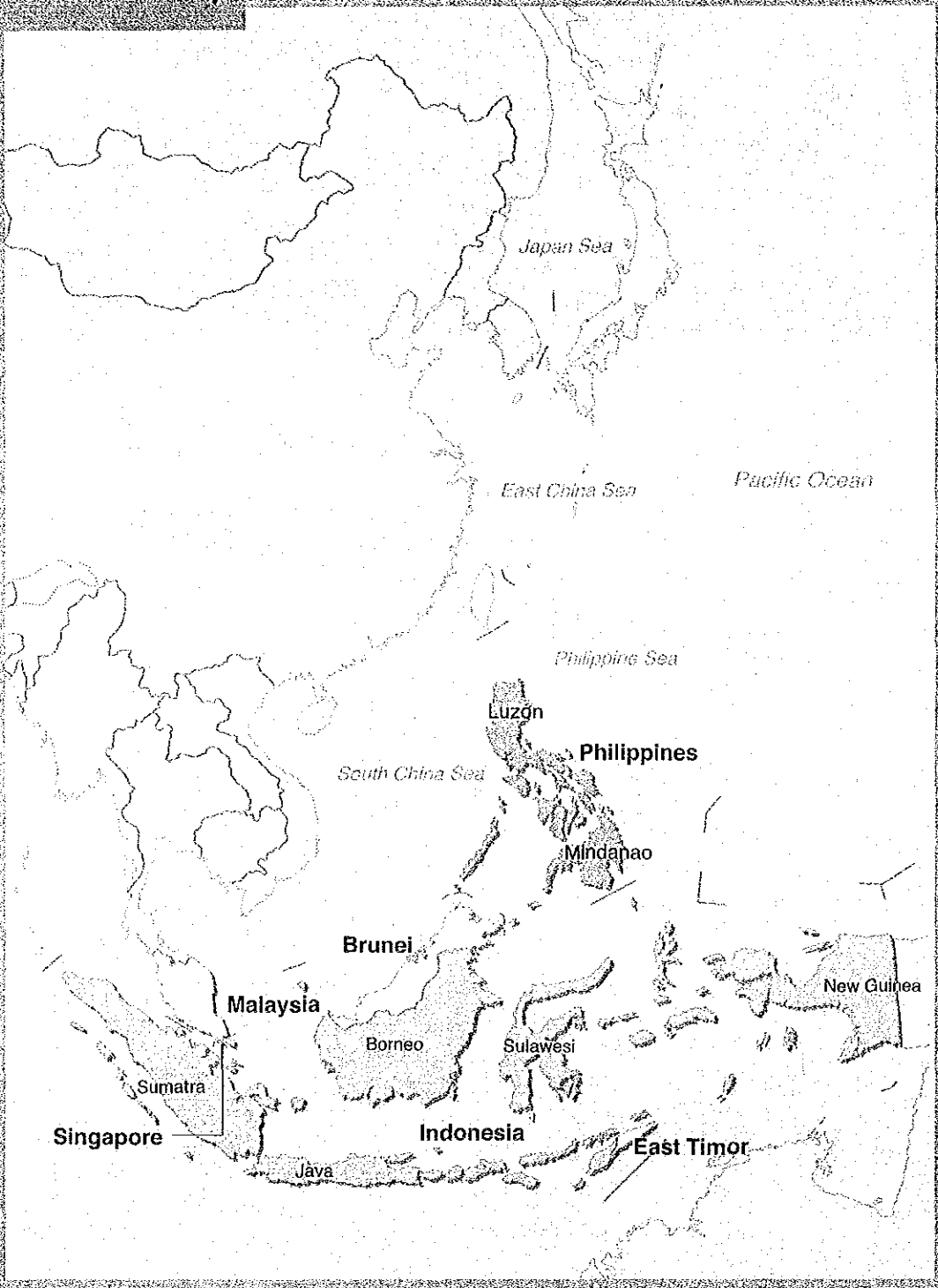


Part II

JICA's Regional Activities

Chapter 1 Southeast Asia I



Current State of Development



Third-country training for the benefit of Africa aimed at increasing productivity. A Japanese expert converses with participants from Botswana and Mauritius in Singapore.

The Extreme Gravity of the Asian Economic Crisis

The Malay peninsula and the region of Southeast Asia consist of a diverse range of countries: from Indonesia, with a population of around 200 million and a land mass 5.5 times that of Japan, to Singapore, with a population of around 3.1 million and a land area amounting to less than a third of metropolitan Tokyo.

Because of their geographical proximity to Japan, these countries are closely connected to Japan economically, culturally and historically. A common feature of all the countries in the region (with the exception of East Timor, which seceded from Indonesia in 1999) is that they have achieved a considerable measure of economic development.

These countries underwent an astonishing degree of economic growth from the late 1980s onward, supported by extensive foreign investment and export growth in line with an industrial policy oriented toward exports. Indeed, they became a focal point for global growth. But the economic crisis that began to unfurl in July 1997 in the wake of the collapse of the Thai baht brought the smooth economic development of the region grinding to a halt. Although the severity of the crisis differed from

one country to another, each nation was obliged to implement austerity measures and review its development policies. The crisis was accompanied by a rapid increase in unemployment and other serious social repercussions.

The crisis was felt most severely in Indonesia, where it led to the fall of the Suharto regime in May 1998 and induced economic and social disorder. The reforms made to the political structures of Indonesia at this time underlay the government's eventual recognition of East Timor's secession from the republic.

A Region Centered on the Founder Members of ASEAN

The efforts currently being made by the governments of these countries to achieve economic recovery and social stability are gradually bearing fruit. Signs of recovery are appearing considerably quicker than had been expected in Singapore and the Philippines, where the effects of the economic crisis were not felt as strongly as elsewhere; and Malaysia, which responded to the crisis by taking its own foreign exchange control measures and introducing a fixed exchange rate.

Basic Principles of JICA Aid for Southeast Asia

Southeast Asia is a popular destination for Japanese tourists and has large numbers of Japanese residents and companies. In these respects it has closer links with Japan than many other regions, and it is because of this that high hopes are held out for the guidance and contribution that Japan has to offer in many fields. The role and impact of technical cooperation are particularly great.

Since this region has already undergone an extensive degree of economic development, the local economies are

closely bound up with the global economy and are susceptible to developments in the international community. A clear example was the Asian economic crisis, which highlighted the need for each country to be flexible in responding to sudden changes in surrounding conditions.

In light of this situation, it is JICA's responsibility to achieve an even higher degree of efficacy and efficiency in its operations; we clearly need to take note of changes in conditions and to respond promptly to the aid requirements of each

country. There is a need for aid for new areas such as decentralization and information technology; we are working hard to reinforce a comprehensive approach to country-specific issues through dialog with the governments of the countries concerned.

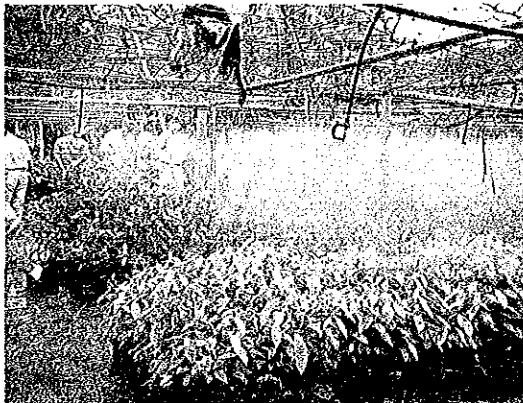
From the perspective of development and stability throughout the ASEAN region, we believe that other important issues that JICA must tackle include expanding South-South cooperation* and continuing support for reconstruction in East Timor.

This region comprises most of the original members of ASEAN – the propelling force for development in Southeast Asia – namely, Indonesia, the Philippines, Malaysia, Singapore and Brunei. (The first four countries were founding members in 1967, and Brunei joined in 1984.) With the joining of Cambodia in April 1999, ASEAN became an organization grouping together ten states. However, there is considerable disparity between the economic levels of the original members and those of the more recent member nations, Vietnam, Laos and Cambodia. Therefore, along with economic recovery, stable regional development intended to ensure harmony with the later batch of ASEAN members is one of the main topics facing these countries.

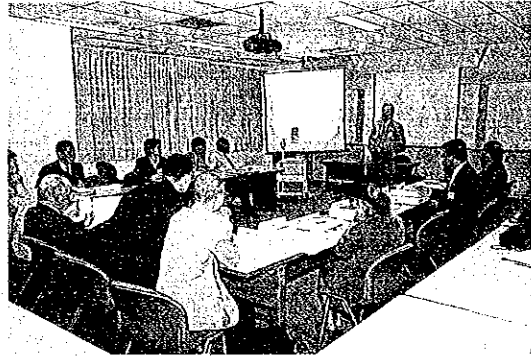
Tackling Priority Issues in JICA Projects

Strengthening Approaches to Human Resources Development

Because of the close connections that Japan maintains with Southeast Asia economically and on many other fronts, this region has traditionally been a focal point for JICA aid. For several years in succession, Japan has been the principal donor* in the Philippines and Indonesia. At the Japan-ASEAN



A project involving development of field irrigation methods aimed at diversifying agricultural products (Philippines).



Japanese technical cooperation has been continuing for 25 years and is being applied to third-country training (Singapore).

summit conference held in 1997, Prime Minister Hashimoto proposed a "Japan-ASEAN Integrated Human Resources Development Programme." At the summit conference gathering together the leaders of ASEAN, Japan, China and South Korea in 1999, Prime Minister Obuchi then presented the "Obuchi Plan." This outlined stepping up specialized human resources development and providing additional support for overseas students in line with the proposals of the Asian Economic Regeneration Mission. JICA is providing support to the region in line with this approach.

Support for Recovery from the Asian Economic Crisis

Emergency measures intended to benefit the countries most severely affected by the Asian economic crisis have involved the provision of various forms of support (social safety net* support) to the disadvantaged peoples in society.

In Indonesia, for instance, fresh attempts were made to cooperate with local NGOs so that the supply of pharmaceutical products in particular would be of direct benefit to the unemployed, the poor, and others among the socially disadvantaged classes.

From the medium- and long-term perspective, support is being aimed at structural economic reform and monetary reform. In order to achieve sound macro-economic policies, to reform institutions in the still imperfectly organized financial sector, and to raise production and export competitiveness, openly recruited financial experts are being sent to these countries, while administrators playing leading roles in related fields are coming to Japan for training. The cooperation program is thus intended to strengthen human resources development in the economic and financial sectors.

Promotion of South-South Cooperation

The countries of Southeast Asia were among the earliest recipients of Japanese technical cooperation. In the past, these countries were exclusively recipients, but at present they are also active as donors through the medium of South-South cooperation provided in the form of third-country training* in countries such as Indonesia, the Philippines, and Malaysia. In Singapore, where Japanese technical cooperation ended in fiscal 1998, a Japan-Singapore Partnership Program for the 21st Century (JSPP21) got under way in 1997. Under this program, Japan has been working with Singapore in equal partnership to provide support for developing countries within the region and elsewhere. In fiscal 1999, this program saw the establishment of a third-country training course aimed at APEC countries and the joint implementation of a project formulation study* aimed at encouraging tourism in Laos. Singapore's future development as a donor nation thus seems assured.



Counterparts working enthusiastically toward the opening of the Japan-Malaysia College of Technology, where training will be provided in fields of high tech industry.

II

Chapter 1

Southeast Asia I

Front Line

Population and Family Health Frontline Project Philippines

JOCVs help set up community pharmacies

◆ Medical services decline under the Decentralization Law

Health care administration in the Philippines was entrusted to municipal authorities after the Decentralization Law came into effect in 1992. Most municipalities are financially weak and the support they receive from the central government has declined, resulting in a shortage of basic medical supplies previously provided by the central government. Due to the slashing of funds for the training of medical clinic personnel, and for the maintenance of traveling clinics, there has been a deterioration in the standards of medical care. A decline in the medical services provided by official bodies is particularly noticeable.

Many ordinary people without access to adequate public medical services do not have the financial means to visit private medical institutions for a trained doctor's diagnosis. Instead they self-treat by purchasing medicines at pharmacies. But misuse of these medicines often aggravates their ailments, and it is only when they have become seriously ill that they finally see a doctor.

◆ Supporting local communities by means of joint community pharmacies

In order to rectify this situation, a group of six JOCVs has been sent to take part in the Population and Family Health Frontline Project. This group consists of a rural development extension worker, three nurses, a health worker, and a nutritionist. Together with Filipino medical workers and NGO staff, the JOCVs are working on training health workers, providing health education to local people, and offering guidance on nutrition.

Particular importance is being placed on encouraging the establishment of joint community pharmacies. These pharmacies are intended to provide inexpensive medicines employing a system

Japan Overseas Cooperation Volunteers



Dietary guidance aimed at improving children's nutrition.

whereby people living in remote areas contribute to a pool of funds used to purchase medicines.

The JOCVs instruct the health workers who run the joint pharmacies on how to prepare medicines and how to prevent their misuse. They are also encouraging the cultivation and use of traditional medicinal plants.

Working hard as they live together with the local people, the JOCVs hope that their activities will enhance everyone's awareness of personal responsibility in looking after their own health.

(JICA Philippines Office)

Rapid Response to Aid Needs

Notable examples of cooperation in this region in fiscal 1999 have included assistance with the general election in Indonesia and emergency aid for East Timor.

The first general election for 44 years was held in Indonesia in June 1999. JICA dispatched 20 experts who, within a limited space of time, provided technical support with the electoral count system in the Indonesian general election committee and traveled throughout the country to monitor the readiness of election materials. This was JICA's first major venture in the field of support for democratization and was highly praised by the Indonesian authorities, the United Nations Development Programme (UNDP), and other donor countries.

Following the referendum held in August 1999, East Timor is moving toward recovery and development with support from the international community. In December 1999, JICA set up an East Timor Emergency Support Committee which has been working specifically on 1) restoration and development of infrastructure*, 2) human resources development, and 3) support for community development.



A cookery demonstration aimed at creating distinctive regional products using the local variety of sweet potato (Philippines, Project for Strengthening Training to Improve Living Standards in Rural Villages).

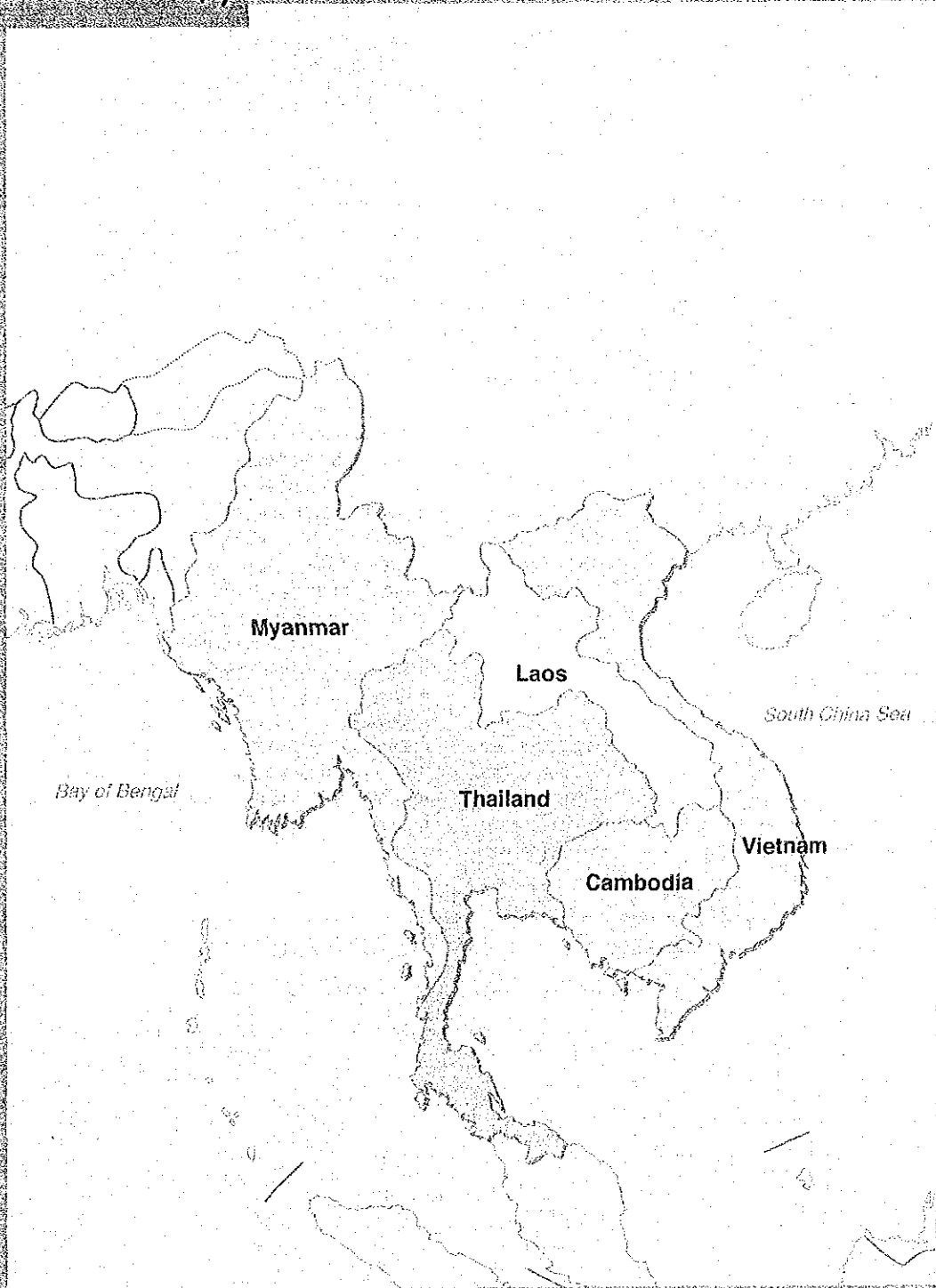
In March 2000, JICA set up an office in Dili to provide a full-scale support program.



A lecturer from Singapore providing third-country training for Vietnam (Singapore).

Chapter 2

Southeast Asia



Current State of Development



Community empowerment project aimed at encouraging self-reliance among women through training in textile production (Laos).

Ongoing Development toward a Free Economic Zone

The northern sector of continental Southeast Asia comprises five countries: Vietnam, Laos, Cambodia, Thailand, and Myanmar. These countries share natural resources centering on the Mekong river, which flows from north to south through the center of the Indochinese peninsula, and are closely related economically, culturally, and historically.

However, historical circumstances over recent years have brought about considerable political and economic differences between these countries. With the exception of Thailand, which underwent rapid development from the 1980s onward and has propelled development in the region, each country has experienced civil war and political chaos that have resulted in their economies lagging behind eastern Asia as a whole.

Japan continued for many years to provide economic cooperation to Vietnam and Cambodia in the form of postwar reparations. Aid to countries in this region was then frozen with the outbreak of the Vietnam War, and until the second half of the 1980s diplomatic relations remained almost non-existent. The introduction of the Doi Moi ("Renovation") policy in Vietnam, new approaches

and economic mechanisms in Laos in 1986, and the Paris Peace Accords of 1991 stimulated economic liberalization policies and the introduction of the market economy in Vietnam, Laos and Cambodia. This prompted Japan to recommence the provision of aid.

In Myanmar, a military regime has been clinging onto power since 1962, with the result that the country has received almost no investment from the West because of its failure to introduce democracy. It has therefore stagnated in terms of economic development. However, the government of Myanmar began to move toward an open market economy in 1988, and is gradually establishing closer relations with neighboring ASEAN countries and Japan.

Such were the political and economic conditions under which Cambodia joined ASEAN in 1999, marking the completion of entry of all the countries of the Indochinese peninsula into ASEAN and the ASEAN Free Trade Area (AFTA). Although the Asian economic crisis, which began in Thailand in July 1997, had an indirect economic effect on the four new members of ASEAN on the Indochinese peninsula, it did not spur any major changes in their economic reform policies, so the region as a whole is continuing to draw closer to becoming a free trade economic zone.

Basic Principles of JICA Aid for Vietnam, Cambodia and Laos

Vietnam, Cambodia and Laos are, in general, lagging behind the other countries of ASEAN due to historical and geographical factors. Long years of colonial domination, tyrannical government, and incessant war and political upheaval have destroyed the productive infrastructures of these nations and their capacity to allow their peoples to lead normal lives. Individuals with specific talents and abilities have been lost or now live abroad. Even today, when political conditions are gradually returning to normality, the scars left by these years are deep, and a

long-term response leading to recovery is required.

Among the various problems facing these three countries, JICA is particularly concerned with urgent issues such as administrative, financial and political reform and the realization of capitalist economic structures. While compensating for the weaknesses of governments facing shortages of personnel, budget and facilities in attempting to accept aid, JICA continues to target its aid by formulating and implementing medium- and long-term projects through a combination of methods.

For instance, in the case of the

"modernization of legal institutions" (pivotal support for important policies*) under way in Cambodia, JICA's cooperation is taking the form of helping the Cambodian government to draft a civil code and a code of civil procedure and to develop the legal profession. Making use of the country-specific special training system, judges, lawyers and other members of the legal profession are being invited to Japan, where they study Japan's judicial system, while Japanese legal experts assist with the formulation of legislation. This is a form of cooperation tailored to the needs of the partner country.

Tackling Priority Issues in JICA Projects



Members of the Cambodian Mine Clearance Center (CMAC) with vehicles provided by Japan.

II

Chapter 2

Southeast Asia II

Expanding Support for Legal Reform and Economic Policies

Vestiges of organizational structures, laws and policies strongly reflecting communist political concepts and the planned economy are still evident in several countries in this region. Basic political and economic institutions are still not in place due to long years of tyrannical government and civil war. The conditions applying in these countries are relatively similar. As a nation actively interested in cooperating economically with the region as a whole, Japan is being asked to assist with administrative and financial reform, such as modernization of major laws and introduction of the market economy.

With cooperation from government ministries and departments, academic institutions and related organizations, JICA is responding to these demands by

creating domestic support structures and providing multilateral aid combining various methods. These include dispatch of experts, acceptance of training participants, development surveys, and supply of equipment and materials.

In Vietnam, for instance, JICA is continuing to support the introduction of the market economy through joint research aimed at developing ideas for medium- and long-term policies and through training of administrators. Projects intended to provide support for economic policy are being formulated in Laos and Myanmar. In the legal sphere, JICA is assisting with legal modernization in Cambodia and Vietnam by providing advice and instruction on drafting and revision of the law and training of legal experts.

Intellectual support* of this type is an area that JICA has only recently expanded, and our efforts are provoking much interest both inside and outside Japan.

Front Line

Social services to encourage self-reliance among the socially disadvantaged

◆ Psychological disorders caused by civil war

Cambodia endured more than 20 years of civil war beginning around 1969, including the years of the infamous Pol Pot regime. Many people were psychologically scarred by the experience of continuous war, and the damage incurred has often driven them into poverty through their inability to lead normal lives.

The Cambodian government is also facing many serious problems such as mine clearance and reduction in military strength, so it does not have the capacity to extend a helping hand to such people. NGOs are thus playing an important role in place of the government.

Cambodia Social Services (SSC) is an NGO playing a leading role in the field of mental health.

◆ Use of social workers

Hen Ahen is a 26-year old man who was arrested and detained for beating his mother and sister. A NGO staff member who had been dealing with human rights matters in prisons requested assistance from SSC after noticing this man's mental condition.

The social worker from SSC who met Hen Ahen arranged for him to be examined by a doctor and a psychiatrist. Keeping an eye on the progress of his treatment, the social worker explained his psychological state to his family and neighbors, who were also

Support for Local NGOs **Cambodia**

Community Empowerment Project

apprehensive of what might happen after he returned home, and persuaded them to take him back into the community. In order to improve his living conditions, his dilapidated house was repaired and he was encouraged to grow vegetables. After frequent home visits and counseling, a relationship of trust was built up, and cooperation from other aid organizations was obtained that led to a conspicuous overall improvement in Hen Ahen's situation.

Psychological trauma results in a variety of problems influenced by many different factors, so support for sufferers requires enormous perseverance. Social workers understand that their job is truly worthwhile when a patient tells how secure he or she feels knowing that somebody is concerned about them.

The concept of counseling is still in its infancy in Cambodia. SSC is involved with activities aimed at supporting the socially disadvantaged (primarily through home visits) and also training and educational guidance for local volunteers, government officials, NGO staff, and Buddhist monks. This will create an environment that supports disadvantaged people from within the community as a whole.

Support for NGOs such as SSC is one of the most recent aspects of JICA's cooperative activities.

(JICA Cambodia Office)

Strengthening Links with Other Aid Organizations

JICA exchanges information and works together in a variety of fields with the many aid organizations currently active in Vietnam and Cambodia. In Vietnam, for instance, we have formed partnerships consisting of groups of donors* in more than 20 important fields. In coordination with Vietnamese government ministries and departments, we are providing aid so as to take account of overall linkage and cooperation among related aid organizations in individual fields. Japan is considering how to take the lead in partnerships in fields such as transportation, and JICA is taking part in this new development through the application of our development study and expert dispatch systems.

In the countries of the Indochinese peninsula, many NGOs are continuing to provide cooperation as dynamic as that provided by government aid organizations. There are many organizations which already had a long record of aid achievement even before the main donors entered the field, and the activities of these organizations are highly regarded by the recipient countries.

JICA has begun working on a variety of projects in these countries in the fields of education, medical care, social welfare, and culture. Use is made of the system of projects conducted jointly with NGOs and academic institutions introduced in recent years in the form of community empowerment projects* and partnership projects.

In Cambodia, United Nations agencies and NGOs are engaged in their own forms of cooperation in fields of post-conflict aid such as landmine clearance. Collaboration with these pioneering aid organizations is essential for each organization to make maximum use of its potential and to compensate for each other's deficiencies.

Development of the Mekong River Basin

From a global perspective, the Vietnam, Cambodia and Laos region holds the brightest prospects for rapid development. Wide-area cooperation extending over national boundaries and balanced throughout the area as a whole is currently moving ahead. Frameworks for wide-area cooperation include "Economic Cooperation with the Greater Mekong Area" (GMS Project) proposed by



IT training in Vietnam.

the Asian Development Bank (ADB) and started in 1992, and the "Comprehensive Development Forum for Vietnam, Laos and Cambodia" proposed by the Japanese government in 1993. The orientation of Japan's aid was set by "Development Strategies for the Greater Mekong Area," published by the Ministry of Foreign Affairs in July 1997.

One specific project involves the development of an east-west corridor. This is provoking much interest as a leading infrastructure* project involving development of the Mekong river basin. The purpose of the project is to establish a transport artery stretching from Thailand through Vietnam to the China Sea. This route is likely to contribute to economic development throughout the region, including land-locked Laos. JICA is responsible for an important sector of this project, including detailed studies on the design of the Mekong International Bridge No. 2 linking the Thai and Laotian sides of the river and the provision of grant aid for repairs to National Highway 9, which runs the length of Laos. Cooperation in the future will be concerned not merely with the construction of roads and bridges: it will also involve institutional reforms in fields such as distribution and the compilation of regional development plans aimed at ensuring that the opening of the east-west corridor is linked to economic development in the region.

JICA is cooperating with sustainable development in the Mekong river area by sending experts to the Mekong River Commission.

Furtherance of Intra-regional Cooperation in Connection with Human Resources Development

In 1999, Cambodia became the tenth member of ASEAN. An important issue facing ASEAN is how to rectify the economic disparities existing within the organisation. Thailand is the only country in the northern sector of continental Southeast Asia that was an original member of ASEAN. Having undergone rapid economic growth, Thailand is now actively working on South-South cooperation* aimed at rectifying these economic disparities.

In order to provide positive support for these efforts, in 1994 Japan concluded a "Japan-Thailand Partnership Program" (JTPP) agreement with the Thai government. Under this agreement, in fiscal 1999 JICA implemented 14 third-country training* courses. New forms of cooperation were also started, for instance a teachers'

development program that makes it possible for university teachers from Laos to gain academic degrees at Thai universities.

JICA is also working on creating a network linking engineering universities throughout ASEAN as proposed in the "ASEAN Comprehensive Human Resources Development Programme" and the "Obuchi Plan." The aim of this project is to raise the research potential of higher educational institutions. JICA is currently working toward realization of the idea of an "ASEAN Higher Education Network of Engineering" based in Thailand.

Frontline

Technical Cooperation with Rural Development in the Border Region in the Northeast of Shan State

Myanmar

Eradicating narcotics with buckwheat

◆ A substitute crop for poppies

Most of the world's opium and heroin is said to come from poppies grown in Myanmar. Buckwheat cultivation has been reintroduced as a way to eradicate poppy cultivation.

In April 1996, a buckwheat research group from Shinshu University visited Yangon, the capital of Myanmar, for the first time with cooperation from the Buckwheat Association of Japan and the Japanese Ministry of Foreign Affairs. They visited governmental bodies such as the Ministry of Progress of Border Areas and National Races and Development Affairs and the Ministry of Agriculture and Irrigation. They gained information on the altitude, topography and climate of poppy-cultivating districts from the United Nations Drugs Control Programme (UNDCP) and studied the potential for cultivating buckwheat. One key piece of information they were given at that time was that native kinds of buckwheat introduced from neighboring Yunnan Province in China were once grown in some areas. (Buckwheat originates from an area of China stretching from Yunnan to Guizhou provinces.)

The climatic conditions of the area seemed favorable for buckwheat cultivation. Four further visits were paid to the region, and experimental cultivation was started at two government-run farms.

◆ Interest shown by minority peoples

Permission was eventually obtained to enter the district where poppies are grown, and we gained the opportunity to visit a region in the eastern part of Shan State close to the border with China. This area is home to many minority peoples, and we were able to meet the leaders of several groups. We were told that they had often been visited by missions from various countries wishing to stamp out narcotics, but little action had come of it.

We were made all too aware that, in order to go ahead with this type of project, the first priority is to gain the trust of the local community.

Dispatch of technical cooperation experts



Palaun people growing buckwheat.

◆ Exporting buckwheat to Japan

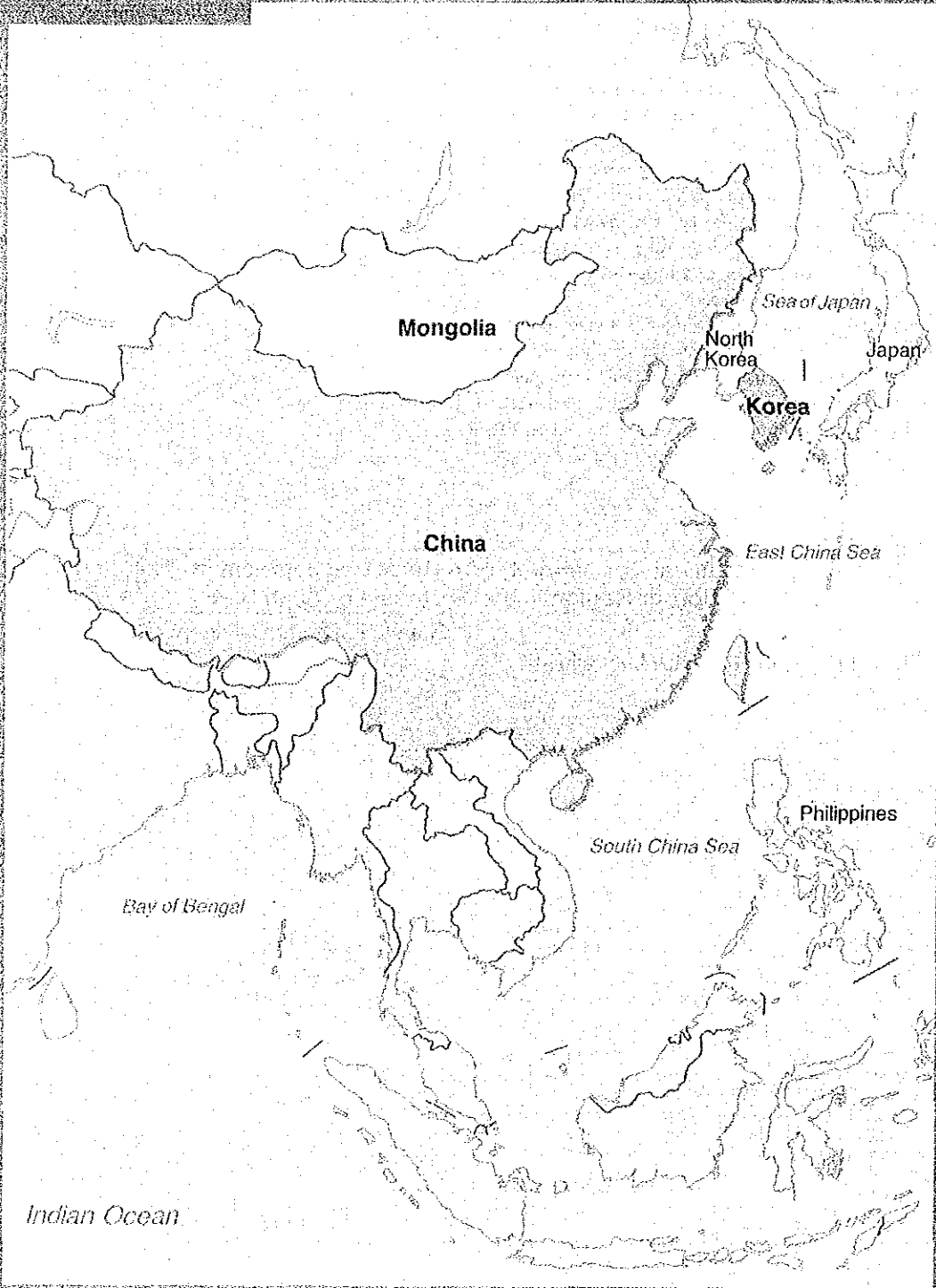
In 1997, a Japanese type of buckwheat was planted for the first time over four acres in the Kokan area, where poppy cultivation is especially common. This was increased the following year to 200 acres and then, in 1999, to 2,000 acres. The project has now advanced to the stage that 18 tons of high-quality buckwheat were exported to Japan in March 2000.

We eagerly look forward to the day when the whole of this area blooms with buckwheat flowers rather than poppies.

(JICA Myanmar Office)

Chapter 3

East Asia



Current State of Development

Three Countries Each Developing in Their Own Ways

The East Asia region has deep connections both geographically and economically with Japan. The countries in the region include China, Mongolia and South Korea, each of which is developing in its own distinctive manner.

Over the past two decades, China has been implementing a policy of reform and liberalization aimed at introducing a market economy and has succeeded thereby in achieving an astonishing degree of economic development. However, development has resulted in disparities between littoral regions and inland regions as well as in environmental problems. These negative consequences of development remain to be resolved.

Mongolia has been moving toward a market economy since 1990, and the major issues currently facing the country are stimulation of industry and management of the macro-economy in such a way as to enable stable economic development.

South Korea has achieved smooth economic development and, in consequence, was transferred from Part I to Part II of the DAC List* in January 2000, meaning that South Korea is now classed as an aid donor



Signing a cooperation agreement for creating a meteorological information database that started in January 2000 with the aim of reducing disasters caused by meteorological conditions in Mongolia.

rather than an aid recipient. Since 2000, Japan has been working with South Korea on a joint training program aimed at accepting training participants from developing countries. This program is set to become the foundation of a partnership between Japan and South Korea.

China Confronts Increasingly Serious Environmental Pollution

Since embarking on its program of reform and liberalization, China has been undergoing rapid economic development. Although economic prospects have been unclear since the start of the Asian economic crisis, measures introduced to stimulate the economy through public investment and other forms of government financing have enabled China to maintain a growth level of 7%. On the other hand, regional disparities and problems of poverty have surfaced; China is having to face various pressing problems such as falling behind in its response to social development and serious deterioration of the environment.

The Chinese government is using various policies to deal with the problem of poverty in inland areas. Although

Basic Principles of JICA Aid for East Asia

Cooperation with China is being provided primarily in the four following areas:

1. Alleviation of poverty and rectification of regional disparities: Upgrading of primary medical care with the emphasis on prevention and hygiene, upgrading of educational infrastructure, and improvements in basic living conditions in poor regions.
2. Environmental conservation: Support for the formulation of environmental policy, measures to deal with air and water pollution, forestry conservation, flood prevention, and upgrading of urban environments.
3. Rural development, food supply: Raising and dissemination of production skills, development of distribution, and industrialization of agriculture.

4. Construction of an institutionalized market economy: Various types of institutional support accompanying development of the market economy, including support for small and medium businesses and financial and social welfare.

Cooperation with Mongolia is emphasizing the following five areas:

1. Upgrading of economic infrastructure for promotion of industry: Infrastructural upgrading in the fields of distribution, energy supply and communications.
2. Intellectual support* and development of human resources for transfer to a market economy: Structural upgrading and human resources development to provide further support for the market economy system.
3. Promotion of cattle-breeding and agriculture: Cattle-breeding is being

affected by problems such as excess grazing and qualitative decline in cattle. Human resources are being developed to enable a changeover from quantity to quality by strengthening quarantine systems and improving the quality of livestock products.

4. Support for basic fields of everyday life: Support for education, medical care, and urban infrastructure* (water supply in the provinces), i.e. fields which were subject to drastic budget curtailment after the changeover in political system.
5. Management of natural resources: Appropriate management and protection after ascertaining the current state of natural resources. Prevention of natural disasters and upgrading of emergency aid structures.

some success has already been had in this respect, further measures will have to continue in the future. In addition, development is focusing on inland areas, for instance through the "Western Grand Development" project, and attempts are being made to rectify regional disparities. With the development of the market economy, three major reforms have been implemented (introduction of the market economy, administration, and finance) since 1998. The year 2000 represents the last year of these reforms, and institutional improvements to accompany these sudden social changes have become an urgent priority.

As far as food production problems are concerned, China is currently continuing to produce close on 500 million tons a year, and production thus remains in a relatively healthy state. But production structures still need to be coordinated on a regional level, and this will include the making of decisions on which crops should be grown in which areas. In addition, environmental pollution, especially in the cities, is growing increasingly serious. As well as having a serious influence on China itself, there is concern that Chinese environmental pollution in the form of acid rain is affecting neighboring countries including Japan. Moreover, as indicated by the

mammoth flooding of the Yangtze river in 1998, there is an urgent need for forest protection and afforestation in the middle and upper reaches of the river.

Mongolia: Coping with Dilapidated Machinery and Facilities

With the collapse of the Soviet Union, Mongolia changed over from a communist system to a market economy system. The economic disorder that arose as a result of this changeover was to some extent remedied by the economic stabilization policies of the Mongolian government, guidance from the International Monetary Fund (IMF), and economic aid from various countries. However, lack of funds has meant that machinery and facilities are growing increasingly dilapidated, and repair and renovation have become important tasks. The development of human resources in response to the market economy system is another urgent priority. Further problems include the widening gap between rich and poor and a decline in the standards of education and medical care.

FRONTLINE

Project for Upgrading Meteorological Observation and Forecasting Systems

Mongolia

Grant aid, dispatch of technical cooperation experts

State-of-the-art radar to clarify abnormal weather conditions

◆ A never-ending struggle against meteorological disasters

The vast expanse of land covered by Mongolia is subject to a wide variety of meteorological conditions during the year.

In spring, abrasive winds blow laden with yellow sand; heavy rainfall sometimes melts the winter snow causing floods that wash away bridges and roads. Summers are extremely hot and dry while in autumn there are frequent hailstorms. Heavy blizzards and bitter cold characterize the winter months. In Mongolia, people's lives are directly affected by the workings of nature, and climatic change can be a matter of life and death.

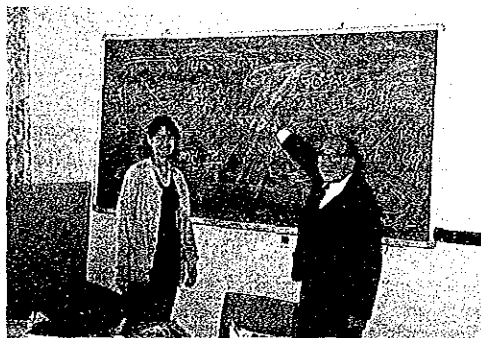
A recent example was the natural disaster known as "Zud" that occurred between 1999 and 2000. "Zud" is usually translated as "snow damage," but it includes all kinds of damage caused by extremely low temperatures. Summer droughts and inadequate winter preparations by inexperienced stock farmers are among the factors underlying the increase in this kind of damage.

The people of Mongolia live close to nature and sometimes find themselves having to struggle against its forces. An example of this is an ingenious joint program executed by the private and public sectors that is seeking to reduce the damage to crops by hail. During the wheat-growing season, farmers pool their financial resources and request the Weather Modification Center of the National Agency for Meteorology to fire anti-aircraft guns at the hail clouds that threaten their fields.

◆ New radar throws light on mysterious weather conditions

Doppler meteorological radar was installed on a mountain top overlooking Ulan Bator International Airport in December 1999 with Japanese grant aid. The new radar detected many of the brief and previously unpredictable torrential downpours that affect Mongolia.

With guidance from JICA experts, forecasters and radar meteorologists formed a team and embarked upon meteorological



Studies incorporating discussions with students.

analysis. These specialists established a number of working hypotheses which they brought to seminars held in the Department of Meteorology at the Mongolian State National University for discussion.

◆ Creating a meteorological database

Using research support funds provided for the first time in the JICA budget, a start was made in January 2000 with support for the construction of a database of meteorological information accumulated over the past sixty years.

The idea is to make it possible to retrieve meteorological records and accompanying records of meteorological disasters in an instant.

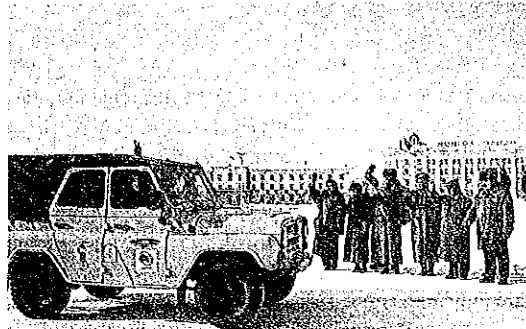
These efforts and experiments are expected to promote the scientific clarification of Mongolian weather conditions and increase predictions of the meteorological conditions that cause disasters, thereby keeping the damage caused by such disasters to a minimum.

(JICA Mongolia Office)

Tackling Priority Issues in JICA Projects

Making Use of Japan's Experience of Corporate Reform

China is continuing to undergo rapid economic development, and this is bringing a variety of problems in its wake. With 1.27 billion inhabitants, China has the largest population of any country in the world. The population is increasing at a rate of 12 million a year. The problems caused directly and indirectly by China are global issues that effect not only Asia but indeed the whole world. An urgent response is needed to the problems of poverty and regional disparities, environmental problems growing more serious by the day, problems of agricultural development and food



A jeep supplied to promote vaccination of children against disease sets off from Ulan Bator (Mongolia).

supply, and the various problems accompanying introduction of the market economy. These are the priority issues within aid for China.

Poverty and regional disparities raise the urgent need for cooperation with health and medical services for poor areas (particularly those in inland regions) and the training of personnel to provide these services, as well as infrastructural improvements in education and support for poor rural communities.

Since it is impossible to become directly involved in environmental measures for the whole of China, environmental problems have to be addressed in two ways. First, by encouraging a greater degree of self-help by the Chinese through policy dialog; secondly, by providing lateral support for the nationwide

II

Chapter 3

East Asia

Front Line

Fruit Cultivation and Pest Control

China

Dreaming of the day when ripe, red apples can be picked

◆ Acceptance of training participants in linkage with local government

Jiangsu Province in China and Ishikawa Prefecture in Japan are implementing a friendly exchange project under which trainees in the field of agricultural techniques are accepted for training in Ishikawa. This project has proved to be a major success since its inception in 1986. In order to support this exchange project, JICA's Hokuriku branch linked up with the Ishikawa prefectural government in 1999 to launch a regional training course aimed at exterminating pests and improving soil conditions - both essential for successful fruit cultivation.

◆ From worm-eaten apples to bright red apples

Fruit production in China has tended in the past to emphasize quantity rather than quality, and unlike Japan, fruit has not been grown with consideration of coloration, sugar content, and size. However, as a result of the astonishing economic growth made possible by China's policy of reform and liberalization that began in the 1980s, more and more Chinese consumers are demanding high-quality apples. Farmers in Jiangsu Province were among the first in China to introduce Fuji apples from Japan with success. However many issues still have to be faced. These include the acquisition of pruning skills, improvements in soil conditions, and measures to deal with pests. Considerable hopes are thus being held out for technical assistance from Japan. Jiangsu Province is located next to Shanghai, China's most affluent city. The stable supply of high-quality fruit (apples, pears, etc.) will make a major contribution to self-reliance among fruit farmers.

Acceptance of technical training participants



Chinese training participants studying pruning techniques

◆ Achieving even higher training standards

Three regional trainees came to Japan in fiscal 1999 to study at Ishikawa Prefecture's Comprehensive Agricultural Research Center. In addition to acceptance of three training participants, the Center is also intending to dispatch two experts to China in fiscal 2000. We hope to establish even closer links with Ishikawa Prefecture to ensure that this training becomes yet more 'fruitful'.

(JICA Hokuriku Branch)

dissemination of environmental technology and facilities through cooperation centering on the Japan-China Friendship Environmental Protection Center, and participation in the Japan-China Environmental Development Model City Program.

Response to food problems involves the continuation of cooperative activities related to strengthening the agricultural infrastructure: irrigation, drainage and agricultural mechanization. Cooperation with improvement 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 methods and upgrading farmers' organizations.

Support for the introduction of the market economy needs to involve imparting Japan's own experience of corporate reform along with systemic improvement in social welfare. This will provide a safety net for employees who lose their jobs as a consequence of corporate restructuring, as well as in housing, pensions, endowment insurance, unemployment insurance, and health insurance. Fostering and supporting small and medium businesses may provide a safety net for the poor and for workers laid off as a result of reform of state-owned enterprises. As well as imparting Japan's own experience in stimulating small and medium businesses, efforts are being made to train bankers and other workers in the financial sector.

Providing Intellectual Support for the Transition to a Market Economy

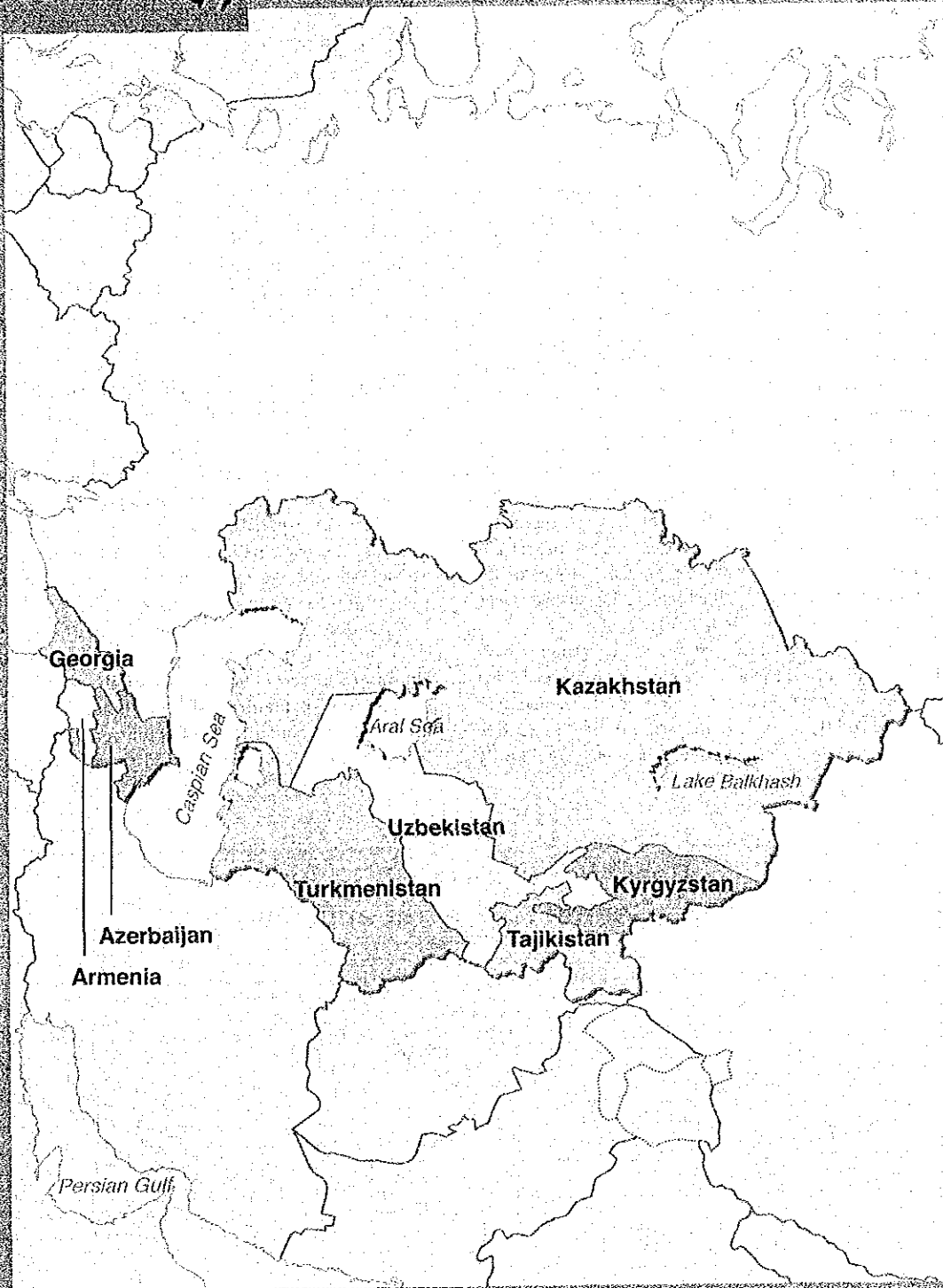
In Mongolia, 70 years of socialism has meant that intellectual support was necessary to foster the personnel required to make the transition to a market economy and implement economic, legal and administrative reforms. The vast national territory of Mongolia has until now been used mainly for grazing purposes; JICA is now providing cooperation aimed at enabling the appropriate protection and administration of land and at encouraging tourism.

Farming and cattle-breeding account for more than 30% of the Mongolian GDP. JICA is cooperating to enhance the development of agriculture as one of the nation's key industries, specifically by strengthening animal quarantine systems and encouraging the distribution and processing of livestock.

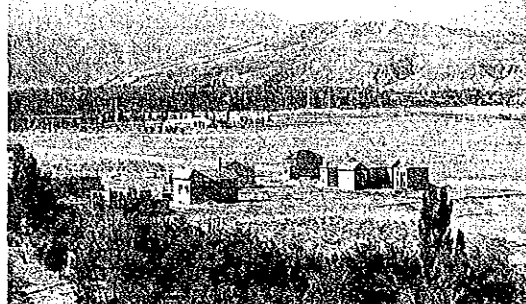
Changes in the political system have brought about a sudden deterioration in social services such as education and medical care. JICA is therefore cooperating with the rebuilding of hospitals and schools and the training of personnel. We are also going to be cooperating with improvements in the infrastructure needed for urban living and in water supply in regional cities.

Chapter 4

Central Asia and Caucasia



Current State of Development



The outskirts of Bishkek, capital of Kyrgyzstan.

A Strategic Point on the Silk Road Linking East and West

Central Asia consists of the five nations of Uzbekistan, Kazakhstan, Kyrgyzstan, Turkmenistan, and Tajikistan, while Caucasia comprises the three nations of Azerbaijan, Armenia, and Georgia. These two areas are located in the center of the Eurasian continent; they cover an area of 4.2 million square kilometers and have a combined population of around 70 million. This is a strategic location on the Silk Road that has historically linked east and west. The northern part of the area has witnessed constant territorial conflicts between the nomadic peoples who live there. From the 1920s onward, the countries in this region formed part of the Soviet Union, but they gained their independence when the Soviet Union disintegrated in 1991.

People of many different ethnic backgrounds have lived in this area since ancient times. Russians and other peoples settled the area in early modern times, and each country today has a complex ethnic mix. The five nations of Central Asia and Azerbaijan have a relatively

strong Islamic influence, Uzbekistan and Tajikistan have been increasingly reverting to Islam since achieving independence. In contrast, Armenia and Georgia are dominated by the Christianity of the Armenian and Georgian orthodox churches, and both countries have their own languages and cultures.

Toward True Self-Sufficiency

All the nations of Central Asia and the Caucasus must tackle the dismantling of the system imposed by the Soviet Union, and the establishing of the political and economic systems they require as independent nations. The basic indices relating to education, health care and social services are generally high in comparison with other developing countries. However, since independence, the inefficiencies of the planned economic system that was applied during the Soviet Union era have become increasingly obvious. The dilapidation of facilities and machinery, inadequate maintenance control, insufficient energy, and the breakdown of systems have led to social and economic

Basic Principles of JICA Aid for Central Asia and Caucasia

The countries of Central Asia and Caucasia are confronting major problems on their paths to nation-building. Under communism, dependency on the Soviet Union and strong central government were fostered, and a clear division of labor existed between the individual countries. This means that much of the societal and industrial infrastructures required by independent nations are lacking. Consequently, there is a need for many reforms, including the total shedding of the former system, the establishment of democratic institutions, and the adoption of the market economy. At present, there is a shortage of people sufficiently qualified to push these reforms through.

To support nation-building and stable

development in the countries of Central Asia and Caucasia, JICA is providing cooperation with the emphasis on advice on policies aimed at introducing the market economy, human resources development, and upgrading of basic infrastructure*.

Since independence, various problems have arisen that were scarcely given a second thought while the Soviet Union was still in existence. Environmental problems are particularly serious. One typical example is the ongoing salt damage and shrinkage of the Aral Sea. Too much water has been drained in a wholly unplanned and uncoordinated manner from the rivers that flow into the Aral Sea, rivers that have become international since the collapse of the Soviet Union. This is a characteristic

example of a problem caused by the large-scale and inefficient systems in operation during the days of the Soviet Union. Such problems are becoming increasingly complex. In order to tackle environmental problems in this region, JICA has dispatched policy advisers and is cooperating with specific topics such as preservation of biological diversity*.

Various problems are arising on account of the rapid changes that have been occurring within society, but JICA is placing particular importance on efforts in the health and medical areas closely linked to civic life. Cooperation will continue to be provided to upgrade infrastructure from the Soviet era, which is becoming increasingly inefficient and ineffective.

chaos. A priority for these countries is therefore to establish systems and structures appropriate for their status as truly independent nations.

Although the economic bases of each of these countries differ, each country is continuing with efforts aimed at moving from a planned economy to a market economy. Considerable results have been achieved recently on the macroeconomic front, but as of the end of 1998 the GNPs of almost all of the countries had shrunk to less than half the figures applicable at the time of independence, and very difficult economic circumstances thus continue to apply. Nation-building must take place in parallel with economic reconstruction if economic standards and the living standards of the people are to be raised.

Diversifying Political and Economic Conditions

More than nine years have now passed since these nations gained their independence, and political and economic conditions in each country are becoming increasingly varied.

As regards economic reform, Kazakhstan, Kyrgyzstan, Tajikistan and the three Caucasian countries

are moving firmly in the direction of price liberalization, privatization, deregulation, trade liberalization and other types of structural reform in line with the prescriptions of the World Bank and the International Monetary Fund (IMF). On the other hand, Uzbekistan and Turkmenistan are distancing themselves from the structural adjustment* programs of the World Bank and the IMF, and are gradually following their own distinctive paths. Tajikistan has at last begun to embark upon economic reform now that the domestic conflict that followed in the wake of independence has largely subsided.

Farming is the main industry in this region. Central Asia generally has a dry climate, while Caucasia falls within the Mediterranean climatic zone; farming occurs in line with the climatic and natural conditions of the individual areas. The region as a whole has a plentiful supply of mineral resources including petroleum, natural gas, and rare metals, and there are several countries where primary manufacturing industries are well developed. Azerbaijan, Kazakhstan, Turkmenistan, and Uzbekistan are rich in resources and have a strong interest in developing their respective resources and in establishing export routes. As a nation without its own resources, Georgia is attempting to establish a role for itself as a conveyance route for energy.

Front Line

Engineering Technology for Improving Living Environments in Snowbound Areas

Uzbekistan/
Kazakhstan

Engineering technology for improving living environments in snowbound areas

◆ Acceptance of training participants from two Central Asian countries

An example of "regional proposal type" training (whereby knowledge and skills accumulated within the natural and historical conditions of individual regions are presented) is being carried out in Hokkaido and elsewhere.

This particular training was first implemented in 1999, making use of the skills and experience of the city of Kitami in Hokkaido, where winter temperatures can drop to minus 30 degrees Celsius. Training participants took part from Uzbekistan and Kazakhstan, both Central Asian countries that also experience bitterly cold winters.

This was the first time that Kitami had played host to JICA training participants. Representatives of the local industrial, academic and governmental sectors formed the Kitami International Council for the Promotion of Technical Cooperation. The Council had frequent discussions with local organizations and carried out planning for the course. Theoretical and practical skills relating to the upgrading of social infrastructure were introduced at the Kitami Town Hall and Kitami Industrial University. Water supply and drainage, road improvements, waste processing, and concrete engineering in cold weather extremes were among the topics discussed.

◆ Getting to know the local people

Despite the differences between the social structures of Japan and Central Asia, the participants tried to gain as many practical and theoretical ideas as possible for application in their own countries

Acceptance of training participants



Training participants studying measures to combat the cold at Kitami City in Hokkaido.

from varied discussions. After a month of intensive training, the participants expressed their gratitude for this opportunity.

The two training participants also took part in an introductory Russian-language course open to the general public, where they enjoyed introducing their countries and talking with local people. This proved to be an unexpected and invaluable experience both for the training participants and for the people of Kitami.

(JICA Hokkaido International Center, Obihiro)

The Russian financial crisis of 1998 had a severe effect on all the countries in this region. The major decline in exports to Russia, the decrease in remittances sent home by workers who had gone to Russia for work, and the withdrawal of foreign investment served to blunt economic growth and had a negative effect on efforts in the direction of reform. The repercussions were particularly serious in Kyrgyzstan and Georgia.

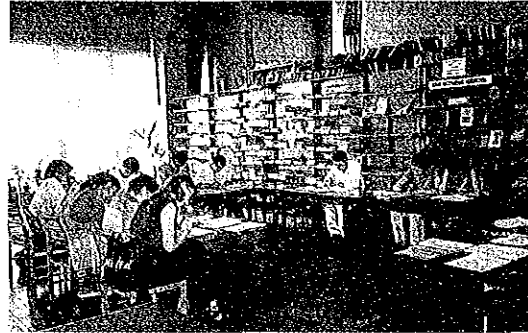
In March 1996, Kazakhstan and Kyrgyzstan concluded a compact with Belarus to strengthen union between the three nations, and they have showed sympathy with the idea of strengthening the Commonwealth of Independent States (CIS) centering on Russia. Uzbekistan and Turkmenistan are tending, however, to go it alone. In Caucasia, Azerbaijan and Georgia are strengthening their links with the West particularly in connection with petroleum development, whereas Armenia is allying itself with Russia in security matters.

Tackling Priority Issues in JICA Projects

Supporting Self-Sufficiency among the Newly Independent States

In July 1997, Prime Minister Hashimoto announced Japan's policy of promoting diplomatic relations with Central Asia and Caucasia (the "Silk Road" region). JICA is providing cooperation in four main areas with the aim of supporting self-sufficient development in this region, namely 1) support for introduction of the market economy; 2) infrastructural development centering on transportation and communications; 3) cooperation with social sectors such as medical care and education; and 4) conservation of the environment.

Support for introduction of the market economy has been taking the form of advice on macroeconomic and long-term development planning policy, master plans on specific topics such as promotion of small and medium enterprises, and intensive technical guidance. In the



The Japan Center in Kryrgyzstan has a plentiful collection of materials.

field of transportation and communications infrastructure, JICA has cooperated with the upgrading of railways, roads, and airports. JICA has also provided support for policies relating to the environment and health and medical care systems. Other areas of cooperation include basic industries such as agriculture and mining.

We are also working on human resources development to support democratization in Tajikistan, which remains unstable due to the civil conflict there. In 1999, JICA set up its first office in Central Asia (in Tashkent, the capital of Uzbekistan) as a base for the provision of cooperation in this region. The JICA office in the United Kingdom will co-ordinate cooperation with the Caucasian countries.

The Key to Cooperation

The main issue facing the countries of Central Asia is the transfer to a market economy. To assist with this process and as an example of Japan's aim of "aid with a clearly visible profile," Japan Human Development Centers (generally known as "Japan Centers") have been set up in Uzbekistan and Kazakhstan. Their purpose is to create a core of highly trained personnel with the capacity to underpin the economy. They also offer programs for Japanese-language teaching and education aimed at increasing local awareness of Japan.

An example of JICA's contribution to medical care is the support being provided for regional care in the northeast of Kazakhstan in the Semipalatinsk district, where the former Soviet Union conducted some 470 nuclear tests. Consequently, there is considerable concern over the long-term effects these tests have had on the environment and the health of the local people. JICA has been setting up a system to

examine people for radiation exposure and has been cooperating with efforts to raise the standards of medical care in the district.

As part of a new nation-building project, the capital of Kazakhstan has been moved from Almaty to Astana. JICA is cooperating with the drawing up of a master plan for the development of the new capital.

Further Efforts to Bolster Security

The ethnic and religious makeup of this region is complex. Since the collapse of the Soviet Union, unstable political conditions have seen internal tensions take the form of terrorist activities, civil war, and conflict. Several fatal incidents involving Japanese aid personnel have occurred in this region: the shooting in 1998 of United Nations personnel including Yutaka Akino, (a Japanese official who was in Tajikistan as a member of a United Nations inspection team), and the abduction in 1999 of a Japanese engineer in Kyrgyzstan. In order to proceed with cooperation in this region, further consideration must be paid to the state of public order and to security measures.

II

Chapter 4

Central Asia and Caucasus

Frontline

Seminar on Democratization Tajikistan

Acceptance of technical training participants

Aiming at stable nation-building after civil war

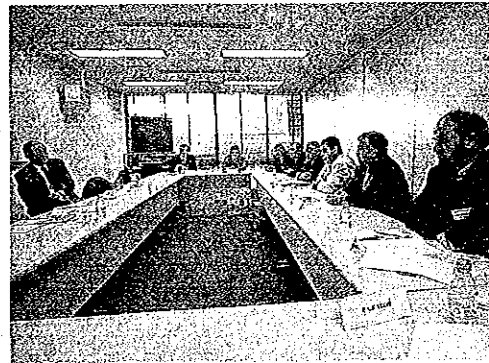
◆ Increasingly serious confrontation with anti-government forces

Tajikistan was the poorest of all the countries that made up the Soviet Union. Under the previous regime, lack of development in the mountainous central area of the country and the gradual infiltration of Islamic forces resulted in the formation of a latent anti-government force. A regime with roots in the former Communist Party became established after independence, but this regime soon found itself at loggerheads with opposition groups, resulting in the outbreak of civil war in 1992. Mediation provided by the United Nations resulted in a peace agreement in 1997, and ceasefire supervisory activities were begun by the United Nations Tajikistan Supervisory Mission and a peacekeeping force provided jointly by the CIS countries. However, unstable conditions have remained in evidence ever since, with incidents occurring such as the murder of UN supervisory personnel (including Japanese government official Yutaka Akino) in 1998.

◆ Active cooperation with human resources development

The peace process is continuing today, and Japan is providing various forms of support in the belief that peacebuilding and the establishment of a stable government in Tajikistan are of utmost importance.

JICA is focusing on support for democratization and cooperation with human resources development for nation-building. As a form of lateral support for the peace process currently being encouraged by the United Nations, JICA is inviting members of both pro- and anti-government factions to Japan to take part in seminars on democratization. By introducing Japan's experience in the creation of a modern state as a result of the Meiji Restoration as well as Japan's modern democratic system, JICA aims to provide



Applying Japanese experience to nation-building in Tajikistan.

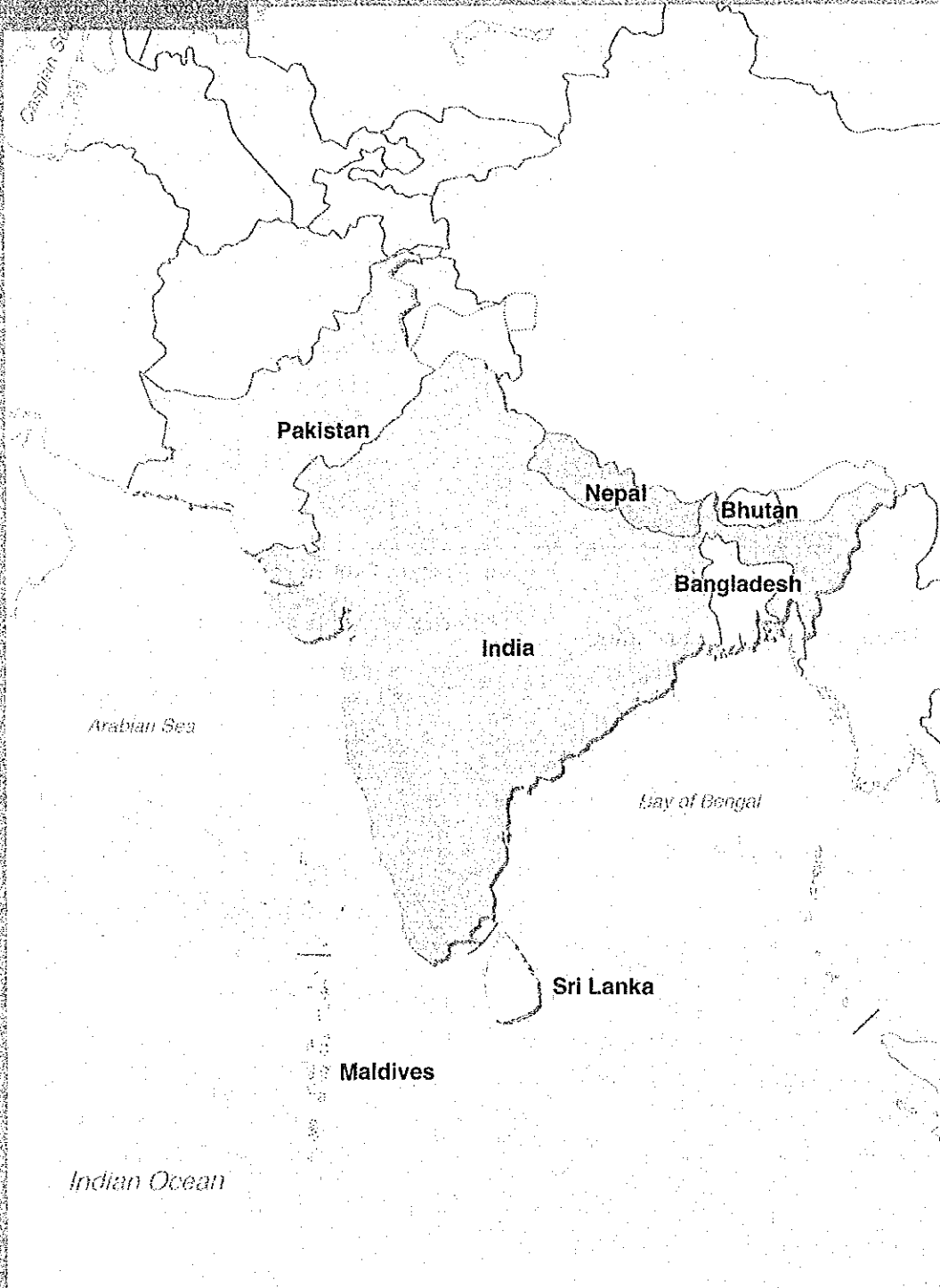
support for the establishment of democratic institutions and for economic rebuilding in Tajikistan. Two seminars have so far been held in March 1999 and March 2000.

To assist the processes of recovery and nation-building, JICA has also been actively training people to engage in the development of social infrastructure and industry. Owing to the still unstable public order situation in Tajikistan, cooperation is taking the form of training in Japan. Over a period of five years from 1999, aims is to provide training and enable participation in the previously mentioned democratization seminars for around 500 people from Tajikistan.

(JICA Regional Department II)

Chapter 5

Southwest Asia



Current State of Development



Regional development through paper-making with community participation (Pakistan).

A Region Containing 50% of the World's Poor

The Southwest Asian region consists of seven nations: Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka. It has a population of approximately 1.3 billion, or one-fifth of the global population. With the exceptions 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 political and social instability in the region.

With the exception of the Maldives, where the main industries are tourism and fishing, the principal industry in the countries of Southwest Asia is agriculture, which is susceptible to the influence of climatic conditions. The trade structure thus 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 affected by fluctuations in the international prices of primary products, and this situation has resulted in most of the 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 a path toward 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 are now growing due to the development of light industry, especially textiles. Nevertheless, Southwest Asia remains the poorest region of the world with per capita GNP's in the region amounting to only US\$160 to US\$900. The region also has the greatest development needs, as it includes four LLDCs* (Bangladesh, Bhutan, the Maldives and Nepal).

The South Asia Association for Regional Cooperation (SAARC)* began 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 active

Basic Principles of JICA Aid for East and Southwest Asia

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 serious economic and social problems, and each therefore has a strong need for aid.

These countries have traditionally maintained friendly relations with Japan. JICA is providing this region with enthusiastic assistance over a wide range of fields that include the upgrading of economic and social infrastructure. As well as providing cooperation on global issues* such as

HIV/AIDS, JICA is also cooperating with WID* as Southwest Asia has among the highest rates in the world for maternal mortality in pregnancy and childbirth, in addition to a literacy imbalance between men and women.

dialog between the member nations that 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 Mahakali river, and in December of 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

Exploring Possibilities for Cooperation over a Wide Field

Bangladesh is one of the most impoverished countries in Southwest Asia and is affected almost yearly by floods and other natural disasters. An annual consultative study mission on technical cooperation 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



A group of school administrators from Nepal takes part in an international cooperation festival in Nagano Prefecture.



A JICA expert providing instruction in analysis using newly introduced equipment as part of the Project for Prevention of Emerging Diarrheal Diseases, India.

provision of training for practitioners of maternal and child health care in connection with emergency obstetrical care for expectant and nursing mothers. Also, human resources development is being implemented in the field of reproductive health* as part of a project-type technical cooperation project aimed at improving health care and medical services for mothers. In addition, studies have been carried out on the basis of expert dispatch with regard to cooperation on measures for dealing with arsenic pollution (present throughout Bangladesh), strengthening linkages between local communities and local government, and elementary education. At the same time, practical technical guidance aimed at improving electric power supply has been provided on the basis of linkage with JBIC (Japan Bank for International Cooperation).

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 improvement in economic infrastructure, eradication of poverty, and conservation of the environment. Fiscal 1998 saw implementation of the "Project for Prevention of Emerging Diarrheal Diseases" and a development study entitled "Feasibility Study on the Construction of Expressways in the National Capital Region in India" aimed specifically at rectifying the concentration of population and industries in Delhi.

Both India and Pakistan conducted underground nuclear tests in May 1998. 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.

Focus on Infrastructure Upgrading and Environmental Conservation

An annual consultative survey mission on technical cooperation was sent to Nepal in September 1997. It confirmed that the focus of cooperation with Nepal needed to be 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 basic medical care. A



Practical training in local traditional industries as part of a maternal and child health care project (Pakistan).

start was made in fiscal 1999 with a "Mini-Project for the Promotion of Sericulture." Based on the Nepalese government's long-term sericulture development project, it aims to improve techniques for the production and systematic conservation of silkworms, farmers' sericulture management skills, and the capacity to disseminate these techniques and skills.

Nepal has seen an increase in recent years in activity by Maoist communist guerrillas. Security has deteriorated, especially in the mountainous districts of the country, and care is needed when providing cooperation.

From Line

Project for Modernization of Tribhuvan International Airport in Kathmandu

Nepal

Making Nepal's skies safe

◆ A succession of tragic accidents

..... Since 1992, Japanese technical cooperation and grant aid have contributed enormously to ensuring the safety of Nepalese skies.

In the summer of 1992, there were two major passenger aircraft accidents involving landing failures at Tribhuvan International Airport (TIA) in the Nepalese capital of Kathmandu. Altogether 283 people, including 22 Japanese, lost their lives in these accidents.

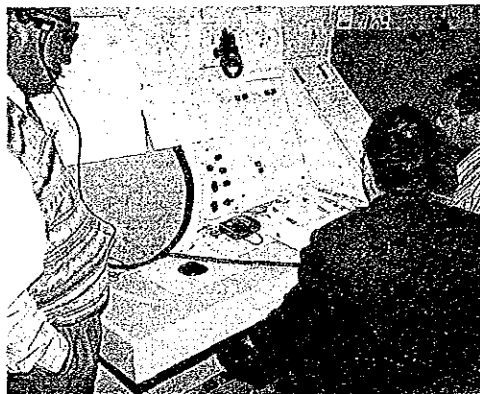
Air traffic control at TIA at the time involved no more than radio communications and sighting with the naked eye. This meant that if a pilot mistook his route or position due to poor weather, there was no way of discovering this until it was too late.

On the request of the Nepalese government, the Japanese government began a project formulation study* in November 1992 in order to improve this situation. Cooperation was then provided in various forms through a combination of development studies, grant aid, dispatch of technical experts, and acceptance of training participants.

◆ Installation of new radar

..... New radar equipment came into use at TIA in September 1998 on the basis of this cooperation, resulting in substantial improvements in air safety. However, a new problem arose after the radar had been installed. The existing equipment, which had been inadequately maintained in the past, proved to be even more dilapidated than had previously been thought and broke down frequently. Particularly serious were the problems that arose in the heart of the communications equipment linking the airport with aircraft. Although the control tower was now able to confirm the position of an aircraft by means of radar, the information could not be conveyed to the pilot. Fortunately, JICA experts soon solved this particular problem.

Grant aid, dispatch of technical experts



Safety has increased greatly with the installation of radar.

JICA has continued to provide cooperation in this connection. Follow-up activities currently under way include the regulation and inspection of equipment by JICA experts and consultants as well as training of airport staff.

The project is bearing great results and we hope to see the Nepalese take full control of this system very soon.

(JICA Nepal Office)

Expansion of Technical Cooperation to the Social Sector

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 fiscal 1995 to analyze development needs and to 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 fiscal 1996 with the "Maternal 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 in the social sector is expected to expand in the future.

Regional Development Contributing to the Dissolution of Religious and Ethnic Conflict

In Sri Lanka, technical cooperation can be provided with comparative ease owing to its 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. Examples of this include two projects begun in fiscal 1999 that take the form of development studies combined with loan aid; namely the "Detailed Design Study on the Project for Reduction of Non-Revenue Water in the Greater Colombo Area in the Democratic Socialist Republic of Sri Lanka" and the "Detailed Design Study on the Bandaranaike International Airport Development Project in Sri Lanka."

Economic disparities between different parts of the country have contributed to the aggravation of religious and ethnic antagonisms. These are serving as major barriers to development in Sri Lanka and have an impact on providing cooperation.

Front Line

Quality Improvement of Textile and Clothing Products Sri Lanka

Taking on the challenge of the textile industry: From protection to competition

◆ High hopes held out for the textile industry

Textile products account for almost 50% of the total value of Sri Lanka's exports. The textile industry has been protected and developed by the Multinational Fiber Agreement (MFA), but this agreement will lose effect in 2004 and the industry will have to fend for itself in the choppy seas of free trade from 2005.

The main challenge facing this project aimed at improving the quality of textile and clothing products is to enable Sri Lanka's textile industry to survive in an era of free competition and to protect the livelihoods of the 300,000 people employed in this industry.

This technical cooperation project was begun in April 1996 and is due to end in March 2001. As well as training the people required by the textile industry in Sri Lanka, instruction is being provided aimed at enhancing productivity and quality. The principal centers for this cooperation are the Textile Training and Service Centre and the Clothing Industry Training Institute, both of which were set up with cooperation from international organizations before Japan began to provide support.

◆ Activities of the Centre directors

The enormous contributions made by the two successive directors of the Textile Training and Service Centre to the development of the textile manufacturing industry in Sri Lanka should not be overlooked. Their activities included weeding in the centre's grounds, collecting refuse, improving the facilities, reforming systems, meeting politicians and company directors, finding customers, being the first to achieve ISO (International Standards Organization) 9002 recognition, organizing fashion shows in line with the aspirations of the trainees,

Project-type technical cooperation

Innovatory activities include the holding of fashion shows.

and a whole range of other activities carried out with cooperation from Japanese experts.

Prior to the lapse of the Multinational Fiber Agreement, the India-Sri Lanka Free Trade Agreement came

into effect on March 1, 2000. Japanese experts and staff from the Centre are currently investigating what influence this Agreement is likely to have on the textile industry and what measures need to be taken in response to the forthcoming liberalization of trade.

Under these conditions, the textile manufacturing industry needs to raise productivity, improve manufacturing processes, open up new markets and make improvements and reforms in management, customer services, and design.

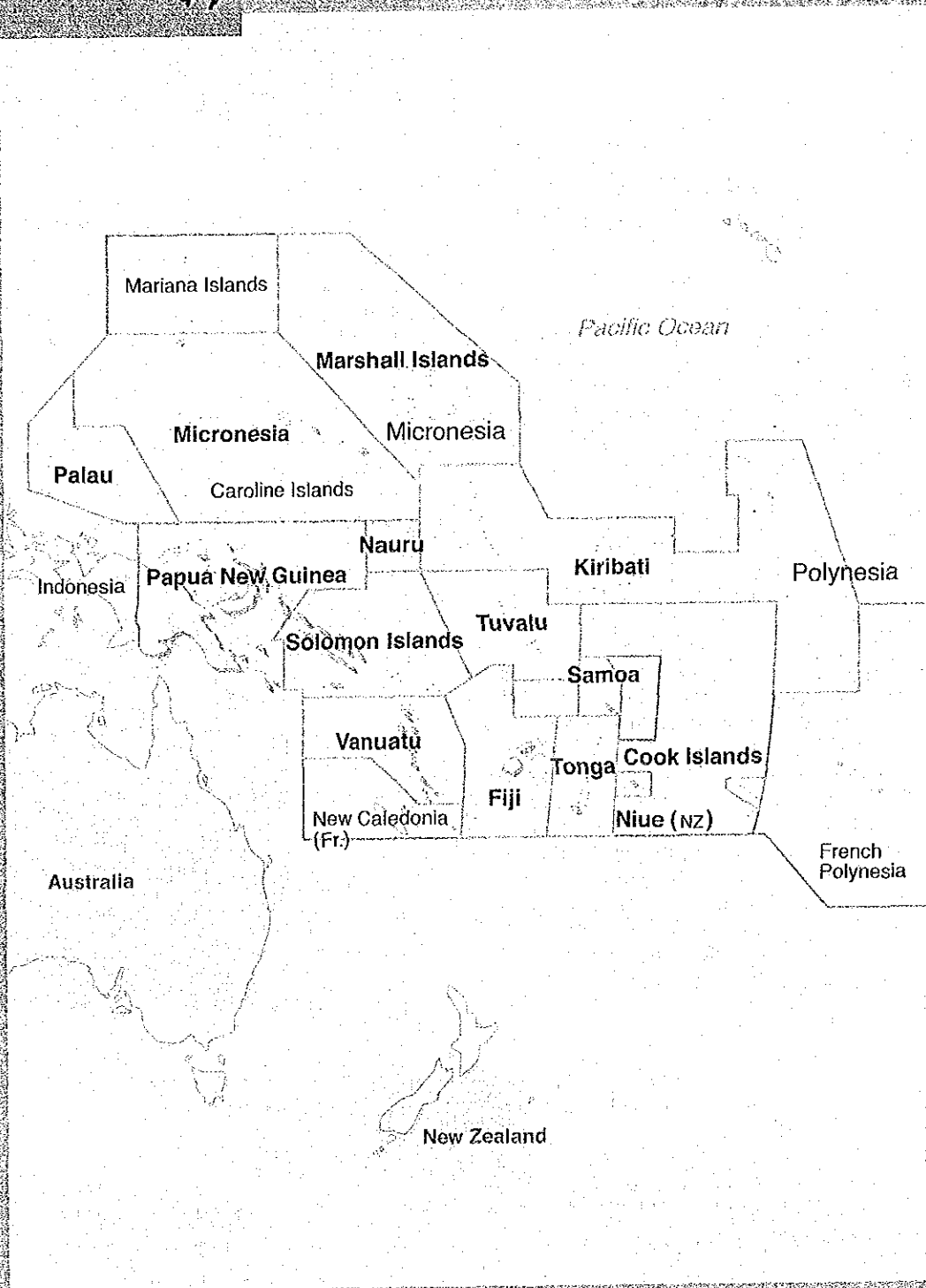
Everyone involved in this project hopes that Japan will be expanding its cooperation in these fields.

(JICA Sri Lanka Office)



Chapter 6

Oceania



Current State of Development



Highland cultivation development plan (Papua New Guinea)

An Assembly of Small Countries

The individual island nations of the Oceania region have small national territories, populations and economies. The main feature of their economic structure is a strong dependency on primary industries. This structure is a fragile one easily upset by weather conditions and fluctuations in international prices. Many problems remained to be tackled if these countries are to achieve any degree of economic autonomy. These problems are related to the fact that the countries themselves often consist of large numbers of islands, the small size of their domestic markets, and the inadequacies of transportation and communication links to compensate for these disadvantages.

Relations with former sovereign powers are generally close, but the sluggishness of the Australian economy has meant that Australian aid, which provides cooperation especially for Papua New Guinea, has tended to decrease. Since the early 1990s, growth in bilateral aid* and multilateral aid* to developing countries in Oceania has also remained stagnant. Following achievement of independence from the United States, the three nations of Micronesia (Federated States of Micronesia, Marshall Islands, and Palau) have been receiving financial aid in the form of "compact money" based on the Compact of Free Association with the United States, which accounts for between 50 and 70 percent of government revenue. The termination of this agreement, and with it the cessation of aid, is scheduled for 2001 for the Federated States of Micronesia and the Marshall Islands, and for 2009 for Palau.

The Need for a Comprehensive Approach

Establishing economies no longer reliant on aid is an important issue for the island nations of Oceania. Efforts are thus being made to increase cooperation within the region so that all the countries can respond to common issues such as reducing the size of their public sectors and stepping up private investment in order to stimulate their main industries of farming, fishing and tourism.

There are many issues that affect the region as a whole: environmental problems, including climatic change and rising sea levels, and the development of inter-island transportation and communication. It is therefore essential to adopt a comprehensive approach to the region.



A Senior Overseas Volunteer active at an occupational training center in Samoa.

Basic principles of JICA aid for Oceania

The 2nd Japan-South Pacific Forum Summit was held in Miyazaki City, Japan, in April 2000. Various matters were discussed by the leaders who attended this conference, including sustainable development* of island nations,

environmental problems such as climatic change, rising sea levels, and the so-called "digital divide." Agreement was reached on the establishment of comprehensive partnerships and cooperation, as well as the basic directions for priority fields.

These are all issues that need to be tackled in the medium term within bilateral and multilateral cooperative frameworks. JICA will be planning and implementing activities in line with the results of this summit conference.

Tackling Priority Issues in JICA Projects

Two Priority Issues

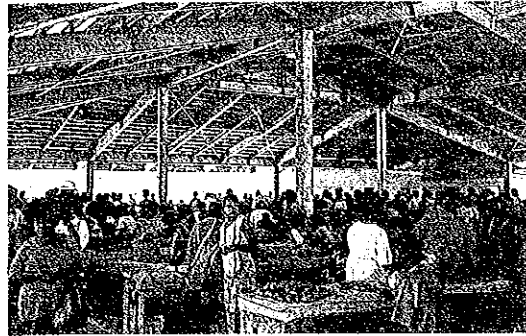
Every country in Oceania differs in respect of its geographical and economic size, ethnic composition, population, availability of natural resources, traditional social foundations, way of life, and the capacity of the government to formulate and administer development plans. Finely tailored aid in line with specific development needs is therefore required.

However, since all these countries gained their independence only relatively recently, they do clearly share some points in common: the need for human resources development, the development and promotion of the agricultural and fishing industries upon which their economies depend, and support for fields relating to basic everyday needs. In line with the research report and proposals of the Oceania Region Support Study Group released in 1991, it is important to provide support that enables these countries to overcome the limiting factors that distinguish insular nations, such as their isolation, their small size, and their fragility.

There are two priority issues that affect virtually all the countries in this region, the first being support for economic self-reliance, and the second being environmental conservation and the appropriate management of resources for sustainable development. When actually providing aid, efforts are needed to formulate effective cooperation projects that will bring benefits to the region as a whole. At the same time, it is essential to work closely together with other donors* possessing knowledge of island nations and international organizations active in the region.

Support for Economic Autonomy

As regards support for economic autonomy, personnel training for nation-building must be combined effectively with upgrading of infrastructure for the development of basic industries.



The central market in Honiara, capital of the Solomon Islands, built with grant aid.

Cooperation with personnel training is being regularly provided through the dispatch of JOCVs and the acceptance of training participants with a view to creating a body of qualified people to work in economic management and other leading industrial fields. Grant aid is also going toward improvement and expansion at the University of the South Pacific in Fiji, the Papua New Guinea University of Technology, and the National University of Samoa.

From the standpoint of improving the bases for key industrial development, infrastructure* upgrading is occurring in the fields of communications and broadcasting, transportation, and electric power so as to reflect the needs of island nations. Cooperation is also occurring with the emphasis on fishing, marine transportation, and resources development in connection with fish breeding, promotion of the small-scale fishing industry, compilation of marine charts, shipping inspections, and exploration of seabed mineral resources.

Support for Environmental Conservation and Use of Resources

In terms of environmental conservation and appropriate management of resources to enable sustainable development, cooperation is aimed directly at environmental conservation since the decay of seashore ecosystems, the indiscriminate catching of certain types of fish, and the felling of tropical forest and mangroves in certain parts of this region are now well advanced. One example of such cooperation is the provision of methods for conserving coral reef. Cooperation aims also to enable the use of sustainable resources in harmony with natural ecosystems, for example through project-type technical cooperation on forestry research in Papua New Guinea. The research and development of fish propagation and breeding methods in Tonga that came to an end in fiscal 1998 saw the Tonga researchers make enormous technical progress as the project moved forward; third-country

training* aimed at spreading the skills acquired by the researchers to other countries in the region has been under way since fiscal 1999.

Further Results through Cooperation and Linkage with Other Organizations

An example of cooperation that has benefited the region as a whole is a grant aid project being implemented for the University of the South Pacific—the base for higher education in Oceania — involving the provision of facilities for remote education making use of marine research facilities and satellites. Another example of such cooperation conducted through international organizations active in the region is grant aid scheduled for the educational and training center of the South Pacific Regional Environment Programme (SPREP) headquarters.

In addition to cooperation with SPREP, other examples of cooperation and linkage with aid bodies and international regional organizations include the dissemination of knowledge on health care in Fiji, subterranean structural analysis of the Rabaul volcano

aimed at reducing damage caused by volcanic eruptions in Papua New Guinea, plans to increase preventative vaccinations, and maternal and child health care. As part of the Japan-U.S. Common Agenda*, JICA is also involved in a project to construct a coral reef center on Palau.



Research and development plan for fish breeding in Tonga.

From Line

Improvement Works on Main Roads **Micronesia**

JOCV dispatch

JOCVs working on road improvements

◆ Banana trees by the roadside

Owing to the relative infrequency of air traffic to and from Micronesia, only a few flights take off and arrive every day at Kosrae International Airport. Work on improving the main road leading from the airport to Tofol at the center of the island is one of the current tasks on which JOCVs attached to the Department of Public Works of the Kosrae state government are engaged.

The JOCVs are improving the drainage ditches at the side of the road as a private subcontractor has already begun work on repaving the road. Since Kosrae is located just below the Equator, the unlined ditches soon fill up with weeds and overflow, making it necessary on occasions to mobilize large numbers of people to cut back the vegetation.

However, as well as weeds, the ditches also contain banana trees, bread trees and coconut trees that bear large quantities of fruit. The state government is not authorized to cut them down without permission from the landowners who must then be compensated before the trees can be disposed of.

◆ Refreshments to relieve fatigue

JOCVs are involved in surveying the trees together with employees of the Department of Public Works. Under the scorching sun, they have to count each individual banana tree and record it on a map. It is a simple but tedious operation. Sometimes the JOCVs strike it lucky, as people living in houses by the side of the road are kind enough to offer them cold drinks or fruit for refreshment. It's occasions like this that make the JOCVs aware of the warm-heartedness of the islanders and enable them to get back to work with fresh enthusiasm.



A counterpart engaged in surveying.

All the roads in the state of Kosrae present problems. Constant potholes slow traffic to around 30 km per hour, and they often cause considerable damage to road vehicles. On a fine day dust rises up from the road surface, and on rainy days cars splash rainwater on both sides of the road.

Road maintenance is thus one of the most urgent issues facing the state. Improvements are gradually being made, however, at the slow pace that characterizes life in these southern islands.

(JICA/JOCV Micronesia Office)