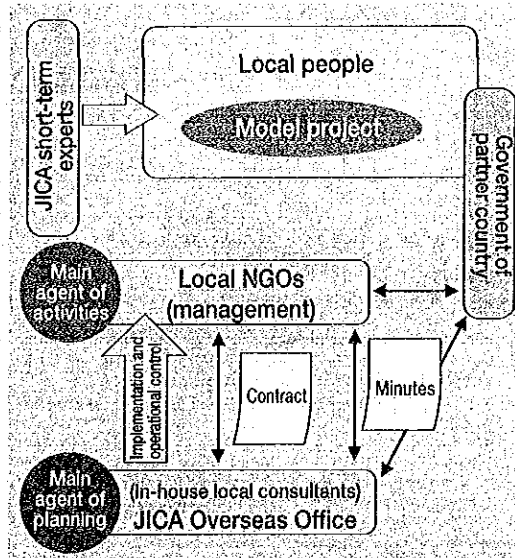
There are many developing countries where development assistance provided through the efforts of the international community has resulted in considerable progress being made, but there are still 1.3 billion people worldwide living in conditions of absolute poverty. Even in countries that have realized rapid economic growth, there are many people who have been left behind and have failed to benefit from this growth. One of the major factors here is the weakness of governments in many developing countries. These governments are unable to provide all their people with services such as education and health care that governments are generally expected to provide.

As was mentioned earlier in "Cooperation with New Aid Needs" on page 27, the focus of development aid is at present moving from the state to people, that is to say there is a move to "people-centered development" in which the aim of development is not the prosperity of the state but the happiness of individual human beings. Realization of happiness of individual human beings is dependent upon knowledge on how to use the resources needed for raising living standards and access to these resources (see the 1998 JICA Annual Report). Until now most donor countries have provided technical aid to technicians in developing countries to increase people's knowledge of the use of resources and to improve access to essential

resources. However, people-centered development is concerned with whether the knowledge acquired by government technicians is in fact reaching the people who really need it and whether it is being used to raise living standards.

The move to people-centered development has inspired a reassessment of the role of government in development. Development does not always move downward from the state to the general populace. This represents a major conceptual leap when considering development aid. There has been a change from an

Fig. 1-5 Community empowerment program implementation system



approach based on consideration of what government can do for the people to how the people themselves can contribute to their own personal and community development. A system linking the government with individuals is required if services provided by the government are going to find their way to individual people. There is also a need for the ability to consider acquiring essential services from the government and the private sector when these are required by the local community itself and to be able to apply these services to raising living standards.

Institution of Grassroots Technical Assistance Projects

JICA is engaged in support activities intended to be of direct benefit to local communities at the grassroots level. These include, in particular, the dispatch of JOCVs who live in villages with the local people and engage in various cooperative activities in line with local needs so as to raise the capacity of the

communities. JICA's cooperation program has been undergoing major changes in the context of the previously mentioned conceptual revamping. A framework is being created to ensure that the results of technical assistance find their way directly to people at the grassroots level who are the end targets of the program. There has been a rapid increase in the number of projects involving cooperative activities that provide direct, clear-cut benefits to local communities.

A start was made in FY1997 with grassroots technical assistance (Community Empowerment Program) aimed at improving welfare and alleviating poverty at the grassroots level in developing countries. This involved the implementation of model projects directly benefiting local communities. This new program entails the implementation of projects for a maximum of three years which respond directly to the needs of local communities in conjunction with local NGOs possessing a thorough grasp of factors indispensable for the development of local culture and customs. (See Table 1-5 on page 35 for a description of the program implementation structure.) There are

Front Line

Afforestation and Erosion Control Project in the Valley of Tarija

Bolivia

A bold challenge with local people taking the lead

(project-type technical cooperation)

◆ Severe land erosion

Tarija is Bolivia's most southerly region, bordering on Argentina and Paraguay to the south. The city of Tarija, where the regional offices are located, has a population of 130,000. It is an attractive small town whose streets are decorated with roses.

To most people, the name of Bolivia conjures up images of the indigenous Indian people, clad in ethnic costume, traveling with their llamas, or that of small reed boats going back and forth on Lake Titicaca, the world's highest lake. However, in contrast to this romantic stereotype of the Andes, the town of Tarija has a brighter and more liberated feel about it.

But move just slightly beyond the streets of Tarija and the scene changes to one of utter desolation. The landscape seems as barren as the surface of the moon. As much as 41% of Bolivia's natural territory is affected by ongoing soil erosion, and the whole of the region of Tarija, which occupies an area about one-tenth that of Japan, has been affected. Soil erosion threatens not only Bolivia, but has become a serious problem for the people in

neighboring Chile and Peru. Soil erosion in the vicinity of Tarija now prevents any agricultural activity, with the consequence that local people are forced to work as seasonal laborers on farms in Argentina to earn a living.

◆ Irrigation projects and community participation

The "Afforestation and Erosion Control Project in the Valley of Tarija" is a recent project that began as recently as October 1998. The aim of this project is to bring water to this semi-desiccated area, to plant trees, to develop technology to enable agricultural production, and to create a comprehensive irrigation model and a basin control model. Once local people are able to engage in agricultural activities throughout the year, there will no longer be any need for them to leave the area to work elsewhere.

"Community participation" is the key term here. Development plans previously implemented unilaterally by the authorities have been of little benefit to the local farming communities who should have stood to profit from them: these communities have if anything been



Experts studying the Valley of Tarija, where soil erosion is widespread

marginalized within the development process and are now at odds with the administrative sector. Taking account of these past deficiencies, this project makes every provision for dialog with the local community. The aim is to place the local community at the very center of the project. Emphasis has to be placed upon the training of counterparts (i.e. technicians who work as coordinators) to achieve this aim.

(JICA Bolivia Office)

seven main fields covered by NGO model projects, namely 1) community development, 2) support for the elderly, the disabled, children, etc., 3) improvements in health and hygiene, 4) support for self-reliance among women, 5) improvements in living environments, 6) human resources development, and 7) promotion of local industry.

Apart from the fact that projects are executed after concluding contracts with local NGOs, the main difference between this new type of aid and conventional technical assistance lies in the underlying approach. The approach adopted in the earlier type of technical assistance project involved support for raising the quality or quantity of services provided by the governments of developing countries to their people. However, the main feature of grassroots technical assistance projects is that local NGOs are used to provide links between governments and communities with a view to raising the development capacity of the people themselves through NGO activities (i.e. empowerment). As well as improving the services of governments in developing countries by making them more efficient and effective, there is a need for support which empowers local communities by improving their living and welfare standards.

In FY1997, when this grassroots technical assistance program got under way, a start was made with five model projects centering on reproductive health services and other aspects of health and hygiene in Latin America and Southwest Asia. For example, the "Program of Improving Public Health Conditions through Community Participation in a Marginal Rural Area of the State of Guanajato" was implemented in Mexico with cooperation from the Mexican Family Planning Association. It involves a three-year project aimed at building clinics and expanding and improving health care services primarily through community activities in the state of Guanajato, which as one of the poorest regions of Mexico, has little access to the government's health services.

As was mentioned in "Cooperation with important regional issues" (see page 21), 28 grassroots technical assistance projects (six in Indonesia, four in Malaysia, six in the Philippines, one in Myanmar, three in Thailand, two in Vietnam, four in Laos, and two in Cambodia) were implemented in FY1998 in order to lessen the effects of the economic crisis on Asian countries.

People in socially disadvantaged positions such as the poor are particularly susceptible to the effects of disaster and war. The economic crisis has caused sharp rises in the prices of foodstuffs and pharmaceuticals,

for which many countries are reliant on imports, and has brought about a reduction in the subsidies made available by governments. Model projects have therefore been carried out to benefit those most seriously affected by the economic crisis, including street children, the disabled, and those with AIDS.

In the Philippines, for example, the economic crisis has brought about a shortage in medicines needed for the treatment of tuberculosis, which have to be imported from overseas. Technical assistance is thus being provided together with a local NGO, the Philippine Tuberculosis Society, involving the provision of health services while supplying medicines. In Malaysia, we are working together with a local NGO, Montfort Boys' Town, to present seminars and vocational training aimed at raising awareness so as to enable children from poor homes, orphans and young school dropouts to play roles within the community. In Cambodia, we are collaborating with a local NGO, Cambodian Social Services, to provide training for social workers and community volunteers together with counseling and other social welfare services in order to improve the living standards of people who have acquired physical and mental disabilities through extreme poverty and the effects of the long civil war in Cambodia.

Grassroots Support Within Project-type Technical Cooperation

In the context of previously implemented project-type technical cooperation ventures, there has been an increase in the number of local implementation projects aimed at raising the incomes and improving the state of health of local communities in specific regions. Such projects are targeted at the local people and are intended to benefit them directly. The "Village Promotion and Forest Conservation Plan" in Nepal involves implementation of a model village promotion project aimed at raising the living standards of villages through the activities of the villagers themselves, with special consideration being given to poverty and women. More specifically, a series of small-scale projects is being executed with the participation of villagers and based on their needs involving forest and river basin conservation, village promotion, income enhancement, and capacity development. As many as 600 such small-scale projects had been implemented by October 1998. In the "Training Services Enhancement Project for

Rural Life Improvement" in the Philippines, following the performance of participatory studies in model site villages, activities relating to improvements in standards of living such as the fostering of organizations and use of resources are being implemented through, for example, the provision of support for vegetable cultivation and food processing. In the "Project for Family Planning and Women in Development" under way in Jordan, for the first time in one of JICA's project-type technical cooperation ventures, a local NGO - in this case the Jordan Hashemite Human Development Fund - is serving as the counterpart agency in the recipient country. This project involves activities aimed at raising awareness of family planning, reproductive health and other general health topics, and gender* issues, improving reproductive health services, and implementing vocational training and income creation activities primarily for women.

Since FY1998, projects aimed at strengthening the foundations of community activities have been incorporated into project-type technical cooperation. These projects have two aims: a) to provide local

community organizations with medicines and other commodities indispensable for raising living standards together with the materials and machinery required for their management, and b) to establish a continuous commodity supply system using the money obtained through the sale of such commodities by local community organizations as a rolling fund. In the "Family Planning and Maternal and Child Health Project, Phase II" being implemented in the Philippines, basic medicines are being supplied within this project to community organizations running cooperative village pharmacies in Bulacan.

Front Line

Project for Family Planning and Women in Development

Jordan

Reducing high rates of population increase

(project-type technical cooperation)

- ◆ The population is expected to double before 2020

Jordan is a small country only slightly larger than the Japanese island of Hokkaido. The Jordanian population at present is around 4.6 million, but this is likely to double by 2020.

The "Project for Family Planning and Women in Development" got under way in July 1997. Its aim is to encourage a program of family planning incorporating the standpoint of women in development (WID) in order to reduce the high rate of population growth. The agency responsible for execution of the project is the Jordan Hashemite Human Development Fund (JOHUD), an NGO associated with the Jordanian royal house, while the National Population Committee plays a coordinating role.

The pilot zone is an area with a population of 30,000 in the south of the country, close to the Dead Sea, in a region with a strong sense of tradition that has fallen behind in the process of modernization. The project involves the following activities:

1) Educational activities aimed at local people and income creation activities focused on women directed from JOHUD's Regional Development Center.

2) Improvements in reproductive health services provided by the Ministry of Health. The improvements will center on family planning.

Four long-term experts in the fields of population and WID together with obstetricians, midwives and IEC (information, education and communication) short-term experts have so far been taking part in activities with their Jordanian counterparts.

- ◆ Moving from sporadic to comprehensive activities

The JOHUD Center is highly discreet; women are able to visit without having to gain permission from their husbands or fathers. The Center has hitherto presented seminars and provided technical instruction in the forum of vocational training. But these have been isolated, sporadic activities, and the Center has not yet reached the stage of being able to engage in activities of a more general and comprehensive kind. This



A home visit made by a midwife counterpart to check on the health of mother and child shortly after birth

applies similarly to the services provided by the Ministry of Health, whose activities are restricted to examining patients visiting health centers and hospitals. The aim of this project is to make qualitative improvements in JOHUD's activities and in the services provided by the Ministry of Health as part of an effort to expand WID and family planning activities more comprehensively.

(JICA Jordan Office)

Response to regional issues

Depending on the region, there are cases where problems such as infectious diseases, which have scant regard for national borders, can be dealt with more effectively by adopting a cross-border approach to facilitate development. JICA is experimenting with various new ways to provide more effective aid in regions straddling the borders of two or more countries.

Vietnam, Laos and Cambodia

A subregional approach, extending over the borders of the three nations of Vietnam, Laos and Cambodia, was one of the topics raised in the "Development Strategies for the Greater Mekong Area" announced by the Ministry of Foreign Affairs in July 1996. The importance of the development of infrastructure and natural resources and of environmental conservation extending over national borders was stressed. In line with this approach, JICA has made a start with cooperation of an unprecedented type involving studies on the drawing up of regulations for river water quantities in the River Mekong basin and on total development planning in the border area of Laos and Thailand. The provision of grant aid for the upgrading of National Highway 9 in Laos, which forms part of the east-west traffic corridor project devised by the Asian Development Bank, is also included. Support for a cooperation framework joining international agencies is one way in which to further a cross-border approach. It is from this standpoint that experts in water gate technology and project formulation advisors are being sent to the River Mekong Committee, which was formed in April 1995 and consists of the four nations of Laos, Cambodia, Vietnam and Thailand.

Oceania and the Caribbean

The countries of Oceania and the Caribbean have several features in common; notably, low populations and small territories, similar infrastructures and social, economic and cultural backgrounds. These features enable JICA to use a country where a particular project is already underway as a base for

technical transfer activities between neighboring countries. Technical experts are also sent on tours to several countries at a time as part of their cooperation activities.

Japan's cooperation with Oceania is still in its infancy. JICA has therefore been providing cooperation in conjunction with leading donor countries, such as Australia, New Zealand and the United States, that have a long history and experience of providing aid to these island nations. JICA also works closely with regional cooperation agencies active in Oceania, such as the Pacific Community (PC) and the South Pacific Forum (SPF), and with international agencies.

One example of such cooperation has involved the provision through grant aid of satellite facilities to the University of the South Pacific in Fiji - a key base for higher education in Oceania - for the supply of remote learning services to affiliated countries and local communities in the region.

Many of the countries of the Caribbean region 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 small-scale 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 in Japan aimed at the CARICOM countries in forms such as the "Tourism Development Seminar," the aim of which is to promote tourism throughout the Caribbean region. In line with the Japan-Caribbean Consultations, JICA has also sent experts in disaster management planning to the Caribbean Disaster Emergency Relief Agency (CDERA) in order to strengthen cooperative links with the Caribbean nations.

Latin America

Moves toward economic integration have been increasing in South America 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. It is expected that Mercosur will come to play an important role in ensuring the long-term stability of Latin America (both economically and politically), and JICA is at present studying how cooperation can best be provided. Affiliation to Mercosur has brought about market liberalization within the region. In response, JICA is providing Paraguay with cooperation in the form of an economic development study regarding the formulation of economic policy.

Environmental problems came into focus as global issues* following the holding of the United Nations Special General Meeting on the Environment in June 1996, as a result of which further interest came to be shown in environmental problems affecting Latin America. Of particular concern was the reduction in the Amazonian rain forests. In the search for the solution to this problem, JICA has implemented the Brazilian Amazon Forest Research Project to develop sustainable management systems and maintenance technology.

Along with the destruction of the environment, the illegal drugs trade is another global issue of relevance to Latin America. Japan has been cooperating in the eradication of illegal drugs in this region through bilateral aid* centering on the intake of training participants and technical cooperation with third-country training. Japan is also giving financial assistance to the Inter-American Drug Abuse Control Commission (CICAD) of the Organization of American States (OAS) and the United Nations International Drug Control Programme (UNDCP). In order to solve the problems surrounding the illegal drugs trade, it is essential to confront the issue of poverty that forms its backdrop. From this standpoint JICA is providing cooperation for the upgrading of infrastructure* (in connection with rural development), education, and promotion of industry. In Peru, in particular, assistance for the development of substitute crops is being provided with grant aid within the framework of the "joint issues for cooperation from a global perspective" under the Japan-U.S. Common Agenda.

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The Basic Principles of JICA Projects

To permit the autonomous and sustainable development of the economies and societies of developing countries, JICA is supporting human resources development, creation of social and economic infrastructures, and national development on the basis of the following principles:

Support with self-help

To enable developing countries to undergo sustainable development, it is essential for the governments and peoples of developing nations to make their efforts on their own behalf the pillars of development. With regard to ODA, it is important to instill respect for self-help and an awareness of ownership on the part of developing countries. As a partner in development, JICA is involved in assisting developing nations with various aspects of self-help from a concern that these nations should be able to continue development on their own after ODA has been concluded. These include the allocation of counterparts to organizations in the recipient country, presentation of facilities, and defraying part of the administrative budget.

Contribution to

human resources development

Human resources development plays an important role in supporting national

development. Technical cooperation is a classic example of direct and tangible aid ("aid with a human face"); Japanese experts are able to come into close contact with technicians and administrators in partner countries to deepen their mutual understanding through the transfer of technology, information and expertise in line with local conditions and levels.

In recent years, technical cooperation has come to include not only practical aspects of technology, but also intellectual support* involving applied aspects such as organization and institution-building as well as support with monetary policy-making. JICA provides comprehensive support for human resources development in developing countries with consideration for the length of time required for this process.

Aid having real use to people

Despite the increasing prominence of developing countries undergoing high levels of economic development, it is becoming more evident that many people have yet to benefit. Through the dispatch of JOCVs, JICA is involved with providing BHN* (Basic Human Needs) to the poorest sectors of society in such forms as village development, safe water supply, medical

care and health. Cooperation is being stepped up in the fields of poverty alleviation and maternal and child health (MCH), and is aimed directly at local residents rooted in regional communities. JICA intends to expand its efforts in this area in an awareness of the importance of social concerns, WID, linkage with NGOs, participatory development*, and support for the more vulnerable members of society.

Strengthening the country-specific approach

The advanced countries are showing signs of 'aid fatigue' and the Japanese economy remains stagnant. Under these conditions, the Japanese public is showing a strong interest in ODA, which is provided largely through the nation's taxes. The Japanese government is intending to decrease the ODA budget for a period of three years from FY1998. For its part, JICA is attempting to strengthen the country-specific approach (i.e., the most appropriate form of development determined on the basis of a thorough understanding of the current situation and issues faced by national development in the recipient country) in order to provide effective high-quality aid within a limited budget.

Japan's ODA and JICA

Classification of ODA Provided by Japan

ODA is classified into three areas: 1) bilateral grants, 2) bilateral loans, and 3) financial subscriptions and contributions to international organizations (multilateral aid*). Bilateral grants are further divided into technical cooperation, involving technology transfer* to a developing country, and grant aid, which provides funds with no obligation for repayment. JICA implements approximately 50% of Japan's governmental technical cooperation and about 70% of the nation's grant aid. JICA's budget comes under the jurisdiction of the Ministry of Foreign Affairs.

Bilateral grants

1. Technical cooperation

The aims of technical cooperation are to transfer and disseminate Japanese technology, skills and knowledge, to support the improvement and development of technology appropriate to the technical environment of developing countries, to train people who will come to occupy a leading role in economic and social development in their respective countries, to raise technical levels, and to contribute to the establishment of new organizations and systems.

Expressed in more concrete terms, technical cooperation comprises: 1) training programs under which administrators and technicians from developing countries are invited to Japan to receive training; 2) dispatch programs under which people with specialized skills and knowledge are sent from Japan to developing countries to help with training and with the planning and formulation of development projects in the countries to



A senior overseas volunteer in Samoa

which they are sent; and 3) programs involving the supply of equipment and materials needed for their realization. The range and content of cooperation is determined according to its purpose so as to ensure methodical implementation.

2. Grant aid

Grant aid involves the provision of funds for the construction of buildings such as schools and hospitals, for the supply of materials and equipment for education, training and medical care, and for support for reconstruction after the occurrence of disasters. According to its content, it can be divided into 1) general grants (ordinary project grants, debt relief aid, grants for support with efforts to improve economic structure (non-project grants), grants for support for overseas students, grassroots grants*); 2) fisheries grants; 3) cultural grants; 4) disaster relief grants; 5) food aid*; and 6) aid for increased food production*.

Of these forms of grant aid, JICA is involved in basic design studies* needed for building facilities and procuring equipment and materials, and carries out the surveys and intermediary and liaison work (expediting execution) needed in connection with 1) general grants (general project grant aid and grants for support of overseas students), 2) fisheries grants, 5) food aid (from FY1997), and 6) aid for increased food production.

Bilateral loans

Intended to provide the funds needed for development, long-term, low interest bilateral loans are offered under flexible conditions. They are classified into: 1) ODA loans under which funds needed for development are provided directly to the government or a government agency in a developing country; and 2) private sector financing and investment under which funds are provided to Japanese companies or local companies operating in developing countries. ODA

loans are generally known as "yen loans". Yen loans previously focused on project loans related to economic and social infrastructure such as roads, dams, communication facilities and agricultural development, but in recent years an increasing share is being extended as commodity loans aimed at improving the international balance of payments.

The budget for bilateral loans is controlled by the Ministry of Finance and the method of implementation is decided on the basis of consultations between four government ministries: the Ministry of Foreign Affairs, the Ministry of Finance, the Ministry of International Trade and Industry, and the Economic Planning Agency. The Japan Bank for International Cooperation (formed through the merger in October 1999 of the Japan Import & Export Bank with the Overseas Economic Cooperation Fund) is in charge of implementing the loans.

Financial subscriptions and contributions to international organizations (multilateral aid)

Multilateral aid is an indirect method of extending aid by channeling funds through international organizations.

Contributions to the United Nations Development Programme (UNDP), the United Nations Fund for Population Activities (UNFPA), and the United Nations Children's Fund (Unicef) are handled largely by the Ministry of Foreign Affairs, while subscriptions to the World Bank, the International Development Association (IDA, also known as the Second World Bank), the Asia Development Bank (ADB) and other international development financial organizations are handled by the Ministry of Finance.

The ODA Budget and the System of Implementation

Breakdown of the ODA budget

Until FY1997, the Japanese ODA budget (general account) was allocated to and controlled by 19 government ministries and agencies; namely, the Prime Minister's Office, the National Police Agency, the General Affairs Agency, the Economic Planning Agency, the Science and Technology Agency, the Environment Agency, the National Land Agency, the Ministry of Justice, the Ministry of Foreign Affairs, the Ministry of Finance, the Ministry of Education, Science and Culture, the Ministry of Health and Welfare, the Ministry of Agriculture, Forestry and Fisheries, the Ministry of International Trade and Industry, the Ministry of Transport, the Ministry of Posts and Telecommunications, the Ministry of Labor, the Ministry of Construction, and the Ministry of Home Affairs. However, in FY1998, a comprehensive realignment was made over and above areas of jurisdiction in order to maximize the effects of ODA. Rearrangement of the ODA budget under the control of the Prime Minister's Office and the Ministry of Home Affairs resulted in allocation of the budget to seventeen ministries. The Ministry of Education, Science and Culture is responsible for the intake of overseas students on Japanese government scholarships to Japan as part of technical cooperation.

The general account ODA budget for FY1999 amounted to ¥1,048.874 billion for the government as a whole. The Ministry of Foreign Affairs was responsible for ¥558.2 billion, of which the portion allocated to JICA amounted to ¥177.0 billion, or 31.7% of the budget for Ministry of Foreign Affairs.

The bilateral technical cooperation budget for FY1999 was ¥354.6 billion, of which JICA was

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What is ODA?

Economic cooperation is carried out from a humanitarian perspective with a view to working toward the alleviation of poverty, starvation and other circumstances that threaten the lives of people in developing countries, and also on the basis of an awareness of the importance of interdependence, i.e., the realization that economic and social development and security of developing countries are essential for global peace and prosperity.

Economic cooperation is not restricted to official development assistance provided by the governments of developed countries. It may be provided between developing countries themselves, by international organizations, by private companies, or by

non-governmental organizations (NGOs) and other voluntary bodies. It is thus implemented by a wide variety of organizations and its form and content differ accordingly.

Official development assistance (ODA) falls within the category of economic cooperation and denotes the funds and technology supplied by national governments to developing countries.

In 1969, the Development Assistance Committee (DAC), which forms a part of the Organization for Economic Cooperation and Development (OECD), issued a set of recommendations concerning the conditions under which aid should be provided. It defined economic cooperation as "the flow of funds to developing countries" and classified

it into three sectors; namely ODA, other official flows (OOF), and private flows (PF). These sectors have in recent years been supplemented by a fourth, namely the provision of aid by NGOs.

The DAC defines ODA as aid fulfilling the three conditions given below:

- (1) The aid should be supplied to developing countries or to international organizations by governments or the implementing organs of governments.
- (2) The main purpose of the aid should be to contribute to economic development and welfare improvements in developing countries.
- (3) The grant element* of any financial cooperation should be at least 25%.

Table 1-6 Changes in the ODA budget in government ministries and agencies (general account)

(Units: ¥1 million, %)

Ministry or agency	FY1998 Budget	FY1999 Budget	Increase Rate
Prime Minister's Office	0	-	-
National Police Agency	127	125	▲ 1.5
General Affairs Agency	1,635	1,709	4.6
Economic Planning Agency	1,009	166	▲ 83.5
Science and Technology Agency	554	510	▲ 8.0
Environment Agency	558	477	▲ 14.6
National Land Agency	52	51	▲ 3.0
Ministry of Justice	551	542	▲ 1.6
Ministry of Foreign Affairs (JICA allocation)	558,789 (176,204)	558,208 (176,997)	0.3 (0.5)
Ministry of Finance	367,883	365,941	▲ 0.5
Ministry of Education, Science and Culture	44,920	46,794	4.2
Ministry of Health and Welfare	8,182	9,801	21.0
Ministry of Agriculture, Forestry and Fisheries	8,476	8,322	▲ 1.8
Ministry of International Trade and Industry	50,845	50,538	▲ 0.6
Ministry of Transport	840	740	▲ 11.8
Ministry of Posts and Telecommunications	820	783	▲ 4.5
Ministry of Labor	3,316	3,377	1.8
Ministry of Construction	709	693	▲ 2.2
Ministry of Home Affairs	0	-	-
Total	1,047,266	1,048,874	0.2

Table 1-7 Total government ODA budget (general account)

(Units: ¥100 million, %)

Type	FY1998 Budget	FY1999 Budget	Increase Rate
I. Grants	7,233	7,363	1.8
1. Bilateral ODA	6,043	6,041	▲ 0.0
(1) Economic development aid, etc.	1,995	1,998	0.1
(2) Food aid, etc.	541	497	▲ 8.3
(3) Technical cooperation (JICA allocation)	3,507 (1,762)	3,546 (1,770)	1.1 (0.5)
2. Contributions and subscriptions to international agencies	1,190	1,322	11.1
(1) Agencies of the United Nations, etc.	755	802	6.4
(2) International development financial organizations	435	519	19.3
II. Loans	3,239	3,126	▲ 3.5
(1) Overseas Economic Development Fund	3,239	1,277	▲ 60.1
(2) The Japan Bank for International Cooperation	-	1,849	-
(3) Others	0	-	-
II. Total	10,73	10,489	0

responsible for 49.9%. JICA is thus a key implementation agency of Japanese technical cooperation. JICA also receives a part of the study costs allocated in the ODA budget of the Ministry of International Trade and Industry. In FY1999 this amounted to ¥8.53 billion for the provision of technical cooperation.

Agencies other than JICA providing ODA

Apart from JICA, the organizations implementing projects with recourse to the government's technical cooperation budget include The Japan Foundation, the Japan External Trade Organization (JETRO), the Association for Overseas Technical Scholarship (AOTS), and the Japan Overseas Development Corporation (JODC).

The Japan Foundation is a special governmental corporation founded in October 1972 to enhance understanding between nations and to promote international friendship. It receives a part of its project budget from the ODA budget managed by the Ministry of Foreign Affairs. The Foundation's projects are aimed at both developed and developing countries. Projects involving exchange programs with developing countries, dissemination of Japanese language education, and presentation of Japanese culture are financed primarily from the ODA budget.

The Japan External Trade Organization (JETRO) is a special governmental corporation founded in July 1958 to comprehensively implement Japan's trade promotion projects. Since the late 1960s, JETRO has worked especially toward encouraging imports from developing countries. This has been achieved by: inviting officials responsible for trade policy and executives of private companies in developing countries to Japan; giving its support to the promotion of economic reform; encouraging developing countries to export to Japan; and by sending its own experts to developing countries to help in the dissemination of appropriate levels of technology to these countries. JETRO merged with the Institute of Developing Economies (IDE) in July 1998 and is now engaged also on basic and comprehensive studies and research on economic and other conditions in developing countries.

The Association for Overseas Technical Scholarship (AOTS) is a foundation established in August 1959 specifically to provide training for employees of foreign private companies. In FY1998 it sponsored 5,110 trainees from private organizations.

The Japan Overseas Development Corporation (JODC), which also comes under the wing of the Ministry of International Trade and Industry, is a foundation established in February 1970 to encourage industrial development in developing regions and to promote trade between Japan and these regions. In response to requests from local companies, the

Figure 1-8 Economic cooperation and official development assistance

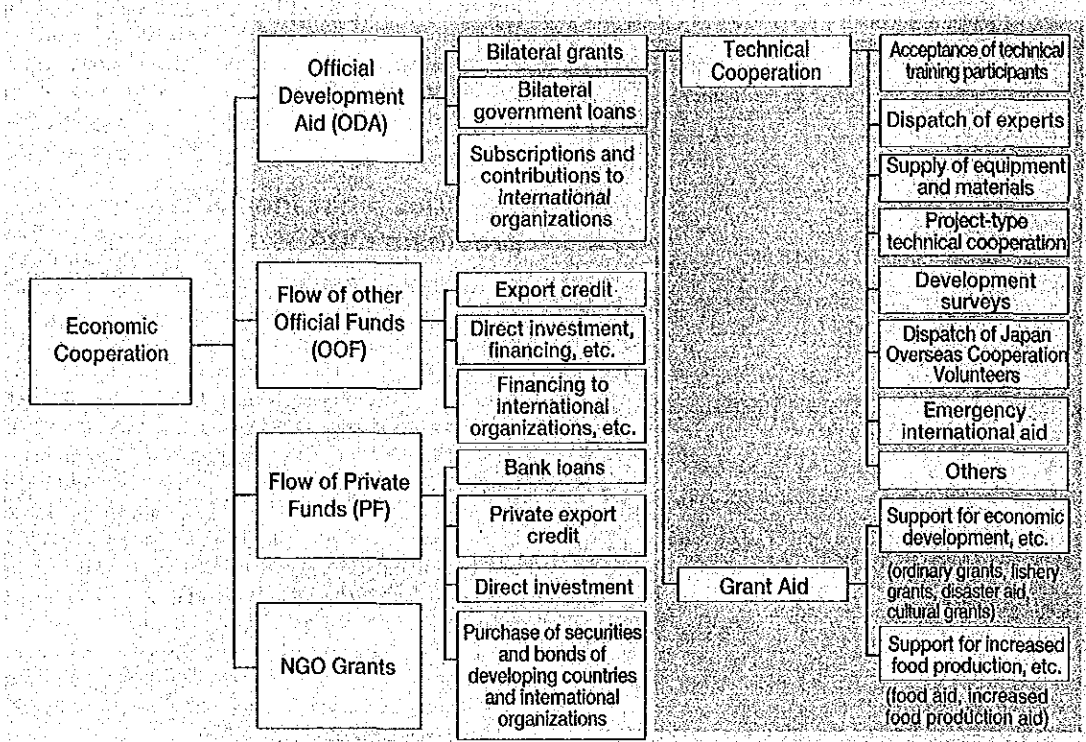


Table 1-9 Japan's ODA budget and JICA's technical cooperation (DAC base)

	Project Budget for FY1999 (ordinary account)	1998 Calendar Year				
		Expenses	Technical Training Participants	Experts and study teams	Cooperation Volunteers	Overseas students
Japan's ODA as a whole	¥1,049 billion	US\$10,732 million (¥1,405 trillion)				
Japan's technical cooperation	¥354.6 billion	US\$ 2,818 million (¥314.1 billion)	32,673	19,269	3,815	83,008
JICA's technical cooperation	¥177.0 billion	US\$1,407 million (¥184.1 billion)	12,913	13,369	3,613	0
Proportion of technical cooperation as a whole implemented by JICA	49.9%	50.6%	39.5%	69.4%	94.7%	0.0%

* Including figures for Central and Eastern Europe.

* JICA's technical cooperation includes results based on trust funds from MITI.

Table 1-10 Examples of technical cooperation provided by ODA-implementing organizations other than JICA (FY1998)

Organization	Classification	Number of people
Association for Overseas Technical Scholarship (AOTS)	Technical Training Participants	5,110
Japan Overseas Development Corporation (JODC)	Experts	444

Sources: AOTS Project Guide, JODC documentation

* Figures for JODC expert categories include ordinary, private cooperation, and overseas small- and medium-scale enterprises.

Corporation dispatches Japanese engineers, managerial experts and other specialists from the private sector.

The roles of JICA in ODA

JICA is the key implementing agency for Japanese technical cooperation on the governmental level. Together with human resources development, the technical cooperation being implemented by JICA is aimed at building institutions in developing countries, the importance of which has been much emphasized in recent years. JICA projects, as clearly visible forms of aid, constitute key elements of the personalized contribution to the international community that is strongly demanded of Japan today.

To the end of March 1999, JICA had dispatched a

total of about 212,700 technical cooperation experts, study team members and Japan Overseas Cooperation Volunteers to developing countries and had trained more than 183,000 administrative officials and technicians from developing countries.

The effectiveness of this training is evident from the fact that many government ministers, active on the front line of nation-building in the developing world, are former participants in JICA training programs.

JICA's technical cooperation programs are implemented on the basis of a thorough awareness of the priority issues facing a particular nation and avoid excessive attention to specific fields and technologies in the partner nation. The programs are implemented with due consideration given to the comprehensive development plans of each nation, in accordance with country-specific aid guidelines formulated by the Japanese government.

Table 1-11 ODA of DAC countries in 1997 and 1998

1997							1998						
Position	Country	Total (\$m)	Share (%)	Growth rate from previous year (%)	% of GNP	Ranking	Position	Country	Total (\$m)	Share (%)	Growth rate from previous year (%)	% of GNP	Ranking
1	Japan	9,358	19.37	-0.86	0.22	19	1	Japan	10,640	20.64	13.70	0.28	12
2	USA	6,878	14.23	-26.65	0.09	21	2	USA	8,130	15.77	18.20	0.10	21
3	France	6,307	13.05	-15.35	0.45	6	3	France	5,899	11.44	-6.47	0.41	6
4	Germany	5,857	12.12	-22.94	0.28	12	4	Germany	5,589	10.84	-4.58	0.26	16
5	UK	3,433	7.10	7.31	0.26	14	5	UK	3,835	7.44	11.71	0.27	14
6	Netherlands	2,947	6.10	-9.21	0.81	3	6	Netherlands	3,049	5.91	3.46	0.80	3
7	Canada	2,045	4.23	13.93	0.34	7	7	Italy	2,356	4.57	86.10	0.20	20
8	Sweden	1,731	3.58	-13.41	0.79	4	8	Denmark	1,704	3.31	4.09	0.99	1
9	Denmark	1,637	3.39	-7.62	0.97	1	9	Canada	1,684	3.27	-17.65	0.29	11
10	Norway	1,306	2.70	-0.38	0.86	2	10	Sweden	1,551	3.01	-10.40	0.71	4
11	Italy	1,266	2.62	-47.60	0.11	20	11	Spain	1,462	2.84	18.48	0.26	16
12	Spain	1,234	2.55	-1.36	0.24	18	12	Norway	1,321	2.56	1.15	0.91	2
13	Australia	1,061	2.20	-1.21	0.28	12	13	Australia	998	1.94	-5.94	0.28	12
14	Switzerland	911	1.89	-11.21	0.34	7	14	Switzerland	888	1.72	-2.52	0.33	8
15	Belgium	764	1.58	-16.32	0.31	10	15	Belgium	878	1.70	14.92	0.35	7
16	Austria	527	1.09	-5.39	0.26	14	16	Austria	506	0.98	-3.98	0.24	18
17	Finland	379	0.78	-7.11	0.33	9	17	Finland	396	0.77	4.49	0.32	9
18	Portugal	250	0.52	14.68	0.25	17	18	Portugal	222	0.43	-11.20	0.21	19
19	Ireland	187	0.39	4.47	0.31	10	19	Ireland	205	0.40	9.63	0.31	10
20	New Zealand	154	0.32	28.23	0.26	14	20	New Zealand	130	0.25	-15.68	0.27	14
21	Luxembourg	95	0.20	15.85	0.55	5	21	Luxembourg	106	0.21	11.58	0.61	5
DAC total		48,324	100.0	-12.83	0.22		DAC total		61,549	100.0	6.67	0.23	

* This table excludes aid to Central and Eastern Europe and to graduate nations.

* The DAC total may not tally with the total of individual countries owing to rounding off of figures.

* 1998 figures are provisional.

JICA is also closely connected with the yen loans that account for about 30% of Japan's total general account budget for ODA. JICA carries out development studies to support the public development planning that provides the foundations for nation-building in developing countries. Some of the plans (such as improvements in economic and social infrastructure that are incorporated into the study reports) are realized with yen loans.

JICA provides technical support (after completion of grant aid and yen loan programs) for the operation, maintenance and administration of these projects. This is achieved by accepting technical training participants, dispatching technical cooperation experts to other countries and by implementing projects on an even larger scale, thereby increasing the number of trained personnel and improving operational capacity in partner countries.

JICA is thus playing an important role in raising the qualitative levels of Japan's ODA programs as a whole and in accurately grasping the aid requirements of developing countries.

The Official Development Assistance Charter and JICA

In order to satisfy the expectations of the international community, the Japanese government approved the Official Development Assistance Charter (also known as the ODA Charter) on June 30, 1992. The aims of this Charter are to clarify the ideals and principles of ODA and, with the understanding and support of people in Japan and abroad, to create the conditions under which ODA can be provided more efficiently and effectively.

The basic ideals underlying the provision of aid specified in the Charter are as follows:

- (1) Humanitarian considerations: as a member of the advanced world, Japan can ill afford to disregard the famine and poverty which occur in developing countries;
- (2) Recognition of interdependence: political stability and economic development in developing countries are

Table 1-12 Japan's ODA in 1998 (according to aid type)

Type of aid			Aid Given	In dollars (US\$)		In yen (¥100m)		Constituent ratios (%)	
				Amount	Change from previous year (%)	Amount	Change from previous year (%)	ODA total	Bilateral
O D A	Bilateral ODA	Grants	Grant aid	2,167.60	7.4	2,837.17	16.2	20.2	25.2
			(Excluding Central and Eastern Europe and graduate nations)	2,165.01	7.5	2,833.78	16.2	20.3	25.3
			Technical cooperation	2,781.76	-7.9	3,641.05	-0.4	25.9	32.3
			(Excluding Central and Eastern Europe and graduate nations)	2,735.57	-7.9	3,580.59	-0.4	25.7	32.0
		Total	(Excluding Central and Eastern Europe and graduate nations)	4,949.36	-1.8	6,478.22	6.2	46.1	57.5
				4,900.59	-1.7	6,414.38	6.4	46.1	57.3
		Government loans, etc.	(Implemented loans)	3,656.54	132.4	4,786.05	151.4	34.1	42.5
			(Loan recovery)	(6,201.00)	(29.5)	(8,116.49)	(40.0)	(57.8)	(72.1)
			(Excluding Central and Eastern Europe and graduate nations)	(2,544.46)	(-20.9)	(3,330.44)	(-14.4)	(23.7)	(29.6)
				3,652.49	133.0	4,780.74	152.0	34.3	42.7
		Total	(Excluding Central and Eastern Europe and graduate nations)	8,650.90	30.1	11,264.26	40.8	80.2	100.0
				8,553.07	30.5	11,195.12	41.2	80.4	100.0
		Subscriptions and contributions to international organizations	2,125.63	-24.7	2,782.24	-18.5	19.8		
		(Excluding contributions to EBRD)	2,086.98	-25.6	2,731.65	-19.5	19.6		
		Total (Including Central and Eastern Europe, graduate nations and EBRD)	10,731.53	13.7	14,046.50	23.0	100.0		
			(Excluding Central and Eastern Europe and graduate nations)	10,640.05	13.7	13,926.77	23.0	100.0	
GNP (provisional)			(US\$1 billion, ¥1 billion)	3,838.72	-9.5	502,450.70	-2.1		
% of GNP			(Including Central and Eastern Europe, graduate nations and EBRD)	0.28					
			(Excluding Central and Eastern Europe and graduate nations)	0.28					

* DAC exchange rate for 1998: US\$1.00 = ¥130.89 (down ¥9.89 from 1997)

* Due to rounding off of figures, subtotals for each category may not tally with the total.

* EBRD: European Bank for Reconstruction and Development. Assists the countries of the former Soviet Union and Central and Eastern Europe to effect the transfer to a market economy.

* Countries and regions with results as graduate countries: Bahamas, Brunei, Kuwait, Singapore, United Arab Emirates, Israel, Hong Kong, Cyprus.

indispensable for maintaining peace and prosperity in Japan and throughout the world;

(3) Conservation of the environment: a topic facing mankind as a whole that must be tackled jointly by both advanced and developing countries.

On the basis of this approach, Japan is resolved to provide (4) Aid assisting developing countries to become self-reliant.

The Charter proposed the following basic principles in connection with the implementation of aid: (1) pursuit of environmental conservation and development in tandem; (2) avoidance of the use of ODA for military purposes or for the aggravation of international conflicts; (3) focusing on trends in military expenditure by recipient countries, their development and manufacture of weapons of mass destruction and missiles, and their import and export of arms; (4) full attention to progress being made with the introduction of democratic institutions and a market-oriented economy and to the situation regarding the securing of basic human rights and freedoms in the recipient country.

Other priorities relating to aid include approaches to global issues*, basic human needs*(BHN), human resources development as well as research cooperation* for the improvement and dissemination of technologies, infrastructure* upgrading, economic structural adjustment, and solution of accumulated debt problems.

Japan's ODA: Achievements and Tasks

The total value of ODA provided by the 21 DAC member states in 1998 amounted to US\$51.549 billion, a 6.7% decrease from the previous year. The total amount of ODA provided by Japan was US\$10.64 billion or 20.64% of the total DAC figure. This places Japan as the main donor within DAC.

However, in terms of the proportion of GNP devoted to ODA, the Japanese total represents only 0.28%, placing Japan twelfth among the 21 DAC nations.

The grant element and the grant ratio are considered to be among the main indices of the quality of aid. The figures for Japan remain low among the DAC nations as a whole and must be improved. JICA must further improve its technical cooperation to raise the quality of Japan's ODA.

Within Japan, administrative reform has been moving ahead with the merger and abolition of central ministries and agencies, review of special-status corporations, and tightening of public finances. Conditions surrounding ODA have thus become more

severe than ever; formulation of medium-term ODA targets has been postponed since 1998, and the basic principles of ODA are under review.

Such was the context within which the government in August 1999 compiled its "Medium-Term ODA Policy" to determine the essential direction of Japanese ODA for the coming five years. This policy document was formulated to substitute for the "Medium-Term ODA Objectives" produced five times since 1978. Its main feature is that it does not stipulate targets for overall ODA performance as in the case of medium-term objectives; it is concerned with tackling global issues with emphasis on human resources development and intellectual support*.

The policy document also stresses the importance of striving to gain the understanding and support of the Japanese public by making aid operations more efficient and by disclosing more information. Amidst the hectic changes occurring in the economy, public finances and the aid environment, there is a growing need for a review of Japanese ODA policy, which has hitherto centered on the idea of a gradual increase in aid expenditure. We must move away from quantity to emphasize quality in ODA. JICA is more than ever aware of its responsibility as an aid agency to respond to the expectations of the Japanese public and to provide aid more efficiently and effectively.



A Community Empowerment Program Project in Ghana

An Overview of JICA Projects in FY1998



Promoting sericulture in Nepal

Statistics on Japan's ODA and JICA activities

Japan's ODA in 1998 totaled US\$10.712 billion (including Central and Eastern Europe and the European Bank for Reconstruction and Development), of which technical cooperation accounted for US\$2.781 billion (25.9% of Japan's total ODA); JICA's activities in this area amounted to US\$1.466 billion (50.6% of Japan's total technical cooperation). Compared with the previous year, these figures represent a 7.9% decrease in technical cooperation as a whole and a decrease of 8.3% for JICA projects. A breakdown of technical cooperation expenditure is shown in Table 1-13.

JICA's initial budget for FY1998 was ¥185.1 billion, a 2.4% decrease on the previous year, of which grants accounted for ¥172.9 billion, investments for ¥3.3 billion, and funds in trust for ¥8.9 billion. Programs executed by JICA accounted for ¥162.2

billion (61.4%) of the grant aid budget of ¥264.3 billion entrusted to the Ministry of Foreign Affairs. JICA budgets since 1974 are shown in Figure 1-14.

Proportions of activities per region

Looking at project activities per region in FY1998, the proportions of the total value of technical cooperation provided by JICA were as follows: Asia 43.2%, Middle East 8.0%, Africa 14.4%, Latin America 20.7%, Oceania 2.7%, and Europe 5.2%. Figure 1-16 shows proportions by region and how they have changed since last year.

Proportions of activities per sector

Looking at project activities per sector in FY1998, the proportions of the total amount of technical cooperation provided by JICA were as follows: planning and administration 11.9%, public works and utilities

Table 1-13 Japan's ODA and JICA programs

(US\$)

Item	Calendar year	1997	1998	Growth rate over previous year (%)
Official development assistance		9,435	10,732	13.7
Technical cooperation costs (proportion of ODA)		3,021 (32.0%)	2,782 (25.9%)	-7.9
JICA portion (proportion of technical cooperation costs)		1,534 (50.8%)	1,407 (50.6%)	-8.3
Training participants (JICA figures)		364 (221)	345 (212)	-5.2 (-4.1)
Experts, members of survey missions (JICA figures)		851 (747)	751 (645)	-11.8 (-13.7)
Volunteers (JICA figures)		139.00 (138.99)	130.19 (129.28)	-6.3 (-7.0)
Foreign students		408	367	-10.0
Provision of equipment and materials, research cooperation, etc. (JICA figures)		1,260 (427)	1,188 (421)	-5.7 (-1.4)

Figure 1-14 Changes in JICA budget

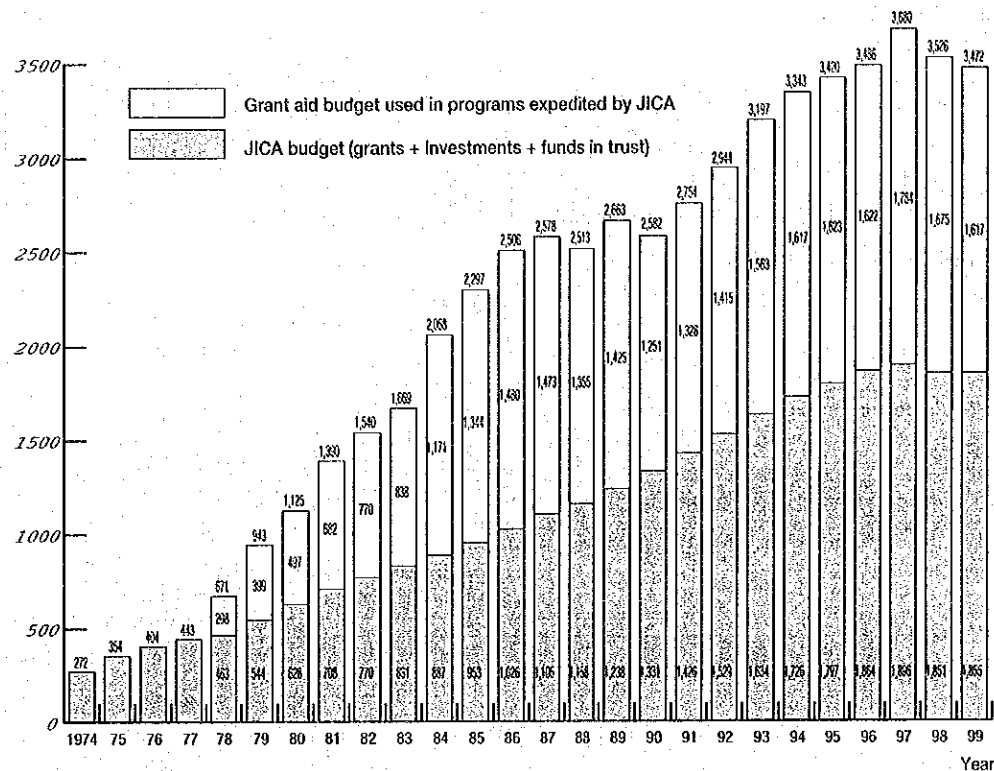
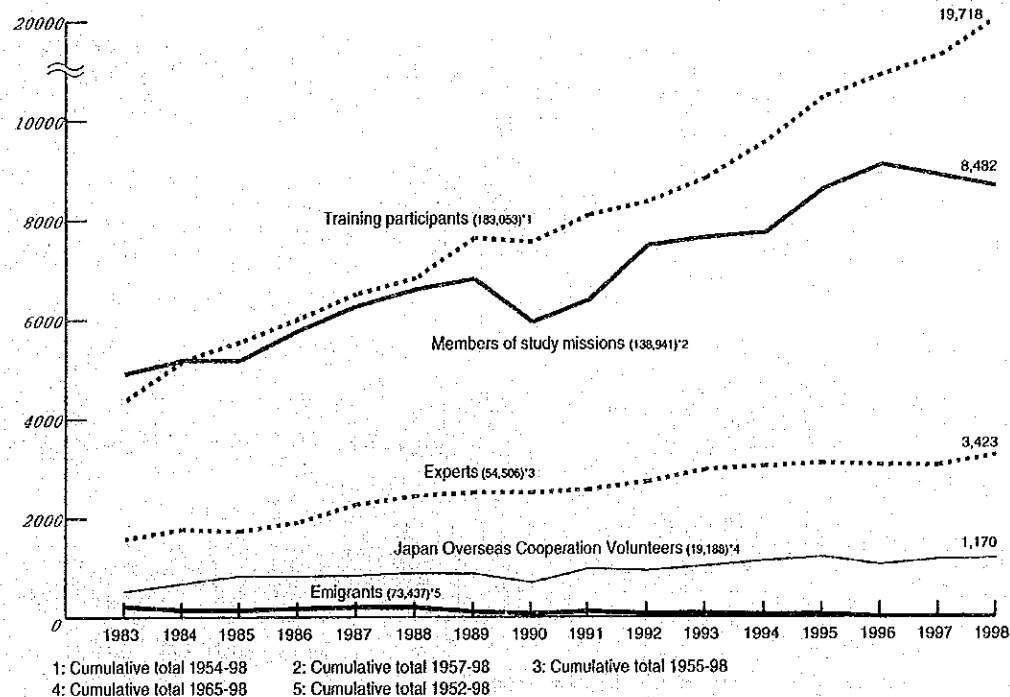


Figure 1-15 Changes in number of persons per type of cooperation



18.4%, agriculture, forestry and fisheries 20.3%, mining and industry 9.7%, energy 2.8%, commerce and tourism 1.8%, human resources development 12.6%, health and medical care 11.7%, and social welfare 2.5%.

JICA's portion of grant aid was allocated as follows: health and medical care 14.7%, education and research 11.6%, improvements in welfare, living conditions and the environment 20.7%, agriculture, forestry and fisheries 27.5%, and transport and communications 23.6%.

Proportions per sector and comparisons with the previous year can be seen in Figure 1-17.

Personnel numbers per type of cooperation

Examining JICA's activities in FY1998 in terms of the numbers of people involved, there were 19,718 participants in training programs, while 3,423 new experts, 8,482 new members of study missions and 1,170 Japan Overseas Cooperation Volunteers were sent overseas. Figure 1-15 shows the numbers of people involved per type of cooperation since 1983.

Figure 1-16 Proportions of expenditure per region

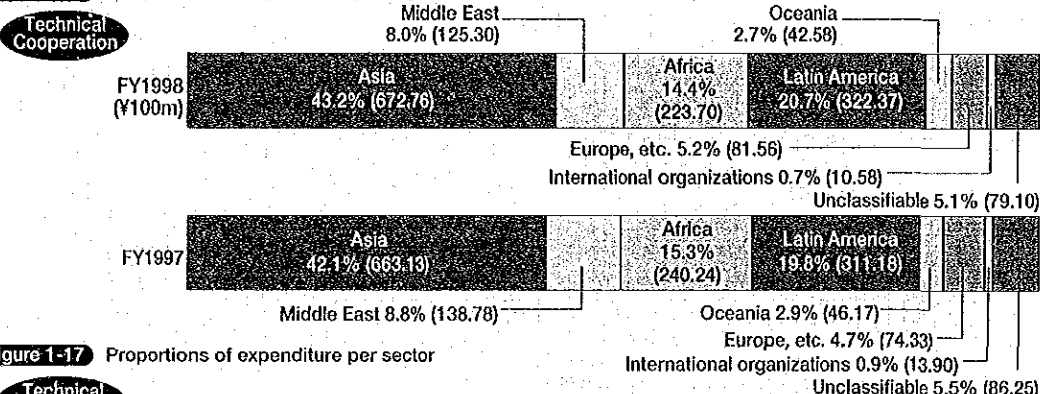
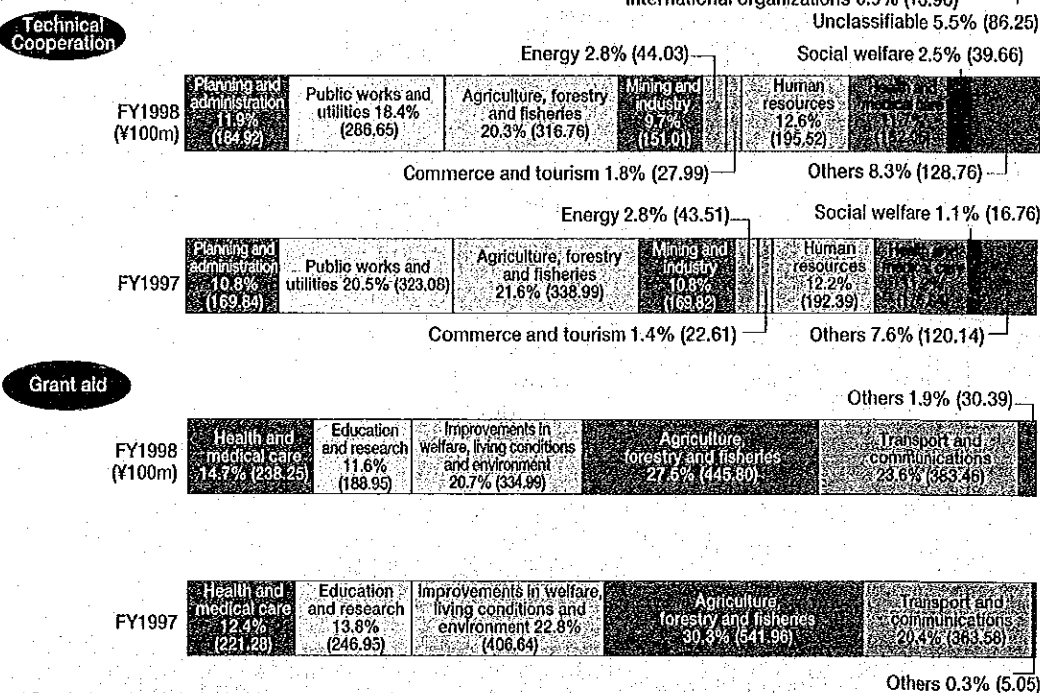


Figure 1-17 Proportions of expenditure per sector



* Results based on Cabinet decisions concerning JICA allocations (general project grant aid, grant aid for fisheries, food aid, and aid for increased food production) for fiscal 1997 and 1998.

* JICA was charged with basic design studies and implementing of grant aid within these results.