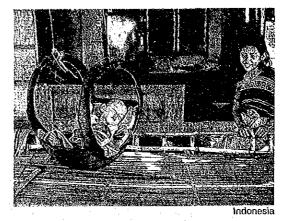


# **Current State of Development**

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Cambodia, which are striving to take off economically through the introduction of a market economy.

The Asian economic crisis put a brake on the smooth economic development underway in Indonesia, Thailand, the Philippines, and Malaysia. Most of these countries have taken austerity measures that have aggravated problems such as unemployment and market sluggishness. With assistance from donor\* nations, each country has therefore been striving to begin measures to stimulate employment and provide relief for vulnerable members of their societies. Reform of the financial sector with a view to achieving economic reconstruction is also an urgent issue. The economic recovery of this region will depend on how rapidly the nations affected are able to extract themselves from the crisis.

### Rapid Recovery from the Economic Crisis is the Key to Economic Regeneration

The effects of the Asian economic crisis that hit Southeast Asia in July 1997 remain strongly in evidence, and many countries in this region are being compelled to take harsh austerity measures and to review their development policies. In Indonesia and Thailand, economic restructuring is taking place with the help of the IMF and the international community.

The Southeast Asian region presents a mix of countries at various stages of development. These include the Asian "newly industrializing economies" (NIES) such as Singapore and Brunei; the founder member states of ASEAN, which underwent rapid economic development beginning in the late 1980s as a result of an extensive inflow of foreign investment and increase in exports; and finally, Vietnam, Laos and

> Basic Principles of JICA Aid for Southeast Asia

The effects of the economic crisis are still being strongly fell in Southeast Asia. Social stability and economic recovery in this region are preconditions of stability. JICA will provide aid of all types, including dispatch of experts, acceptance of training participants, project-type technical cooperation, and development studies, to enable the region to overcome the economic crisis. Short term and emergency aid will

Involve the continuation of support for the social safety net\* aimed at enabling the socially disadvantaged to obtain food, medicines, education and employment. However, links and cooperation between the donor nations, including Japan, are essential to maximize the effectiveness of aid.

Economic stability is also dependent upon strengthening support for macroaconomic stabilization (support with monetary policy, etc.) and industrial restructuring (supporting small- and medium-scale enterprises and fostering peripheral industries\*).

Further cooperation will be required with the establishment of an efficient market economy system in Vietnam, Laos and Cambodia. Preventing further deterioration of the environment is an issue faced by every country in the region, and support will therefore be required for conservation of the natural environment and pollution prevention.

There are many other issues which need to be tackled in this region, such as rectification of regional imbalances, promotion of devolution, rural development, upgrading of economic infrastructure, and strengthening of administrative functions. These issues are often overlooked under the financial austerity measures occasioned by the economic crisis. JICA must provide cooperation in these areas; including support for the bearing of local cosist of JICA projects.

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Asian Region 1 / (Southeast Asia

### Formation of a Single Cross-border Community with the Official Admission of Cambodia into ASEAN

In an historic move, ASEAN officially admitted Cambodia on April 30, 1999 at a membership ratification ceremony in Hanoi, Vietnam. ASEAN, which forms the axis of economic development in Southeast Asia, entered a new era with all ten nations of the Southeast Asian region as members. (Cambodia was originally scheduled to join in summer 1997 along with Myanmar and Laos, but this proved impossible due to its continuing civil strife and political disorder).

With the admission of Cambodia, ASEAN now consists of a single cross-border community comprising the whole of the Indochinese peninsula and the island nations of the region. Cooperative relations within the ASEAN region are thus set to grow closer than ever before, increasing the economic importance of the region. This is likely to stimulate the concept of an ASEAN free trade area (AFTA) aimed at increasing trade investment within the region and will provide further impetus to the consolidation of cooperative relations between Asia and Europe through the Asia-Europe Meeting (ASEM).



(project-type technical cooperation)

Cambodia

**Philippines** 

Family Planning and Maternal and Child Health Project, Phase II

#### Regional forum on "Women's Health and Development"

 Summarizing the results of provincial workshops

Front line

The Philippine Family Planning and Maternal and Child Health Project involved activities in the field of reproductive health\* conducted in six provinces of central Luzon.

In FY1998, we were able to make use of a supplementary budget to carry out activities which would not normally have been possible; namely, to train administrators active in local government as part of our activities aimed at providing education on women's health.

"Women's health and development" is a complex issue involving sociology, economics, culture and politics. Workshops were held in separate provinces with the participation of representatives from the related departments. As a summation of these provincial workshops, Dr Ethelyn Nieto, Director of Regional Health Office III, the Department of Health, bosted a regional forum on March 23, 1999.

All the questioners were women, and the answers were provided by Dr Susan Pineda-Mercado, Undersecretary for Public Health Services; Dr Mayumi Luna, Deputy Executive Director of the National Commission on the Role of Filipino Women, and Ms Estelito Aquino, mayor of the municipality of Moncada in the province of Tarlac.



 Well-attended by men and extensive local press coverage

Around 150 people, including representatives from the local offices of related government ministries and NGOs attended the forum. Men accounted for a good quarter of the audience; their participation was far larger than had been expected, indicating the importance of involving men in women's issues.

The debates centered on two main topics; namely, empowerment of women and equal participation of men and women in sustainable development<sup>‡</sup>. Six recommendations were adopted on the subjects of men's participation in child-rearing and housework, political realization of "gender<sup>‡</sup> and development" Question and answer session of the Women's Health and Development Regional Forum

(GAD), economic self-sufficiency of women, improvements in sex education, knowledge of men and women's bodily differences and strengthening of family bonds. Dr Pineda-Mercado played an enthusiastic role in the question and answer session.

A dance was then performed on the subject of men who take a discriminatory attitude toward women, the dance represented men coming to understand the viewpoint of women and both sexes working together toward their mutual fulfillment. This gave the event a typically Filipino touch. The forum received extensive coverage in the local Luzon newspapers.

(IICA Philippines Office)

# Tackling Priority Issues in JICA Projects



Philippines

Asian Region I / (Southeast Asia

### Implementing Emergency Aid with Maximum Use of the Supplementary Budget

The countries of Southeast Asia are ranked highest in terms of project types, costs and personnel involved in JICA projects as well as receipt of JICA aid.

The most important feature of JICA projects in Southeast Asia is the predominance of emergency aid to combat the Asian economic crisis. Aid of this type involves dealing with the shortage of qualified people in the field of economic management (this is considered to be one of the factors which precipitated the crisis) through the ASEAN Integrated Personnel Development Programme, support for reform of the financial sector in connection with processing of bad debts, etc., and support for the weakest members of society who tend to fare worst in an economic crisis. In FY1998, JICA provided such support to the tune of ¥2.85 billion by making maximum use of the supplementary budget, and we intend to continue providing such support in FY1999 and thereafter.

Specifically, JICA activities have involved the training of immediately needed personnel (financial policy officials, local administrators, and engineers), to work in small- and medium-scale enterprises and peripheral industries via intensive expert dispatch and local training. Assistance with the training of personnel in the financial sector has involved the dispatch to Indonesia and Thailand of advisors in the trade finance and small- and medium-scale enterprises finance fields, together with the presentation of seminars on fostering and upgrading capital markets in Indonesia. In October 1998, the Japanese government announced the "New Miyazawa Plan" which involves supporting Asian countries (particularly those in ASEAN) with funds amounting to US\$30 billion. Full economic recovery of the Asian countries is dependent

upon the construction within Asia of a robust financial system (fund-raising mechanisms) making use of private funds from both inside and outside the region. It is hoped that any move in this direction will even provide Japan with economic stimulation through internationalization of the yen and revitalization of the Tokyo stock market.

Under the "New Miyazawa Initiative", JICA is dispatching experts and presenting seminars as ways to provide the technical and personnel support required for the smooth injection of funds and the construction of financial systems within Asia.

In support of the socially vulnerable, JICA is concentrating on health and medical care, poverty alleviation, and educational projects of direct benefit to local communities in collaboration with NGOs and other organizations.

## Rectifying Regional and Social Class Income Imbalances

An immediate priority in Indonesia, Thailand, the Philippines and other founder member states of ASEAN is the rectification of regional and social class income imbalances. In the Philippines, support is being provided for the government's social reform agenda that specifies several provinces in need of poverty alleviation measures. Indonesia's development policy is receiving assistance in its attempt to shift development from Java, which had been the prime focus of past development, to the eastern part of the country. Support is also being provided for the implementation of the Thai government's policy of upgrading local infrastructure as part of its efforts to rectify imbalances between metropolitan Bangkok and the regions.

The loss of forests, air and water pollution, and other rapidly occurring signs of environmental

degradation have accompanied the economic growth, which occurred throughout Southeast Asia during the 1980s and 1990s. A recent development has been the extensive damage to Indonesia and Malaysia by the smoke generated from forest fires. To deal with these problems, the Japanese government has been providing grant aid and yen loans for the upgrading of environmental facilities, dispatching experts and providing project-type technical cooperation in the fields of policymaking, organizational consolidation, and environmental monitoring.

# Supporting "South-South Cooperation" within ASEAN

"South-South cooperation\*" involves more than merely the receipt of aid by several countries within a region: it is developing countries themselves becoming donors to assist other less developed countries. Japan has stated both at home and abroad its support for cooperation of this type. South-South cooperation was an important item on the agenda during Prime Minister Hashimoto's visit to ASEAN in January 1997. In May 1998, at the behest of the Japanese government, 15 countries (including those of ASEAN) took part in a "South-South Cooperation Support Conference" in Okinawa.

In terms of South-South cooperation with the ASEAN nations, Japan concluded separate partnership agreements with Singapore in January 1994 and with Thailand in August of the same year. These agreements were concerned with the creation of a framework under which Japan and these countries would provide technical cooperation to other developing countries by sharing the costs as equal partners. In FY1997, Japan and Singapore embarked upon the "Partnership Programme 21" (JSPP21), which established a new framework for the further development of the original partnership agreements.

The partnership program between the two countries had until then been limited to third-country training\*, but JSPP21 has entailed expansion of the program to include the joint recruitment of experts and the presentation of seminars in third countries within ASEAN. A start was made in FY1997 with

(project-type technical cooperation)

### Front Line

The Japan-Malaysia Technical Institute (JMTI) | Malaysia

# Human resources development - essential for advancement

Labor shortages and

Industrial advancement continue Over the past decade or so, Malaysia has pushed forward with industrialization by actively encouraging foreign investment - a strategy that has resulted in the rapid growth of its national economy. However, a consequence of this growth has been an increasingly serious shortage of manpower. This has compelled industries where this shortage is most marked to employ foreigners in large numbers, including illegal immigrants. In addition to the labor shortage, Malaysia is having to cope with other developing countries rapidly catching up in the race toward development.

In response to this situation, the Malaysian government is implementing its 7th "Malaysia Plan" (1996-2000). The focus is on the development of high added value and capital intensive high tech industries that do not rely on extensive cheap foreign labor.

 Training of personnel skilled in high-tech industrial technology

The Malaysian Ministry of Human Resources decided to set up several training institutes to satisfy the demand for workers with the advanced skills required by high-tech industries. A request was submitted in July 1993 to the Japanese government for technical cooperation with the establishment of the Japan-Malaysia Technical Institute (JMTT).

Every year, JMTI accepts 50 new students in the following four technical fields: electronics, information technology, production and mechatronics. The Institute currently has 600 students, all high-school graduates. Having completed the three-year course, the students are awarded a diploma in industrial engineering and gain employment with local companies, including Japanese companies active in Malaysia. We hope that these JMTI graduates will make a significant contribution to economic development in Malaysia in the future.

- Cooperation led by the
- partner country

The Japanese government's contribution to the establishment of JMTI was restricted to large machinery employing state-of-the-art technology such as industrial robot systems. The focus of Japanese cooperation in this particular case is placed on activities such as the long-term (five-year) recruitment of Japanese experts and the training of Malaysian instructors in Japan. In contrast,



Employees undergo 3 years of training in advanced technical skills

the Malaysians are responsible for crecting the buildings, purchasing most of the training materials, and footing the bills for operational and personnel costs. The Malaysian outlay is thus considerably larger than the Japanese. The buildings are due to be finished at the end of 1999. Training has been under way since July 1998 in temporary buildings inside the grounds of CIAST (Centre for Instructors and Senior Skills Training), which was previously set up with cooperation from the Japanese government.

(JICA Malaysia Office)

presentation of a joint seminar on promotion of trade and investment in Laos, followed by a similar seminar in FY1998. In May 1998, joint experts in community policing from Japan and Singapore were sent to South Africa and a local seminar on this topic was also held.

The partnership program between Japan and Thailand has included assistance for Laos in the form of special country-specific training conducted within Thailand in the fields of afforestation dissemination and sustainable highland agriculture. Four Thai experts have also been dispatched to Laos in this connection.

A South-South Technical Cooperation Centre was opened in Jakarta in March 1998 with assistance from the government of Brunei. Third-country training aimed at African countries has been taking place in Indonesia since FY1998, and, despite the ill effects of the economic crisis, various South-South cooperation activities are being planned to take place at the South-South Technical Cooperation Centre. Japan is providing support for the Centre through grant aid by supplying equipment and materials for use in conferences.

One example of South-South cooperation in which Japan is involved is the Cambodian trilateral cooperation\* project "Plan for the Stable Relocation of Cambodian Refugees and Rural Development". This has been under way since 1992 with the aim of enabling Cambodian refugees returning to their country to re-establish themselves through improvements in rural infrastructure and development of agricultural land. Japan and ASEAN (Indonesia, Malaysia, the Philippines, and Thailand) have collaborated in sending experts to Cambodia to support development in rural areas in the fields of agriculture, improvements in living conditions, education, and public health. In FY 1998, 31 experts were sent from ASEAN countries.

### Support for the Introduction of a Market Economy to Vietnam Proves a Major Success

Japan's ODA Guidelines are concerned particularly with efforts to introduce market-oriented economies into developing countries. In line with this policy, JICA is providing cooperation aimed at strengthening the administrative structures and implementation capacity required for the introduction of a market economy in Vietnam, Cambodia and Laos. We have also been cooperating with infrastructure upgrading and the development of human resources to stimulate the economics of these countries.

In the case of Vietnam, a development survey drafting proposals for medium- and long-term development planning was begun in FY1995, the results of which were discussed at the conference of the Vietnamese Communist Party held in June 1996. This cooperation produced results that could not have been expected with the standard earlier types of cooperation as it had a direct influence on development policy at the state level. A strongly expressed request from the Vietnamese government formed the basis of the second phase of the development survey that was begun in December 1996 assessing the transition to a market economy. Follow-up was performed at the conclusion of this project at the end of 1997, and preparations are currently under way for the third phase before the end of FY1999. Japan and Vietnam will continue to push ahead with efforts toward a market economy, advocated by earlier development studies.

Asian Region I / (Southeast Asia)



Transition to a market economy system is dependent upon improvements in legal systems modeled on those of the western industrialized countries. Since December 1996, JICA has been providing cooperation for the upgrading of the Vietnamese legal system within the framework of pivotal assistance with important policies\*.

In Myanmar, experts were sent in FY1995 to provide assistance with the opening up of the country's economy and training participants were invited to Japan in FY1996 to study ways to stimulate a market economy. At the same time, projects emphasizing humanitarian and emergency aid are also being implemented for the benefit of the poor and other socially vulnerable sectors of society who are most susceptible to the disorder which arises in the wake of economic reform. Such projects include the provision of the polio vaccine, grant aid for expanding nursing colleges, and sending long-term experts to assist farmers in switching from the production of opium poppies to substitute crops. Upgrading of the Cambodian legal system has involved special country-specific training since FY1995. Since FY1997 assistance has been expanded to include the recruitment of long-term experts, which is now being combined with special country-specific training, to achieve legal reform.



Myanmar

a con line

#### The Seed Bank Project Myanmar

(project-type technical cooperation)

Agricultural development through conservation of global resources and breeding materials

 Collection and conservation of high-quality breeding materials as an urgent priority

Maintenance and conservation of limited global resources is an urgent topic of global proportions. In the case of useful plants, conservation of the genes that determine their character and properties is becoming increasingly important. The rapid growth in the cultivation of improved species in evidence in recent years has been accompanied by the sudden disappearance of indigenous species and closely related wild species. The disappearance of the highquality genes possessed by indigenous species (a result of long-term adaptation to the environment) therefore entails the depletion of high-quality breeding materials.

Myanmar has a wide variety of indigenous species and closely related wild species that are adapted to varied environmental conditions ranging from the tropical to the subtropical. But there has been a rapid increase in the quantity of genetic resources faced with imminent extinction that require urgent measures to collect and conserve them.

This project got under way on June 1, 1997 with the twofold aim of maintaining and conserving global resources and of contributing to domestic agricultural development through the preservation of breeding materials.

Counterparts are being trained to be able



to manage plant-based genetic resources without assistance.

 Establishing a self-reliant control system

It is of primary importance to establish a control system to enable the maintenance and conservation of seeds in good condition. All staff members need to be committed to this goal as non-technical factors, such as individual commitment, motivation and role

awareness, also affect cooperation activities. In particular, the following three points have to be borne in mind:

First, the encouragement of decision

making and problem-solving by the counterparts\* themselves, since this provides

Self-reliance of counterparts invigorates the whole project

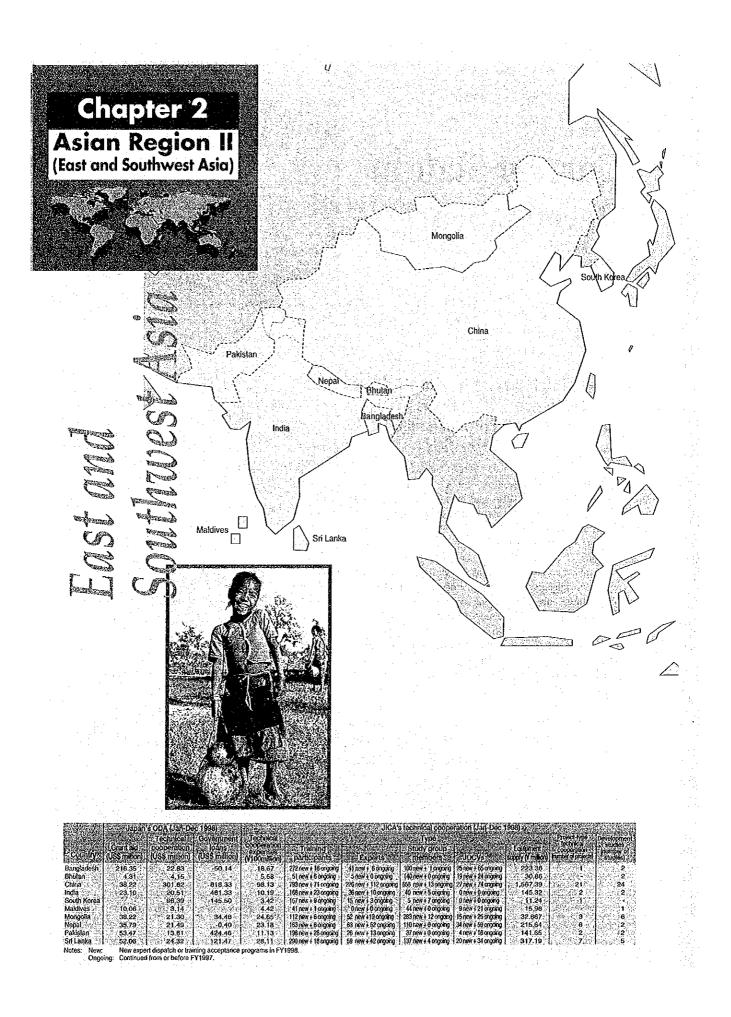
practical training in self-reliant management. Second, the encouragement of meetings of all kinds, since this enhances awareness of participation.

Lastly, identification of the individual research topics to be undertaken, since the self-reliance of each researcher will stimulate the project as a whole.

The workflow of genetic resources control has become well established over the pasi couple of years. But there are still many topics to be confronted before the project achieves wide scale international recognition. The whole team is firm in its belief that the key to success lies in slowly but surely building up relations with counterparts. (IICA Myanmar Office)

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A Myanmar Office)



# **Current State of Development**



nina

### Administrative Reform and Promotion of Reform in State-Owned Enterprises are Urgent Priorities

In the East Asian region, China has witnessed a repeated cycle of high-level and low-level growth since 1979, but has managed nevertheless to achieve an astonishing degree of development averaging close to 10% a year. However, a number of problems are now emerging. These include factors contributing to instability on the macroeconomic front, the growth of poverty and regional imbalances, delays in social development, factors contributing to instability in long-term agricultural supply and demand, and environmental deterioration.

Growth of the market economy is being accompanied by the dwindling of financial functions within the national economy. Recovery from the budget deficit is impeded by the stagnation of fiscal revenues, the provision of compensation for losses incurred by state-owned enterprises and price subsidies necessitated by the delay in reform of these enterprises. There is thus an urgent need for reform of state-owned enterprises and for administrative reform in response. Moreover, although economic development is flourishing in coastal and urban districts of China, inland and urban areas have been left behind: in 1997 there were around 50 million people in China living in conditions of absolute poverty. China's food problems have stabilized for the time being with food production currently totaling around 500 million tons, but production and supply of cereals remains unstable and medium- and short-term production is fluctuating greatly.

# Environmental Pollution Worsened by Development

Environmental pollution, particularly in the cities, is growing increasingly serious as the market economy continues to expand. This worsening of the environment

### Basic Principles of JICA Aid for East and Sourwest Asia

In the East Asian region, China and Mongolia are both aiming to construct market economies and to this end have been reforming and privatizing state owned corporations, introducing fiscal reforms, and upgrading their legal systems. However, they still face various problems caused by the shortfall of skilled personnel resulting from the long period of communist rule. JICA is providing cooperation centering on training of the personnel required for constructing market economies in order to contribute to stable development in East Asia. Problems relating to the environment and

poverty, which arise as by-products of

economic development, are particularly sovero in China. Environmental problems are being addressed primarily through the Japan-China Friendship Environmental Protection Center. JICA is holding discussions with the Chinese government and other donors\* to consider the dissemination of a model project-type program for the alleviation of poverty.

Southwest Asia is one of the poorest regions of the world with four of the seven countries in the region classified as LLDCs\* Each country in the region is pushing ahead with nation-building while having to confront many difficult conomic and social problems; consequently, they have a strong need for aid. These countries have traditionally maintained friendly relations with Japan. JICA is therefore providing this region with strong assistance in a wide range of fields including the upgrading of economic and social infrustructures and basic areas of everyday life.

As well as providing cooperation with global issues\*, e.g., population and HIV/AIDS, IICA is also cooperating with WID\* since Southwest Asia has among the highest rates in the world for maternal motality - in prepriancy and childbirth and for literacy imbalance between menand women. is affecting the health of the people and there is now concern that, through the influence of acid rain, it will spill over into neighboring countries. Also, as evident in the flooding of the River Yangtze in 1998, forest conservation and afforestation (in its middle and upper reaches) is a pressing issue.

In Mongolia, the confusion that accompanied the adoption of open economic policies and the transition to the market economy has provisionally been resolved through the Mongolian government's economic stabilization policies, guidance from the IMF, and overseas economic assistance. However, the infrastructure, machinery and equipment acquired from the former Soviet Union is becoming increasingly dilapidated and this is blocking attempts to stimulate industry. Corporate privatization is taking place in line with the change of economic system, but there are deficiencies in management of the newly privatized companies on the principles of market economics. Training of management personnel is thus an urgent priority.

## A Region Containing 50% of the World's Poor

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The Southwest Asian region consists of seven nations: Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka. It has a population of approximately 1.2 billion, or one-fifth of the global population. With the exception of the Maldives and Sri Lanka, per capita GNP throughout the region is less than US\$500, with 560 million people in the region classified as poor - around half of the world's poor. Together with ethnic, cultural, religious, linguistic and climatic diversity, low economic and income levels are factors contributing to regional political and social instability.

With the exception of the Maldives, where the main industries are tourism and fisheries, the principal industry in the countries of Southwest Asia is agriculture, which is susceptible to the influence of climatic conditions. The structure of trade involves the export of primary commodities such as agricultural produce and textiles and the import of machinery and other capital goods. This means that these countries' economies are easily influenced by fluctuations in the international prices of primary products. A situation that has resulted in most countries running constant trade deficits.

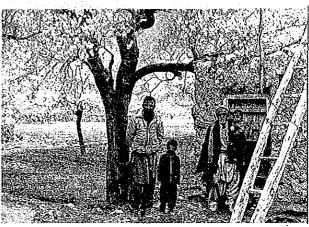


Realizing a Free Trade Zone

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

The South Asian Association for Regional Cooperation (SAARC)\* came into being in December 1985 with the aim of building technical and cooperative relations among these seven nations irrespective of political considerations. SAARC now provides a forum for lively dialog between the member nations which may in the future lead to the establishment of a free trade area. In 1996, India and Nepal concluded an agreement on the integrated development of the River Mahakali, and in December that year India and Bangladesh concluded an agreement on distribution of water from the River Ganges. Cooperation between countries in the region aimed at development extending over national borders is thus becoming increasingly common in the spheres of irrigation, flood control and electric power development.

# **Tackling Priority Issues in JICA Projects**



Pakistan

### Making use of Japan's Experience for Corporate Reform

China is continuing to undergo rapid economic development which brings various problems in its wake. At 1.27 billion, China's population is the largest in the world, and continues to increase at an annual rate of 15 million. The direct and indirect problems resulting from this population increase are global issues which affect not only Asia but the whole world. Poverty and regional imbalances, the increasing severity of environmental problems, uncertainties surrounding agricultural development and food supply, reform of state-owned businesses, and promotion of small- and medium- scale businesses all require an immediate response, and occupy priority positions within the context of aid for China.

The issues of poverty and regional imbalances need to be dealt with promptly through cooperation with elementary education, health and medical care services, and upgrading of the social infrastructure especially in impoverished inland areas.

Since it is impossible to become directly involved in environmental measures involving the whole of China, environmental problems have to be addressed in the following two ways. First, by encouraging a greater degree of self-help on the part of the Chinese through policy dialog. Secondly, by providing lateral support for the nationwide dissemination of environmental technology and facilities through the efforts of the Chinese themselves on the basis of cooperation provided principally at The Japan-China Friendship Environmental Protection Center.

Response to food problems involves the continuation of activities previously subject to cooperation such as irrigation, drainage and agricultural mechanization, along with attempts to strengthen post-harvesting and other aspects of the agricultural infrastructure. Cooperation with improvement and rectification of agricultural produce distribution and with research and testing of plant-based genetic resources, seed production, and selection of appropriate species are also effective ways of encouraging increased food production. Efforts are being made to increase production and to raise the income levels of farmers through education aimed at disseminating farming techniques and upgrading farmers' organizations.

Reform of state-owned enterprises requires the transfer of Japan's own experience in corporate reform together with systemic improvements involving social network structures assisting staff who have lost jobs as a consequence of corporate reform, and including efforts to upgrade housing, pension benefits, endowment insurance, unemployment insurance, and health insurance. Fostering and supporting small- and medium-scale enterprises is important also because these enterprises may provide a safety net for the poor and for workers who have been laid off as a result of reform of state-owned enterprises. As well as presenting Japan's own experience of encouraging small- and mediumscale enterprises, efforts are also being made to train bankers and other workers in the financial sector.

#### (ANA)

#### Provision of the Intellectual Support\* Required for the Transition to a Market Economy

Until the 1980s, Mongolia's infrastructure had been supported with aid from the former Soviet Union. The cessation of this aid following independence led to the rapid deterioration of infrastructures relating to energy supply, traffic, communications and transportation. It became an urgent priority to rehabilitate these facilities, to introduce new technology, to implement managerial reform, and to train people in the upgrading of administrative systems. There was now a shortfall of skilled people after 70 years or so of communism to effect the transition to a market economy. Intellectual support\* is thus being provided in connection with economic policy, legal upgrading, and administrative reform. The principal industry of farming

and cattle breeding account for 40% of the Mongolian GDP. JICA is cooperating in this area with improvements in the managerial systems employed by cooperatives and in methods for the distribution of farming and livestock produce, development and dissemination of farming technology, and encouragement of livestock farming. Changes in the political system have brought about a sudden deterioration in social services such as health and medical care and education. Cooperation is therefore being provided for strengthening of plans to increase the availability of vaccinations and to improve key hospitals.

## Exploring Possibilities for Cooperation over a Wide Field

Bangladesh is one of the most impovenished countries in Southwest Asia and is affected almost every year by floods and other natural disasters. An annual consultative study mission on grant and Ioan aid was sent to Bangladesh in March 1999, following which Japan expressed its intention of continuing to give priority to cooperation for health and medical care, education, the environment and human resources development. Projects started in recent years include the "Poultry Management Techniques Improvement Project", an example of project-type technical cooperation aimed at improving the nutritional standards of the Bangladeshi people and in particular at raising the standards of living of small-scale farmers. Surveys were also carried out in the western part of the country (close to the border with India) on possibilities for cooperation in the fields of assenic pollution, maternal and child health, and elementary education.

# Nuclear Testing: a Barrier to Aid

India has been witnessing high levels of economic growth over recent years, although the nation still has major development needs to satisfy before it can be assured of steady, sustainable growth. Several factors contribute to this situation: population growth, environmental deterioration caused by concentration of the population in cities, and the existence of an extremely large number of poor people, who account for as much as one-third of the population. A high-level mission on economic and technical cooperation sent to India in March 1995 identified three priority areas for cooperation, namely improvements in economic infrastructure, eradication of poverty, and conservation of the environment. FY1998 saw implementation of the "Project for Prevention of Emerging Diarrheal Diseases" and the"Project for Promotion of Popularising Practical Bivoltine Sericulture

## Front Line

#### The Maternal and Child Health Project Mongolia

(project-type technical cooperation)

# Delivering preventative vaccines to children living on the Mongolian plains

 Free supplies of iodine provided by Chiba Prefecture

Mental retardation among children and stillbirths caused by iodine deficiency disorders (IDD) are relatively common in Although the Mongolia. Expanded Programme of Immunization (EPI) plan that aimed to increase the availability of preventative vaccination started during the 1960s, international agencies are relied on to provide the vaccines. This particular project is concerned with eliminating IDD and enabling Mongolia to implement the EPI plan by itself. We have begun working to achieve these targets in collaboration with WHO and Unicef, both of which have been active in these fields in the past.

IDD measures involve improvements to laboratories, training of staff, dissemination and provision of information on iodius salt, and the setting up of a monitoring system. The iodine indispensable for IDD measures is obtained without charge from Chiba Prefecture in Japan - one of the world's largest producers. The iodine salt is added to ordinary table salt for normal consumption.  Children's hopes expressed in paintings on vehicles

In connection with EPI, we have been involved in the provision of a cold chain vaccine network and diagnostic equipment for illnesses covered by EPI as well as training staff and making people aware of the need for vaccination. Preventative vaccination demands a high degree of mobility involving conveyance of vaccines, supervision of the cold chain network, and field examination to check on whether infectious diseases have been eradicated.

The Japanese government joined with Unicef to provide 21 Russian-made jeeps to be used specifically for dealing with infectious diseases. A children's painting competition was organized to make people aware that these jeeps were being used to provide vaccinations for children. We received 169 submissions for paintings to be decorated on the side of the jeeps. The ceremony at which the jeeps were handed over also provided an opportunity to commend the children who had submitted the best paintings. Following a rendition of the



Art competition's young winners with a decorated jeep

EPI campaign song, the car keys were handed over to EPI representatives and the heads of health centers from 21 regions.

The jeeps, decorated with the three winning designs, then drove out of Sukhe Bator Square in the center of Ulan Bator. The jeeps traveled cast and west, into the desert and toward the plans on their way toward their respective provinces, bearing the hopes of the project for the health of mothers and children throughout the country.

(JICA Mongolia Office)

Asian Region 11 / (East and Southwest Asia

Technology" (project-type technical cooperation), along with the "Study on Highway Bypasses" (development study), which aims to alleviate traffic congestion in the major cities and to improve the urban environment.

However, in May 1998 both India and Pakistan conducted underground nuclear tests. In accordance with Japan's ODA charter, the Japanese government responded by halting all new yen loans and new grant aid (excluding aid of an emergency or humanitarian nature and grassroots grant aid\*). A cautious approach to the provision of funds to the two countries by financial institutions involved in international development was also instigated. (These measures were subsequently reviewed in connection with financing provided by financial institutions to Pakistan.)

### Focus on Infrastructure Upgrading and Environmental Conservation

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

Nepal has seen an increase in recent years of activities by "Maoist" communist guerrillas. Security has deteriorated, especially in the mountainous districts of the country and a good deal of care has to be taken in the execution of Japanese projects.



In Pakistan, a Social Action Programme (SAP) was formulated in 1992 to emphasize social sectors that have tended to be overlooked in the past, such as elementary education, basic medical care, population and family planning. On the basis of these policies, JICA organized a Country Study Group in FY1995 to analyze development needs and make proposals about how aid should be provided in the future to these sectors. Grant aid has been provided in recent years for the construction of training facilities for women teachers and maternal and child health centers. A start was made in FY1996 with the "Maternal

# The Pilot Scheme for Technological Development on the River Information System Project

Time required for compilation of flood response documentation reduced from half a day to one minute

Introduction of a computerized system

line

to the Ministry of Water Control China experienced severe flooding between June and September 1998, and this project contributed significantly to understanding the extent of the problem.

The project got off the ground in June 1993 with the aims of establishing an automated control system for prevention of flood damage and the training of flood warning experts in China. One half of the Chinese population and two-thirds of total agricultural and industrial production are concentrated in plains and valleys in the middle and lower reaches of great rivers liable to flooding. There is thus a need for a system which is able to obtain information on flooding as quickly as possible, to predict the occurrence of floods, and to provide accurate information such as flood warnings.

In response to this need, this project has provided cooperation in three fields, namely flood prediction, telecommunications, and information processing. The results of cooperation in the field of information processing proved to be particularly effective during the flooding in 1998. The "Central River Information System", developed as part of this project under the direction of JICA experts, makes it possible for Beijing to immediately receive information on conditions on all of China's major rivers. This system was introduced to the Ministry of Water Control in May 1998, resulting in a dramatic improvement in the speed of information processing from half a day to a minute.

Until this faster system was installed, the reactions of the National General Directorate for Prevention of Flood Damage - the office responsible for coordinating flood damage on the basis of data received from the Ministryhad been delayed.

Under the new system, data is reproduced in the form of maps and graphs casily understood by even non-experts on flood control. This information is broadcast to the general public through television and other means.

 Prompt grasp of information enables a rapid response

It now takes very little time for the Ministry of Water Control to ascertain the extent of major flood damage, such as that caused by the Yangtze River, and to issue the necessary



(project-type technical cooperation)

Extensive flooding of the Yangize River caused unprecedented damage

information. This in turn makes it possible for officials to respond promptly (Deputy Prime Minister Wen Jiabao is in charge at the National General Directorate for Prevention of Flood Damage). The system has thus been warmly welcomed because of its capacity to reduce drastically the numbers of flood victims in comparison with the past.

(JICA China Office)

China

and Child Health" project, and experts were sent to the Ministry of Women's Development to advise on policy and to train teachers. Technical cooperation with the social sector is expected to expand in the future.

However, as with India, as a result of measures in effect since the nuclear tests by Pakistan, with few exceptions it is at present difficult to embark on any new projects.

**Regional Development Contributing to the Dissolution** of Religious and Ethnic Conflict

In Sri Lanka, technical cooperation can be provided

Front Line

with relative ease owing to the relatively high levels of income and education in comparison with other countries of Southwest Asia. Improvements in economic infrastructure involving loan aid have been proceeding smoothly in Sri Lanka, and we must continue to ensure that cooperation is effectively linked to technical aid in such forms as development studies and the dispatch of experts.

FY1998 saw the start of the development study "Study of Outer Colombo Circular Road and New Link Road from Colombo". Conversely, economic disparities between different parts of the country have contributed to the aggravation of religious and ethnic antagonisms. These arc serving as major barriers to development in Sri Lanka and must be borne in mind when providing cooperation.

Project for Promoting the Popularisation of **Practical Bivoltine Sericulture Technology** 

Japanese sericulture technology contributes to the self-reliance of poor farmers and women

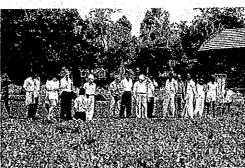
· Aiming at the establishment of a self-

sufficient system for san production Although India is the world's second largest producer of raw silk, most domestic produce comes from indigenous sifkworms of an inferior yield and quality. It is necessary to import the high-quality raw silk required for the warp yarns of the sari (the traditional costume worn by Indian women); almost all of this imported silk comes from China. The Indian government requested cooperation from Japan aimed at enabling India to become self-sufficient in the production of raw silk.

In response to this request, JICA introduced high-quality Japanese sitkworms (known as bivoltine silkworms because they hatch twice a year) to India's main center for silk production Mysore in the state of Kamataka in southern India. Six years of cooperation between Indian technicians and Japanese experts have culminated in the successful production of three improved high-yield, high-quality silkworm varieties as well as the selection of superior species of mulberry.

 Instruction tours covering an area almost half the size of Japan These are, however, test results achieved under laboratory conditions. It is no easy matter to disseminate these methods and ensure that they take root among poor silk-farmers in areas suffering shortages of electricity and water. As the second phase of this technical cooperation project, we have begun the "Project for Promoting the Popularisation of Practical Bivoltine Sericulture Technology" which is due to run between 1997 and 2002. In Kamataka, 80 farms in five districts have been selected and are currently engaged in experimental cultivation.

Many problems have to be confronted on the project implementation sites. First, the Indian technicians assume that the introduction of new species will automatically result in high-quality silkworm



production at the farm level. Second, the silkworm farmers to whom guidance is being given have grown accustomed over many ears to extensive cultivation of multivoltine indigenous species. Third, the state of Kamataka alone covers a vast area about one half the size of Japan, and instruction tours have to be made intensively over the whole of this area. Fourth, we have to deal with the dissatisfaction expressed by farmers who have not been included within the selected group. And fifth, there is insufficient communication and contact between the central government, which is responsible for technical development, and the state government, which is in charge of actual dissemination activities

While confronting these problems, the team of JICA experts and the Indian technicians have been traveling between 3,000 and 5,000 kilometers a month to give instruction to farmers and to popularize the methods involved. The team of experts, JICA's local office, and the Japanese embassy have been acting jointly to press the state government to adopt a policy of encouraging bivoltine sericulture. As a

Instruction in mulberry cultivation given to silk farmers and counterparts

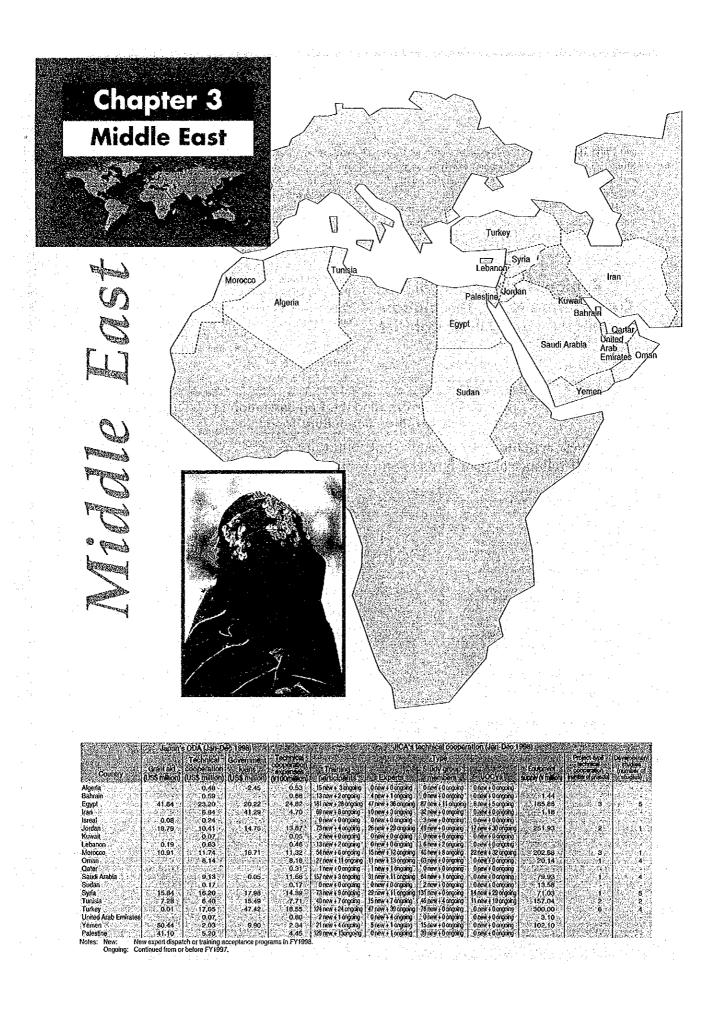
India

(project-type cooperation)

result, cocoon yield has increased significantly and the state government is now participating with greater enthusiasm.

Everyone involved in the project has been delighted to see how, as an example of self-reliant development, ordinary farmers have been learning from the efforts made by the selected farmers and are now beginning to achieve the same results for themselves. Support for sericulture is support

for WID Almost all farmers involved sericulture in India belong to the poorer sector of society. In addition, this is an industry in which large numbers of women in rural areas are engaged. Accordingly, this project is extremely important not merely from the standpoint of the contribution it can make to the promotion of sericulture in India, but also because it can contribute to the alleviation of rural poverty and support for WID. All those involved on both the Japanese and the Indian sides are thus aiming to achieve even closer cooperation to ensure the continuing success of this project. (JICA India Office) Asian Region II / (East and Southwest Asia



# **Current State of** Development

## **Diverse Political and Economic Backgrounds**

The Middle East region, consists of 21 countries, stretching from Afghanistan in the east to Morocco in the west and from Sudan in the south to Turkey in the north.

The climate throughout most of the region is dry or semi-dry, apart from the Red Sea and the Persian Gulf, where there is high humidity; North Africa, which has a Mediterranean climate; and the southern part of the Arabian Peninsula, which has a mountainous climate. Ethnically, the region is dominated by Arabs, the main exceptions being the peoples of Afghanistan, Israel, Iran and Turkey. Political systems include kingships and emirates in the Gulf States, secular republics in Turkey and Egypt, and an Islamic republic based on clerical rule in Iran. Economic disparities between the countries of the region are considerable - whereas the Gulf states and the North African countries have considerable petroleum and natural gas resources, countries such as Sudan and Yemen lag behind in the exploitation of such resources and are classified as LLDCs\*.



# Varied Development Conditions

Many countries in the Middle East have long histories pre-dating the Common Era and thus have varied social and cultural backgrounds. Since the end of the Second World War the region has seen much conflict, including four wars between Israel and the Arab nations, the Lebanese conflict, the civil war in Afghanistan, the Iran-Iraq war, and the Gulf War.

The Middle East is a very diverse area, and the picture it presents of development is equally varied. For instance, the Gulf States have pushed ahead with economic and social development using the vast oil revenues they have gained from the development of petroleum resources. They have attained a high level of infrastructure\* installation, but several of these countries still rely on technicians and engineers from overseas. It is an urgent priority for them to train personnel to underpin their efforts toward nation-building. There are other countries whose economic difficulties preclude them even from allocating an adequate budget for basic health care and water supply.



HCA is involved especially in fields of development for which needs exist throughout the Middle East, in particular development of water resources, tourism, and environmental conservation. At the same time, the political, economic and social diversity of the region requires cooperation to take account of different situations in individual countries Specifically, in Saudi Arabia and other producing states; support is being provided for self-help to enable them to break free of their monocultural economic

structure based on an exclusive reliance on

petroleum. The emphasis is being placed primarily on vocational training within these countries.

In countries with relatively high income levels such as Tunisia and Turkey; technical cooperation is being provided with the emphasis on fields such as the

promotion of industry. In countries with relatively low income levels, such as Egypt, Jordan, Syria and Yemen, both technical cooperation and grant aid are being provided. Cooperation is concerned with upgrading and expanding the industrial infrastructure for supporting sustainable economic growth and BHN\* such as health and medical care.

The United Arab Emirates, Qatar, Kuwait graduated\* from the DAC list\* drawn up by the Organization for Economic Cooperation and Development (OECD) in January 1996, and cooperation with these countries is therefore being slowly wound down, Apart from the odd case of humanitarian and emergency aid, cooperation is not occurring with Libya, Sudan, Iraq, and Afghanistan (as of April 1999).

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**Middle East Region** 

# **Tackling Priority Issues in JICA Projects**



Egypt

# Strong Support for Peace in the Middle East

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

The most conspicuous developments in this region in recent years have involved Palestine.

In September 1993, the Israeli government and the Palestine Liberation Organization (PLO) agreed to Palestinians establishing an autonomous zone in Gaza and on a part of the West Bank of the River Jordan, which Israel had occupied since the Third Middle East War in 1967. In September 1995, an agreement was reached on expansion of self-rule to the West Bank region.

The peace process has been continuing crratically since the advent in May 1996 of the Netanyahu government, which has taken a cautious stance toward peace in the region. The international community, including Japan, has been striving in various ways to support the momentum of this process.

### Achievements in Economic Matters, the Environment and Water Resources

At the Multilateral Middle East Peace Negotiations in 1992, five working committees on the environment, economic development, water resources, arms control, and refugees were established. Japan has been making a positive contribution by assuming chairmanship of the environmental committee and deputy chairmanship of the economic development, water resources and refugee committees. As part of the work of the Economic Development Committee, JICA has carried out a development study entitled "Plan for the Development of Tourism" in Jordan, and in January 1995 organized a "Seminar on the Promotion of Small- and Medium-scale Enterprises". As part of the work of the water resources committee, JICA conducted a development study on "Brackish Groundwater Desalination" aimed at desalinating and using the vast quantities of underground brackish water known to exist in Jordan. JICA sponsored a "Seminar on Desalination Technology and Management of Water Resources" in February 1996. JICA's work on the Environmental Committee has included the provision of grant aid for the "Project for Oil Spill Combat in Northern Aqaba Gulf" in FY1995.



Japan is also providing various types of cooperation in the context of support for Palestine.

JICA's operations have included cooperation with the Palestinian Interim Self-Government Authority through the United Nations Development Programme (UNDP) and the United Nations Relief and Works Agency for Palestinian Refugees in the Near East (UNRWA). Since FY1997, JICA has been accepting training participants on a bilateral basis as with other developing countries. Studies and implementation promotion work have also been carried out on grant aid projects such as the "Project for Hospital Construction in Jericho" and the "Project for Construction of School Facilities for Basic Education in the Gaza Strip". JICA is currently implementing development studies including the "Study on Sewerage Development Plan in the Municipality of Khan Yunis". Owing to the increasingly important role being played by JICA in Japan's provision of aid for Palestine, JICA opened an office in Palestine in July 1998.

### Response to the Japan-Saudi Arabia Cooperation Agenda

In order to expand relations between Japan and Saudi Arabia, an agreement was reached in October 1998 on expanding cooperation in five fields; namely 1) education and human development, 2) the environment, 3) medical care, science and technology, 4) culture and sport, and 5) investment and joint ventures, in the context of the Japan-Saudi Arabia Cooperation Agenda.

JICA is working on cooperation in the fields of education and human resources development, science and technology, the environment, and medical care. More specifically, JICA is accepting training participants in the fields of educational facilities, engineering, waste disposal, and hospital administration; dispatch of experts as educational advisors and



environmental policy advisors; implementation of seminars introducing the Japanese health system to Saudi Arabia; and development studies entitled "Study

## Front Line

#### Project for Supply of Drinking Water in the Pre-Rif Region

(grant aid)

Morocco

Middle East Regior

# Enhancing awareness of participation through burden sharing by local communities

 Local communities involved in management of facilities

after completion "Desert" is the word which comes to the minds of most Japanese people when they think of Morocco. But this impression is belied by this nation's plentiful supply of underground water, the source of which lies in the thawed snows of the Atlas Mountains. Moroccans living outside the major cities rely on wells to obtain drinking water, water for everyday purposes, and water for their livestock.

The Moroccan government is planning to dig wells and install water supply facilities in 3,100 villages throughout the country for the benefit of 11 million people, and is seeking aid to this end from donor nations and agencies.

There is considerable economic and social imbalance in Morocco between the coastal arca, where the major cities of Casablarica and Rabat are located, and inland areas. Aid for development in the inland zone has thus become a priority. The labor involved in scooping up water from wells places an enormous burden on women and children. In addition, sheep and goats drink water from the same wells, which is unhygenic and leads to diarrhea and other infectious diseases. The Japanese government, the Moroccan government, and people from 282 villages in the south of Agadir are sharing the costs (Japanese government 39%, Moroccan government 37%, local communities 24%) involved in installation of underwater motor pumps, generators, tanks, joint water taps, and piping.

The fact that local communities themselves are bearing some of the costs has heightened the awareness of this being their 'own project'. This is in line with one of the aims of the project, which is to ensure its public participatory nature so that local communities will control and administer it by taking responsibility for its operation and cost after the facilities have been fully installed.

This "public participatory" method has been highly acclaimed in Morocco, and increasing enthusiasin for public perticipatory projects is being shown throughout he country. ◆ JICA's President warmly welcomed

by the local people JICA's President visited Morocco in January 1999 to see how the project was progressing. He was warmly greeted by the local people who took time off from the ceremonies marking the end of Rámadan, the month of fasting which is one of the most



A stable water supply lifts the burden of fetching and carrying water endured by women and children

#### important events in the Muslim year.

The local people expressed their gratitude that, now that the project had been completed, the occurrence of diseases such as diarrhea, typhoid and diphtheria had decreased, the burden on women and children who previously had had to scoop up water from the wells had been lightened, and there had been an increase in school attendance. Everyone who had taken part in the project on both the Japanese and the Moroccan sides was made to feel that their efforts had been truly worthwhile.

(JICA Morocco Office)

on Coastal/Marine Habitat and Biological Inventories in the Northern Part of the Red Sea Coast" and "Project for Environmental Monitoring in the Persian Gulf". In FY1998, 20 school teachers were invited to Japan as part of the first Youth Invitation project to be implemented in the Middle East within the framework of the Japan-Saudi Arabia Cooperation Agenda.

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### Support for South-South Cooperation

There are several countries in the Middle East that are not merely aid recipients, but are themselves engaged in South-South cooperation\*, that is, cooperating with other developing countries on the basis of their own development experience. Japan is actively supporting the efforts of these countries. In FY1998, Egypt and Tunisia signed a framework agreement with Japan on South-South cooperation for supporting cooperation provided by these countries to Africa.



Morocco

JICA is cooperating with these activities by supporting third-country training\* projects. Sixteen third-country training projects are being implemented in Egypt, Jordan, Turkey, Morocco, and Saudi Arabia aimed at Africa and the Middle East, including Palestine.

Front Line

#### Communication in Maternal and Child Health Using Audiovisual Materials (third-country training)

#### First example of third-country training

 Cooperation with the countries of Central Asia

Since the break-up of the Soviet Union, Turkey has been building close relations with the newly independent countries of Central Asia, with which it shares much in common ethnically, linguistically and culturally. The Turkish International Cooperation Agency (TICA) was established in January 1992 to stimulate cooperation in socio-economic fields, and is involved in bilateral cooperation\* aimed at the countries of Central Asia.

Japan and Turkey confirmed that South-South cooperation would be the priority of Japanese technical cooperation. The first third-country training project implemented in Turkey took place from March 1997 and was called "Exploration and Assessment of Underground Resources".

In October 1998, a course in "Communication in Maternal and Child Health Using Audiovisual Materials" was begun with a view to further expanding South-South cooperation. This was the first case of third-country training carried out with cooperation from TICA.

Participants from seven countries took part in this training project - the five Central



Asian countries of Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan together with Azerbaijan and Bosnia-Herzegovini. They studied methods for the production of teaching materials and campaign materials. These methods had previously been transferred to Turkey as part of the population education promotion project for which Japan had provided cooperation for ten years.

language barrier

This was the first time that Turkey had entered into third-country training for which it had to share some of the costs. After negotiations, the Turkish representatives agreed to pay 20% in the

(acceptance of training participants)

Turkey

Turkish and Japanese representatives shake hands after signing the Record of Discussions.

first instance when signing the Record of Discussions (R/D) held in connection with implementation of the project.

In the first training course, the language barrier was a major hurdle. Although English and Turkish had been stipulated as the languages in which the training would be provided, it was found that most of the participants could not speak these languages. A Russian interpreter was then employed by TICA enabling the training to be successfully completed. We are giving further thought to how training might be improved based on an assessment carried out on this training project.

(JICA Turkey Office)