

IT Cooperation

Information Technology Advancements and Developing Countries

Information technology (IT) has progressed rapidly in recent years, and is expected to bring about major changes in lifestyles and socioeconomic systems on a global scale.

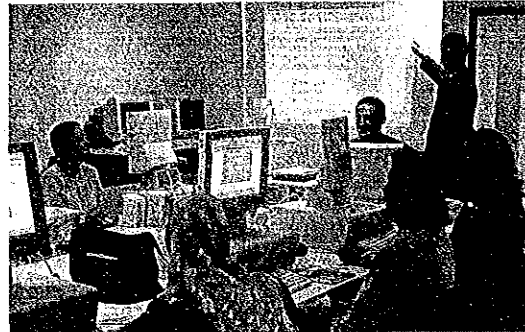
The effective use of IT has the potential to increase productivity, create jobs and enable economic growth by stimulating competition, and to make these outcomes sustainable. It is hoped that not only developed countries but also developing countries will receive significant benefits from IT, in such fields as poverty alleviation, health care and hygiene, and education.

The use of IT and the upgrading of IT-related infrastructure*, however, have been rapidly promoted primarily by developed countries, and there is a concern that the gap between developed and developing countries in technology information and expertise (the so-called "digital divide") may widen in future. Less developed educational systems and basic socioeconomic infrastructure such as electricity supply and telecommunications in developing countries make the use and spread of IT difficult, which enlarges economic disparity even further.

Efforts to Resolve the Issues

The G8 Kyushu-Okinawa Summit and Efforts by the Government of Japan

Against the aforementioned background, an international symposium entitled "IT and Development Cooperation" and the G8 Kyushu-Okinawa Summit in July 2000 took up such issues as the role of IT in



Lecture by an expert on LAN and WAN installation (Jordan "Information Technology Upgrading Project").

developing countries, solutions to the digital divide and the importance of human resources development. The Summit, in addition, adopted the "Okinawa Charter on Global Information Society," which called for continued studies by the G8 Digital Opportunity Taskforce (DOT Force) on IT-related policies and regulations, improvements to communication network environments and human resources development.

The Government of Japan, in order to support and facilitate the use and spread of IT in developing countries, launched the "Comprehensive Cooperation Package to Address the International Digital Divide" (hereinafter referred to as the Comprehensive Cooperation Package) that provided guiding principles for Japan's cooperation in the IT field. Through this, Japan pledged non-ODA and ODA public funding amounting to about US\$15 billion over five years in the following four forms:

- (1) Contributing to policy-making and institution-building
This involves the extension of cooperation in line with the needs of developing countries in such fields as policy planning and legislation for IT promotion and electronic crime prevention, aimed at spreading the recognition that "IT presents great opportunities."
- (2) Human development (training, human resources development)

The introduction of IT requires the training of IT-related engineers as well as policy planners that will formulate policies necessary for IT promotion and development plans incorporating IT: Japan, focusing on Technical Cooperation that takes account of needs on both sides, will extend cooperation in the area of human resources development involving more than 10,000 people over the coming five years

through training programs and other measures.

(3) Building IT infrastructure and providing assistance for networking

In order to create an environment where developing countries actively increase the use of IT, Japan will support the construction of IT infrastructure in developing countries through cooperation in closely related fields. Japan will also contribute to the building of networks connecting regions of a developing country.

(4) Promoting the utilization of IT in development assistance

Japan will promote the utilization of IT in its development assistance, in such fields as distance training, distance education and distance medical care. One example of such attempts is the use of Japanese human resources development centers in developing countries as centers for IT utilization.

In order to fulfill these pledges and its role as the host of the Summit, the Government of Japan needs to vigorously formulate and implement IT-related cooperation projects. It has thus dispatched policy dialogue missions to countries in Asia and Africa to discuss the content of cooperation with the governments of developing countries.

Although the Comprehensive Cooperation Package mentioned above states that cooperation will be implemented within the existing budget by giving priority to projects related to IT, budgets for new projects such as J-Net (IT human resources development centers in

developing countries), IT grants and the IT Fund's contribution to the United Nations Development Programme (UNDP) have been allocated based on the results of the above discussions.

Efforts at JICA

JICA has implemented various forms of IT-related Technical Cooperation in the field of telecommunications. Recently, given the importance of cooperation in the IT field, JICA has engaged in the following research and activities:

1. Research

Rapid advancements of information technology are likely to bring about changes in the forms of international cooperation. JICA is thus conducting a research project called "Information Technology in Development Assistance" (for two years from fiscal 1999) to examine the present state of information technology and efforts by other aid organizations. Research has also included an investigation into the possibilities of IT use in each sector and issue, and the possibility of IT use in ODA has been discussed.

2. Project Formulation Study

Based on the results of policy dialogue missions, project formulation studies* that aim to formulate concrete projects on four cooperation issues (policy and institutional support*, human resources development, upgrade of infrastructure and the use of IT in international cooperation) have been conducted in the ASEAN, Southwest Asia and Middle East regions (14 countries in total).

3. Cooperation with Other Aid Organizations

Principal donors*, from the World Bank down, are beginning to hold teleconference seminars using satellite communication systems, and to offer elementary and secondary educational supports using the Internet. JICA will contribute to the governments of developing countries by cooperating with various IT-related programs such as the Global Development Learning Network (GDLN) sponsored by the World Bank. In Jordan, JICA made joint efforts with the World Bank to establish the Distance Learning Center in 2001. Following this, distance learning curricula will be developed jointly.

4. Cooperation in the Four Fields Emphasized in the Comprehensive Cooperation Package

JICA is engaging in a wide range of cooperation to



Human resources development for multimedia industries has become an urgent task due to the spread of IT (Training participants in Audiovisual Technology course).



Satellite image used in a forest fire early warning and detection system ("Indonesia Forest Fire Prevention Management Project, Phase II").

realize policies contained in the Comprehensive Cooperation Package. Following are the main examples of such efforts.

- (1) Contributing to policy-making and institution-building
 "Indonesia: Assistance to the Formulation of IT Policies"
 Indonesia, recognizing the important role that promotion of IT policies will play in future economic recovery and growth, has set up an IT policy planning task force entitled "Telematika" that is chaired by the country's Vice President. JICA has sent senior advisors on IT policies to Indonesia to make comprehensive policy proposals.
- (2) Human development (training and human resources development)
 "Jordan: Information Technology Upgrading Project"
 Jordan is making efforts to develop human resources in information technology, and it is giving priority to the field in its national development plan. JICA is extending cooperation to the Computer Technology, Training and Industrial Studies Centre of the Royal Scientific Society for the training of engineers for client-server systems. It is hoped that the engineers trained there will become instructors in information processing training programs and help develop the human resources that will work in information processing technology.
- (3) Building IT infrastructure and providing assistance

for networking

"Angola: Project for Rehabilitation of the Telephone Network in Luanda, Phase II"

Many telecommunication facilities have been destroyed in the civil war in Angola. In addition, the capacity of the remaining facilities has decreased considerably as they often break down. There are only 0.56 telephones for every 100 people. Both the quality and the quantity of telecommunication facilities in Angola are quite low, even in comparison with neighboring countries. In 2001, JICA formulated a telephone network construction plan for governmental and other public facilities (hospitals, schools, etc.) as well as enterprises in an area of Luanda where many subscribers were expected. The Government of Japan will provide Grant Aid to the country based on this plan. The implementation of the plan is expected to drastically improve the availability of telephone service as well as the overall situation concerning information and communication.

- (4) Promoting the utilization of IT in development assistance

"J-Net (IT human resources development centers in developing countries)"

IT centers for human resources development through distance education will be set up in two venues in Japan (JICA Tokyo International Centre, Okinawa International Centre) and in four Southeast Asian countries (Indonesia, Malaysia, the Philippines, Thailand). By linking these centers with a computer network, a full-fledged project for improving the quality and efficiency of Technical Cooperation will be introduced in 2002. This project is working to realize the establishment of the 30 IT centers in developing countries pledged in the Comprehensive Cooperation Package.

New Activities Utilizing IT

IT can help to overcome time, distance and geographical restraints, and thus it expands opportunities for Technical Cooperation that were not previously available. IT can also significantly change the forms of assistance. JICA, taking full advantage of IT, will offer new forms of Technical Cooperation as explained below.

JICA defines such cooperation as "Distance Technical Cooperation," and it will incorporate this into each of its existing Technical Cooperation programs to improve their quality and efficiency throughout the organization.

1. Goals

The goals are to improve the quality and efficiency of JICA's programs, to make activities that were impossible in the past possible, and to expand the potential of Technical Cooperation instead of replacing existing programs, all through the utilization of IT.

2. New Forms of Cooperation Defined as Distance Technical Cooperation

The introduction of IT into Technical Cooperation enables the following new activities as part of distance technical cooperation.

(1) Mobilization and effective use of dispersed intellectual assets

The utilization of IT breaks the barriers created by national and project boundaries, and thus enables the effective use of dispersed expertise. For example, useful educational materials actually utilized in overseas Technical Cooperation and experiences can be shared around the world to make all forms of such cooperation more efficient and effective on the ground.

(2) Expansion of opportunities for participation (by both beneficiaries of developing countries and partners of Japan)

The utilization of IT ameliorates time, distance and geographical constraints. Thus, senior officials of recipient countries and prominent figures of Japan,

who would otherwise not be able to participate in a project due to time factors, may easily take part in Technical Cooperation. Opportunities for local engineers to participate in Technical Cooperation will also expand. Furthermore, if IT is utilized in development education or international exchanges, a greater awareness of the problems related to developing countries will be developed among members of the general public, including those of the younger generations, who will facilitate their participation.

(3) Sharing and creation of knowledge with developing countries

The utilization of IT enables the sharing and creation of skills and knowledge between researchers from Japan and developing countries through cooperation and exchanges on development issues on even terms, rather than the traditional top-down basis.

3. Project Types Introduced as Distance Technical Cooperation

The following project types (programs) are planned to be introduced under distance technical cooperation.

J-Net will be introduced as a major tool for implementing distance technical cooperation.

(1) Distance tutorial-type program

This involves the use of teleconferences in which a relatively small number of people engage in debate and discussion; this is in contrast to participation in a rigid instructor-to-student framework.

(2) Distance lecture program

This involves real-time lectures using educational materials compiled in accordance with a curriculum.

(3) WBT and forum programs

Web-Based Training (WBT) is a self-learning program in which learning materials are obtained through the Internet. People can proceed at their own pace because learning is not carried out on a real-time basis. In essence, the forum is a bulletin board on the Internet where participants discuss and exchange views on specific topics.

These new distance technical cooperation programs are expected to spread all over the world. JICA, taking into account the speed of advances in IT and the state of IT-related infrastructure in developing countries, will gradually expand these activities and improve their content.



Training certificate conferment ceremony (Viet Nam "Information Technology Training").

Strengthening Partnerships with Local Governments and Civil Society

Initiating JICA Grassroots Partnership Program

It was within the context of the diversification of needs among developing countries that the "JICA Partnership Program with NGOs, Local Governments and Institutes"¹⁾ started in fiscal 1999. This program is concerned with the provision of cooperation in areas of social development involving small-scale but detailed response and policy and institutional support²⁾. JICA is implementing the program on the basis of tie-ups with Japanese NGOs and local governments that possess practical expertise in these areas. JICA regards these organizations and governments as partners in its ODA programs.

JICA also established the "JICA Grassroots Partnership Program with NGOs, Local Governments and Institutes"³⁾ in fiscal 2000, in order to develop more meticulous and swift cooperation. Each project under this program lasts for a period of one year or less and costs under 10 million yen. The 17 JICA domestic offices in Japan are the contacts for this program. JICA looks to form and implement projects proposed by NGOs and other organizations as outstanding projects while making use of its networks, information and experience. In addition, JICA provides particular support to the participation of organizations of small- and medium-sized enterprises from the standpoint of encouraging greater participation by citizens in international cooperation. Moreover, in fiscal 2001, JICA's domestic offices plan to be open to consultation throughout the year without setting a limited recruitment period.



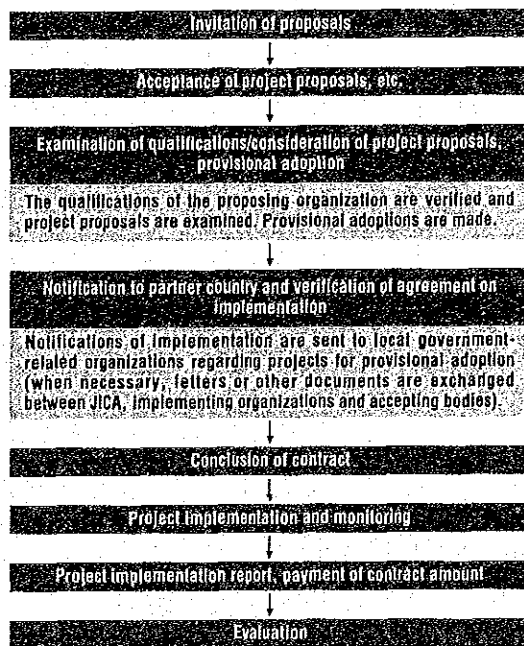
Participants in the Environmental Conservation Administration and Environmental Monitoring and Analysis Course, a project that was implemented jointly with the city of Kitakyushu.

Features of the JICA Grassroots Partnership Program

The features of this program can be summarized as follows:

- (1) Project proposals are submitted by NGOs, local governments, universities and other organizations.
- (2) The project period is one year or less.
- (3) A project is implemented based on a contract between JICA and the organization. Personnel and administrative expenses and other costs, which have not been recognized in NGO grants, etc., can be included.

Figure 1-4 Flow of Implementation of JICA Grassroots Partnership Program



(4) Since this program is implemented as a JICA program, JICA is in charge of project implementation and bears ultimate responsibility. In this sense, the program is different from a grant project.

Implementation of the JICA Grassroots Partnership Program in Fiscal 2000

In accordance with the implementation procedure shown in Figure 1-4, JICA began accepting project proposals in early September 2000, receiving a total of 79 proposals. Following examination by a screening committee that included outside experts, the 19 projects shown in Table 1-5 were provisionally adopted. Preparations then went ahead with a view to implementing the projects that involved the conclusion of international project agreements and records of discussions (R/D).

Developing Technical Cooperation Initiated by Local Governments

Cooperation Initiated by Local Governments that are Firmly Rooted in Japan's Regions

In recent years, along with the globalization that can be seen in trade and investment activities, as well as increasingly active exchanges of people, including overseas travel by Japanese and training and work in Japan by foreigners, more and more local governments are actively tackling international exchange and cooperation projects.

In addition, Japanese local governments have gained rich expertise and extensive human resources in the areas of water and sewage works, waste disposal, health care and maternity and child health, social welfare, primary and secondary school education, vocational training, environmental conservation and public transportation through the services they provide to local

Table 1-5 Projects Selected for the Fiscal 2000 JICA Grassroots Partnership Program

Country	Organization	Project
Cambodia	Japan Federation of Bar Associations	Project on Legal Support for the Bar Association in the Kingdom of Cambodia
	Water Works Bureau of Kitakyushu City	Establishment of a Data Monitoring System on Block Distribution
India	Asia Volunteer Center	Promoting Women's Economic Independence Through Assistance in Establishing a Sewing Workshop in Ambakkam, India
Laos	Umemoto Memorial Dental Service Group	Oral Health Education and Treatment of Oral Surgery for Leprosy Patients and their Families; Technical Instruction of Treatment Techniques for Lao Dentists
	JADO	Hookworm Control Project
Mongolia	Association for Cooperative Adult Persons with Disability	Foundation of a Job Training Center for Disabled Persons
	Friendship Association for Tottori Prefecture and Tov	Introduction of a Plan for Composting of Livestock Waste and Domestic Waste in Tov of Mongolia
Nepal	Thakarya no Hikari	Aid to Women of Tokalpa Village and Vicinity
Pakistan	Peshawar-ki	Education/Training Program on Infectious Diseases for Primary Health Workers in the North-West Frontier Province, Pakistan
Viet Nam	Japan International Forestry Promotion & Cooperation Center	Project to Introduce Japanese Natural Forest Management Techniques to a Vietnamese NGO through Training and Forums
	Osaka Federation for Environmental Management	Assistance for Solid Waste Management Improvement in Haiphong City
	Children's Dream of Asia	Establishment of a Vocational Training Center to Support Independence of Blind (Visually Challenged) Youths
Kenya	Ichikawa UNESCO Association	Aid Project for Vietnamese Street Children
	Association for Promoting Mutual Understanding between Kenya and Yamaguchi Prefecture	Promotion and Managerial Guidance of Traditional Handicraft Producing Group
Tanzania	World Vision Japan (WVJ)	HIV/AIDS Project—Capacity Building for HIV/AIDS Control in Naerongere Division
Zambia	Tokushima International Cooperation	Establishment of a Basic Radiology Unit at Chalnama College Teaching Clinic
Bolivia	Group Jijunani	Improvement of the Living Standard for Present Families in Potosi
	Osaka-Bolivia Association	Public Health Improvement Project in Santa Cruz (Extermination of Parasitic Worms)
Honduras	Japan League of Intellectual Disabilities Mutual	Transfer of Knowledge and Training Methods to Help Children with Autism Achieve Independent Living

residents. Gaining the cooperation of local governments in JICA programs is making it possible to implement very detailed aid that meets the needs of developing countries at the local level.

Furthermore, partnerships between local governments help gain local residents' understanding of the need for international cooperation and their participation in it, while giving residents the opportunity to have their opinions reflected in cooperation content. From these standpoints, such partnerships are very important to JICA.

Against this backdrop, JICA's domestic offices examine the kinds of cooperation that local governments throughout Japan are capable of providing. Then, after matching these with local needs through its

overseas offices, JICA implements Technical Cooperation that is initiated by local governments. This includes the acceptance of training participants (training participants initiated by local governments*), dispatch of experts (public participation experts*), project formulation studies* and project formulation workshops in linkage with local government.

Implementation of Technical Cooperation Initiated by Local Government in Fiscal 2000

In fiscal 2000, there were offers from local governments throughout Japan to accept 224 training participants initiated by local government and to dispatch 79 public participation experts, out of whom 68 participants were actually accepted and 28 experts dispatched. JICA

Front Line

Course in Upland Farming Technology, Agricultural Product Processing and Distribution, Administration of Agricultural Cooperatives

Hokkaido

Realization of a Training Course Initiated by Local Government

Acceptance of Technical Training Participants Initiated by Local Government

◆ Accepting Training Participants from Malawi

The trainees who came to Takigawa city for four months to learn onion cultivation techniques wore friendly smiles as they worked alongside local farmers. The person in charge of the Lobi Appropriate Horticultural Project, Malawi was Mr. Amon Wesley Phiri.

The city of Takigawa, although located in Hokkaido, has a relatively warm climate. Therefore, a wide range of agricultural goods is produced there, including rice, fruits and vegetables. The city's agriculture industry is also blessed because of its proximity to the Sapporo area, a large region for consumption. The farmers of Takigawa, however, have not been spoiled by the advantages of their land. They work with prefectural agricultural research institutes and other organizations to improve cultivation techniques, and they make active efforts to develop facilities for production, processing and distribution as part of ceaseless work to increase the market competitiveness of their products.

It is hoped that the district of Lobi in Malawi, from where Mr. Phiri hails, will become a base providing an ample supply of food to Malawi's capital, but its farmers do not possess the appropriate agricultural skills. The development and propagation of these skills is sorely needed. To respond to this need, a JOCV team was dispatched from JICA. The JOCV members are working with local agricultural extension workers to develop and propagate cultivation techniques of arable vegetables. Mr. Phiri is in charge of this joint project and also frequently visits sites of propagation as a JOCV counterpart.

This program was realized as a training course initiated by local government wherein JICA trainees are received by municipalities. Takigawa's intention to apply the experience it has gained in regional promotion through local industry to international cooperation matched with the Malawian side's wish to supplement and strengthen the techniques and expertise it is obtaining from the JOCV members. When Mr. Phiri first visited Takigawa on 3 July 2000, the enthusiastic welcome given him by the mayor and other local people



Mr. Phiri engrosses himself in his cultivation techniques training.

concerned who had gathered that day indicated the uncommon passion of the city's people for international cooperation.

◆ Deepening Exchange with Local People along with Acquisition of Techniques

During his training, Mr. Phiri mainly learned practical skills for cultivation on farms, but he also studied seedling cultivation management and selective breeding techniques starting from theoretical aspects at the Hokkaido Prefectural Ornamental Plants and Vegetable Research Center in the city, and the Plant Genetic Resources Center. Furthermore, in the final phase of his training, he participated in the Harvest Festival celebrating the autumn harvest season at nearby Shintotsukawa Agriculture High School, where he was also able to deepen exchange with local high school students.

The city of Takigawa values this experience highly and is advancing consideration for the acceptance of two of Mr. Phiri's colleagues in fiscal 2001. The groundwork that was laid last year by Mr. Phiri is steadily bearing fruit as a bridge linking a regional Japanese city with the hearts of people in faraway Africa.

(JICA Hokkaido International Centre, Sapporo)

also teamed up with Okinawa Prefecture to implement project formulation studies in the health/medical care and sewage/hygiene sectors in Argentina and Bolivia.

Expansion of Regional Coordinators for International Cooperation

At JICA, in order to further understanding of international cooperation projects and promote public participatory-type cooperation, we have set up "JICA Desks" at regional international associations that are

under the jurisdiction of Japanese local governments. JICA posts regional coordinators for international cooperation at the JICA Desks that, as liaisons between JICA and the local governments, support projects implemented by JICA, promote public relations and educational activities, and encourage local governments' cooperation with international cooperation projects.

As of March 2001, there were six regional coordinators for international cooperation stationed at international exchange and international cooperation organizations in Aomori, Toyama, Shimane and

Front Line

Course in Survey and Analysis of Poisonous Substances in the Environment

Saitama

Using the Rich Experience of a Local Government in International Cooperation

Acceptance of Technical Training Participants Initiated by Local Government

◆ Various Issues Accompanying Industrialization in Thailand

In recent years, Thailand has actively introduced foreign capital and achieved high economic growth. On the other hand, water and air pollution and industrial waste issues have emerged due to rapid industrialization and the concentration of population in urban areas. In particular, the greater Bangkok metropolitan area has experienced serious problems associated with the rapid progress of population growth, increased business activities and factory expansion. In addition, deforestation in rural areas has resulted in shortages of water resources and drinking water, among other issues.

Meanwhile, in the wake of the period of rapid economic growth beginning in the 1960s, Japan's Saitama Prefecture faced similar problems that it has since been working to solve. Its efforts have resulted in the accumulation of expertise in pollution countermeasures and environmental policy, as well as technology and skills. In recent years, in order to make use of this expertise to help resolve similar problems in developing countries, Saitama has participated in JICA's Project on Environmental Research and Training Center in the Kingdom of Thailand by dispatching prefectural employees as long-term experts and accepting training participants from overseas.

◆ Technology Transfer Through Cooperation Between Saitama and JICA

For the purpose of further promoting its contributions to international society, Saitama Prefecture established the Center for Environmental Science in Saitama in April 2000. The center accepts technical training participants in environmental fields from developing countries.

In addition, when prefectural governor Yoshihiko Tsuchiya visited Thailand in January 1999 to promote friendly relations, he indicated his desire to continue accepting trainees from the Thailand's Environmental Research and Training Center and to make cooperative training implementation with JICA a pillar of the prefecture's international environmental cooperation.

In order to support Saitama's effort in this area, which centers on technology transfer, JICA provided information from its Thailand office, coordinated the content of technology transfer with related organizations, and in other ways worked to accommodate the wishes of both the Thai and Saitama sides. After these preparations, in September 1999,



Participants survey the quality of river water.

JICA dispatched a study team that deliberated on the specific content of the technology training, which resulted in an agreement with the Thai side. Based on this agreement, in fiscal 2000, four participants were accepted for a four-month period, during which training in simple water analysis applications, water environment monitoring and survey methods, and other areas was implemented.

For this project, consideration was given toward making the training content easier to understand by employing a Thai language interpreter for the training sessions. During the training period, the interpreter and the participants stayed at accommodation inside the Center. They were also actively encouraged to interact with local people, coming into contact with Japanese manners and customs and gaining valuable experiences that could not be enjoyed in an urban area.

It is hoped that the technologies and policies that Japan's local governments have developed for a wide range of environmental issues will contribute to the amelioration of the issues that currently face developing countries. Local governments also consider them extremely significant for the promotion and expansion of internationalization and international contributions. To this end, JICA feels that the utilization of its extensive international cooperation experience and networks to assist local governments enhances Japan's international contribution.

(JICA Tokyo International Centre)

Kagoshima Prefecture, and in the cities of Osaka and Fukuoka. They are all returned Japan Overseas Cooperation Volunteers (JOCV) who are stationed in their home areas and are making use of their rich experience and expertise regarding international cooperation projects to carry out various activities in their respective regions. In fiscal 2001, 20 additional regional coordinators for international cooperation will be posted in an effort to further strengthen partnerships between JICA and both local governments and civil society.

The activities of regional coordinators for international cooperation are wide-ranging. To promote JICA programs regionally, they assist in the preparation of exchange programs for participants and local communities in the Acceptance of Technical Training Participants program, and they help find new families to accept participants of the Youth Invitation Program

for homestays. They also support international cooperation carried out by local governments by offering counseling to local residents seeking information on international cooperation, and acting as lecturers at conferences held by local governments. They also plan and draft new cooperative projects.

In addition, regional coordinators for international cooperation work actively to publicize and educate people about JICA programs by appearing on local television and writing to newspapers. They also support development education by making use of their rich experience and the networks of personal relations they have developed in the field of international cooperation.

Through these activities, regional coordinators for international cooperation are steadily expanding their local community networks. They are playing the crucial role as a "face" of JICA that is most familiar to local residents.

Study into the Formulation of Sectoral Development Plans

Project Limitations and Aid Fatigue

In the past, aid has involved the implementation of projects that are focused geographically and in terms of content on items that assist the social and economic progress of developing countries. This concept has applied to all projects, whether they be based on, for example, road development programs or irrigation programs. Over the last few decades, this so-called "project" aid, which has centered on establishment of infrastructure*, has contributed significantly to the development of Southeast Asian countries (Indonesia, Malaysia, Thailand and others) among others. However, it is also clear that the issues facing developing countries have diversified and become more complex as the years have gone by. Also, there are limitations in terms of expenditure and effects attainable by trying to solve these issues on a project-by-project basis, as has been attempted in the past.

Debate has been triggered by the current situation in which, despite over half a century of continuous aid to developing countries since the end of World War II, many of the people on earth are still suffering from poverty. Take, for example, the southern part of Africa (the sub-Saharan countries). Despite the fact that a huge amount of aid has been poured into the region over the last few decades, 32 of the world's 48 least among less developed countries* (LLDC) are from this region, and these countries are showing few signs of development.

On the other hand, when one looks at trends in worldwide aid, the resources (capital) provided by donor* countries (including Japan) to developing countries have been on the decline. The so-called



Tanzania is in need of development planning in the agricultural sector (Kilimanjaro Agricultural Training Center Project).

phenomenon of "aid fatigue"* became quite pronounced in the beginning of the 1990s and is gradually becoming more and more serious.

This change in the environment surrounding aid requires more efficient implementation than in the past; it has also presented us with an opportunity to review existing methods of assistance, as will be described below.

The Trend Towards the Sector Approach

As a means of overcoming the limitations of project aid and the reduction in aid capital, much attention was focused on "program" aid in the latter part of the 1990s. Although it is difficult to define the meaning of the word "program," in general terms, it refers to a package that includes a multiple number of projects. "Program" aid is the carrying out of a number of projects that have been carefully adjusted, based on a sector development policy. The most important factors in the implementation of program aid are the degree of ownership* by the recipient side and coordination on the side of the donor.

In concrete terms, the formulation of aid plans absolutely requires the active participation of the developing country. On top of this, in order to implement such plans, the cooperation of many donors concerned is indispensable so that the sectoral development aid plan can be supported.

For example, the "Comprehensive Development Framework (CDF)" proposed by the World Bank in 1998 requires the clarification of respective roles in each sector for all players involved in development, such as multilateral institutions, bilateral aid* institutions, NGOs

and the governments of developing countries. This is intended to increase efficiency in the delivery of assistance by improving coordination and avoiding duplication.

Furthermore, the "Poverty Reduction Strategy Papers" (PRSP) initiated as part of debt reduction activities in 1999 are basically documents that set out new investment conditions for the World Bank and the International Monetary Fund (IMF). The most significant characteristic of these PRSPs (which are formulated on the initiative of each developing country) is that they support social and economic reform by serving as a basis for: a) continuous monitoring of improvement in each sector in order to reduce poverty, and b) decisions on supply of capital through donor coordination.

Study into the Formulation of Sectoral Development Plans

In response to these global trends, in fiscal 2001 JICA started the sector program development study in order to implement development programs that cover all aspects of specific fields as part of its Development Study scheme. These development programs are formulated based on dialogues with the governments of developing countries and other donors.

The sector program development study is composed of the following: (1) sector study and program formulation, (2) monitoring of implementation, and (3) evaluation.

(1) Sector study and program formulation

By using existing material, reviewing information, and implementing supplementary studies and dialogs with individual donors (holding donor meetings), JICA makes thorough attempts to communicate its intentions to relevant personnel of the government of the recipient country when formulating its sector programs.

One point that needs to be noted is that the plan must not be formulated solely by the Japanese side. Instead, there should be thorough understanding of the plan among the recipient country and other donors. Furthermore, early in the process of forming the sector program development study,

there should be consultation with the recipient country regarding the positioning of sectors as priority issues for cooperation within JICA's country-specific aid basic plan.

(2) Monitoring of implementation

During the implementation stage, JICA strives to provide more efficient aid by comprehensively applying all of the tools of Japan's ODA program, such as Acceptance of Technical Training Participants by JICA, Dispatch of Technical Cooperation Experts, Dispatch of Japan Overseas Cooperation Volunteers (JOCV), Grant Aid and loan assistance*.

On top of this, the development study should clarify issues such as how the original program was implemented, and where the problems were so that monitoring can be linked with evaluation.

(3) Evaluation

In the evaluation stage, the issues of how the program has been managed and how the respective sector or country has been affected should be clarified based on the results of monitoring up to that point. These results should be fed back into subsequent cooperation.

The following two sector program development studies were commenced in fiscal 2000, and they will be fully implemented in fiscal 2001.

Example 1. Tanzania Agriculture Development Sector Program

In Tanzania, where aid coordination has developed rapidly, JICA has targeted the regional development sector. Through coordination with other donors, we implemented this study to support the formulation of a development plan for the sector by the Tanzanian government and to promote implementation and monitoring of cooperation programs based on this development plan.

In Tanzania, the "Tanzania Assistance Strategy (TAS)" based on the "National Long Term Development Plan" is considered an all-inclusive aid strategy paper, and the PRSP and sector program (SP) are positioned as tools to implement this strategy paper. Rapid progress towards the formulation of these plans is being made.

Apart from this series of processes, issues such as the shift from project assistance to program assistance and common procedures for assistance are being debated. It is expected that Japan will participate proactively in this process in the future and make concrete contributions. Specifically, it is expected that in order to implement the PRSP through development plans for each individual sector, Japan should not only participate in the main sectoral development plan, but also play a leading role in the formulation process of the sectoral development plan.

Under these circumstances, JICA carried out a study on what form Japan's assistance should take using project formulation advisors* and project formulation studies*. As a result, while there is a need to formulate an all-inclusive sector plan for the agricultural sector and regional development (which are PRSP priorities), Japan has decided to support the formulation of a sector program as a model for Japan's assistance in aid coordination. This came about at the request of the Tanzanian government because full coordination of donor assistance has yet to commence.

Example 2. Primary Education Sector Program Development Study in Viet Nam

For Viet Nam, the issue of human resources development to support modernization and industrialization has taken on considerable urgency, and the government has positioned educational improvement as one of the most important policies within its national development plan. In order to respond to such needs for human resources development, it will be very important to make improvements not only at the levels of higher and middle school education but also in basic education (pre-schooling and primary education), especially primary education. However, in Viet Nam, although the

rate of primary school attendance is almost 100%, there are disparities between regions and the quality of curriculum and teachers is low. Thus, there are many areas where improvements are required.

According to a project formulation study carried out by JICA, although formulation of a long-term strategy (2001–2010) for education and training has progressed in Viet Nam, there is no plan for the formulation of a concrete and sector-wide program in order to address each issue. Furthermore, although many donors have been delivering support through various projects and programs, mechanisms for collaboration and coordination between donors have not been established.

On the other hand, Japan has identified the education sector as a priority sector for assistance to Viet Nam, and it has been providing advice on the upgrading of facilities for primary education and the development of curricula. However, a more inclusive approach is necessary in order to grapple with the above-mentioned issues. It was thus considered important to conduct comprehensive cooperation that is aimed at improving the quality of primary education in combination with conventional cooperation that is centered on establishment of infrastructure (as is represented by the construction of primary schools). Furthermore, it is expected that the further promotion and strengthening of collaboration and coordination with other donors would lead to more efficient and effective cooperation.

In this context, the Vietnamese government requested assistance and cooperation from Japan in the formulation of a primary education sector program in October 2000. In response to this request, JICA dispatched a preparatory study team in March 2001, which concluded the scope of work on the Vietnamese side.

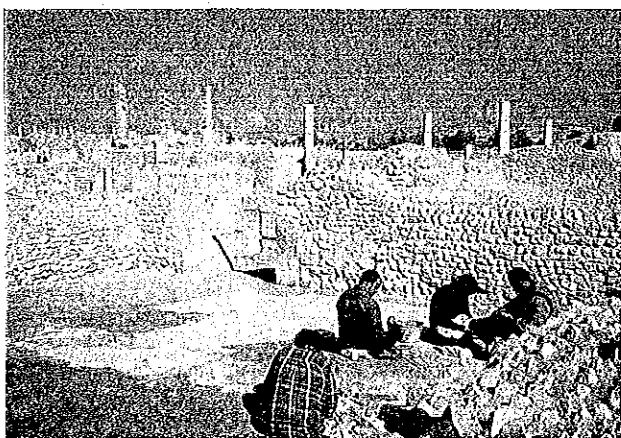
Grant Aid for Cultural Heritage

Introduction

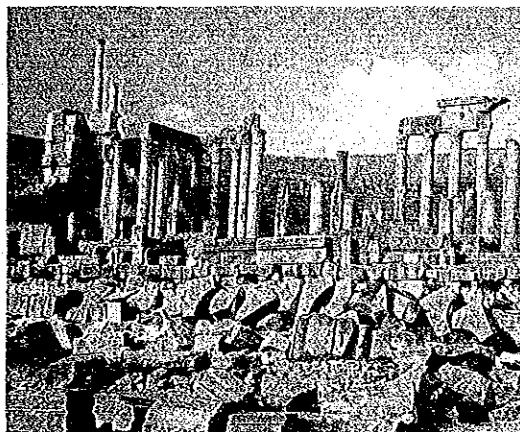
In fiscal 2000, "grant aid for cultural heritage" was introduced into the Grant Aid budget of the Ministry of Foreign Affairs as part of grants for cultural activities.

In recent years, the awareness that cultural heritage all around the world is a valuable shared human asset has increased, and interest in the preservation of cultural heritage has also grown. As a result, expectations for international cooperation from Japan that address cultural issues are likely to rise further.

In the past, Japan has cooperated in cultural activities in developing countries that include preservation and utilization of cultural assets and heritage, carrying out of lecture and exhibition projects related to culture, and promotion of education and research through use of grants for cultural activities. However, under the grant aid scheme for cultural activities, the provision of materials and equipment is limited to ¥50 million for each single project, which means that it has not been possible to provide adequate support for large-scale or multi-faceted



Carefully restoring mosaics by hand (Project for Improvement of Equipment for Research and Excavation of Historic Sites of the Carthaginian and the Roman Eras).



The Dougga ruins were designated as a World Heritage Site but are still not adequately equipped for maintenance (Tunisia: Project for Improvement of Equipment for Research and Excavation of Historical Sites of the Carthaginian and the Roman Eras).

activities, such as the preservation of cultural heritage sites. In addition, while past examples of general grant aid being used for the preservation of cultural assets include the construction of the Dunhuang Cave Cultural Asset Preservation Research and Exhibition Center in China and the construction of the Ayutthaya Museum of History in Thailand, such examples were few and insufficient to address needs. The introduction of grant aid for cultural heritage has enabled provision of peripheral infrastructure to further promote the protection and restoration of cultural heritage.

The Objectives of Grant Aid for Cultural Heritage

As a rule, the countries targeted by grant aid for cultural heritage are developing countries with per capita gross national products (GNP) of US \$5,225 and lower. As with other grant aid for general project, implementation involves the signing of Exchange of Notes (E/N) with the recipient country's government and funds are granted for the construction of facilities, procurement of equipment and purchase of services such as consulting, based on the stated objectives, maximum amount of the grant, project period and payment methods.

Grant aid for cultural heritage includes: (1) construction of facilities related to the preservation of cultural heritage such as "mini-museums" and storage for artifacts, (2) establishment of cultural heritage peripheral infrastructure such as access roads and protective fences, and (3) provision of equipment used in the preservation and restoration of cultural heritage. In terms of support

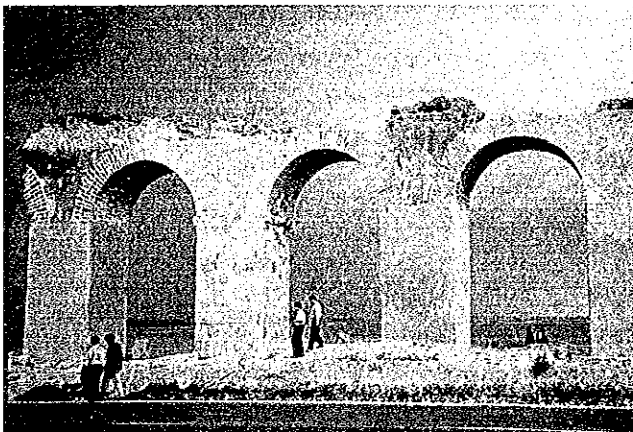
for the labor involved in the preservation and restoration of cultural heritage, there is the Japan Trust Fund within United Nations Educational, Scientific and Cultural Organization (UNESCO). Personnel training, research of cultural heritage and preservation and restoration of cultural heritage sites are carried out using the fund, as typified by the Project to Save Angkor-Wat.

In this way, grant aid for cultural heritage and the UNESCO Japan Trust Fund complement each other, and the effective use of both has enabled integrated preservation of cultural heritage sites. In this respect, collaboration with UNESCO is desirable in the implementation of grant aid for cultural heritage.

The Role of JICA

As with grant aid for general project, the role of JICA with regard to grant aid for cultural heritage is roughly divided into study, and support and supervision.

In its study, JICA dispatches a survey mission to the recipient country making a request for a grant based on instructions from the Ministry of Foreign Affairs. The mission conducts site research in the relevant area, assesses the needs of the recipient through discussions with its implementing organization and puts together a basic design for the project that considers natural conditions at the site and the implementation and management capabilities of the counterpart*. Based on these activities, the mission draws the basic design of the most appropriate plan, a rough estimate of project costs and project suitability under the



Aqueduct ruins in Tunisia. Located at the side of a national highway, deterioration has progressed as a result of vibration and wind pressure caused by vehicles.



The main pyramid in El Puente Archaeological Park, researched and excavated by members of the JOCV Program (Project for Improvement of Equipment for Archaeological Activities Centering on the Maya Civilization in Honduras).

grant aid for cultural heritage scheme.

During its implementation support and supervision work, JICA examines documentation such as procurement contracts and provides advice based on instruction received from the Ministry of Foreign Affairs, following the signing of the E/N. This is to ensure that the grant aid for cultural heritage project implemented by the recipient country with Japanese funds runs smoothly and correctly.

Results for Fiscal 2000

In fiscal 2000, JICA carried out research on the Project for Improvement of Equipment for Research and Excavation of Historical Sites of the Carthaginian and the Roman Eras in Tunisia, and the Project for Improvement of Equipment for Archaeological Activities Centering on the Maya Civilization in Honduras.

1. Tunisia: Project for Improvement of Equipment for Research and Excavation of Historical Sites of the Carthaginian and the Roman Eras

It is estimated that there are over 25,000 sites of historical or archaeological value or cultural heritage in Tunisia, including the ruins of Carthage and Dougga which are World Heritage Sites. Tunisia has many sites like Carthage, which features remains from Carthaginian, Roman and Islamic civilizations layered upon each other. These cultural heritages are a valuable resource of revenue for Tunisia, a country in which tourist income is one source of national revenue.

The National Heritage Institute, which is the implementing organization in Tunisia, conducts activities that include preservation, restoration, research and

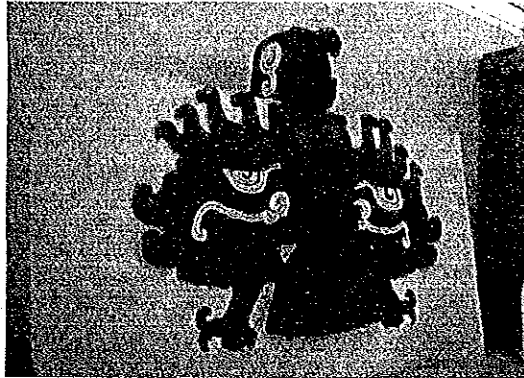
excavation at all of the nation's cultural heritage sites. At present, it is mainly involved in the excavation, research and preservation of the sites at Carthage and Dougga. However, it has also begun research and excavation at the historic sites of Zama, Sbeitla and Oudna, and is planning nationwide research and excavation in the future.

To prevent damage in the excavation of ruins, heavy equipment is not usually used, and manual work with light equipment is the norm. This means that the process from research through to the completion of excavation is extremely time consuming. On the other hand, in Tunisia the illegal filling in of ruins has taken place due to tourism and urban development accompanying economic growth. Therefore, the National Heritage Institute needs to study the country's major ruins as soon as possible. However, without the necessary equipment, it is currently conducting research using equipment borrowed from European and American university excavation teams.

In order to remedy this situation, Japan decided to grant the National Heritage Institute the funds to purchase the equipment needed for research, including the transportation of material and soil, measurement, photography and production of maps.

2. Honduras: Project for Improvement of Equipment for Archaeological Activities Centering on the Mayan Civilization

Ruins from Mayan civilization, including those at Copan, are located in Honduras. While they constitute a



Copan Sculpture Museum (Honduras).

source of tourism revenue, damage to the ruins has been increasing due to natural disasters such as hurricanes and growing numbers of tourists. The Copan ruins attract archaeologists and history fans from around the world because of their unique high relief stone statue carvings and the large number of surviving Mayan glyphs.

The Honduran Institute of National Anthropology and History Research, which is the implementing organization in Honduras, is proceeding with the recording and registration of these ruins, and has formulated the Comprehensive Plan for the Preservation of the Copan Ruins in order to prevent further damage to the site. In addition to the restoration of ruins that have been damaged by natural disasters, urgent measures are particularly needed to: a) reverse damage caused by excessive research and excavation, b) prevent theft, and c) review methods for preserving the ruins.

Some of the credit that the International Development Association* (IDA) has provided to Honduras has been used for this kind of preservation work. However, these funds have been earmarked for personnel costs and purchase of materials, and they are insufficient to purchase equipment needed to conduct research and measurements, excavation, restoration, classification of artifacts, analysis and environmental preparation. Therefore, Japan decided to provide the funds to purchase the equipment needed for these activities. As a result of on-site research, the need for the preservation of ruins at other sites within the country has been recognized. Consequently, Japan's cooperation aims to preserve Mayan ruins located throughout Honduras.



Ruin of a Mayan house broken by a hurricane and a restored and reinforced basket for bedding (Honduras: Las Sepulturas Region of the Copan Archaeological Park).

Japan's ODA and JICA

Outline of Japan's ODA

A variety of organizations and groups, including governments as well as international organizations, non-governmental organizations (NGOs) and private companies, conduct economic cooperation to support social and economic development in developing countries (refer to Figure 1-6). The funds and technology that governments provide to developing countries is called Official Development Assistance (ODA).

ODA is classified into three types: 1) bilateral grants, 2) bilateral loans, and 3) financial subscriptions and contributions to international organizations (multilateral aid*). An outline of each is given below.

Bilateral Grants

Bilateral grants include Technical Cooperation that transfers technology to developing countries and Grant Aid that provides funds with no obligation for repayment.

1. Technical Cooperation

Technical Cooperation transfers Japanese technology, skills and knowledge to developing countries in order to train the human resources that will play a leading role in their social and economic development. It also supports the development and improvement of technology appropriate to the circumstances of a particular country while raising its level of technology and establishing new organizations and institutions.

More specifically, Technical Cooperation includes: a) the implementation of technical training that provides training opportunities for technicians and



An expert assigned to disseminate technology to increase shellfish breeding in Tonga.

administrators from developing countries, b) the dispatch of experts with specialist skills and knowledge and volunteers, c) development study to assist with the formulation of a variety of urban, rural and transport development plans and resource development, and d) relief for disaster victims and assistance with disaster reconstruction.

2. Grant Aid

Grant Aid involves the provision of funds for the construction of buildings such as schools and hospitals; for the supply of materials and equipment for education, training and medical care; and for reconstruction after the occurrence of disasters. It can be divided into six categories according to its content. These are: 1) general grant aid, 2) grant aid for fisheries, 3) grant aid for cultural activities, 4) emergency grant aid, 5) food aid*, and 6) aid for increase of food production*.

Of these forms of Grant Aid, JICA supervises basic design studies* that conduct the basic planning needed for building facilities and procuring equipment and materials in five categories. These are: 1) general grant aid, 2) grant aid for fisheries, 3) grant aid for cultural activities, 4) food aid, and 5) aid for increase of food production. JICA is also charged with implementing works that include surveys and intermediary and liaison work.

Bilateral Loans

Bilateral loans are loans that provide the funds needed for development under long-term, low interest conditions. They can be classified into: 1) ODA loans under which funds needed for development are

provided directly to the government or a government agency in a developing country, and 2) private-sector financing and investment under which funds are provided to Japanese companies or local companies operating in developing countries.

ODA loans are generally known as "yen loans." Yen loans previously focused on project loans for economic infrastructure* and social infrastructure such as roads, dams, communication facilities and agricultural development, but in recent years the proportion of commodity loans aimed at improving the international balance of payments and loans for intellectual support, such as in education, has increased.

Financial Subscriptions and Contributions to International Organizations (Multilateral Aid)

Contributions for multilateral aid are an indirect method of extending aid by channeling funds through international organizations.

The international organizations to which contributions are made include various United Nations-related bodies such as the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), and the United Nations Children's Fund (UNICEF). In addition, subscriptions are made to financial organizations involved in international development such as the World Bank, the International Development Association* (IDA, also known as the Second World Bank), and the Asia Development Bank (ADB).

The ODA Budget and the System of Implementation

Breakdown of the ODA Budget

The breakdown of the Japanese ODA budget (general account) calculated on the basis of the classifications described previously is as shown in Table 1-7.

Figure 1-6 Economic Cooperation and Official Development Assistance

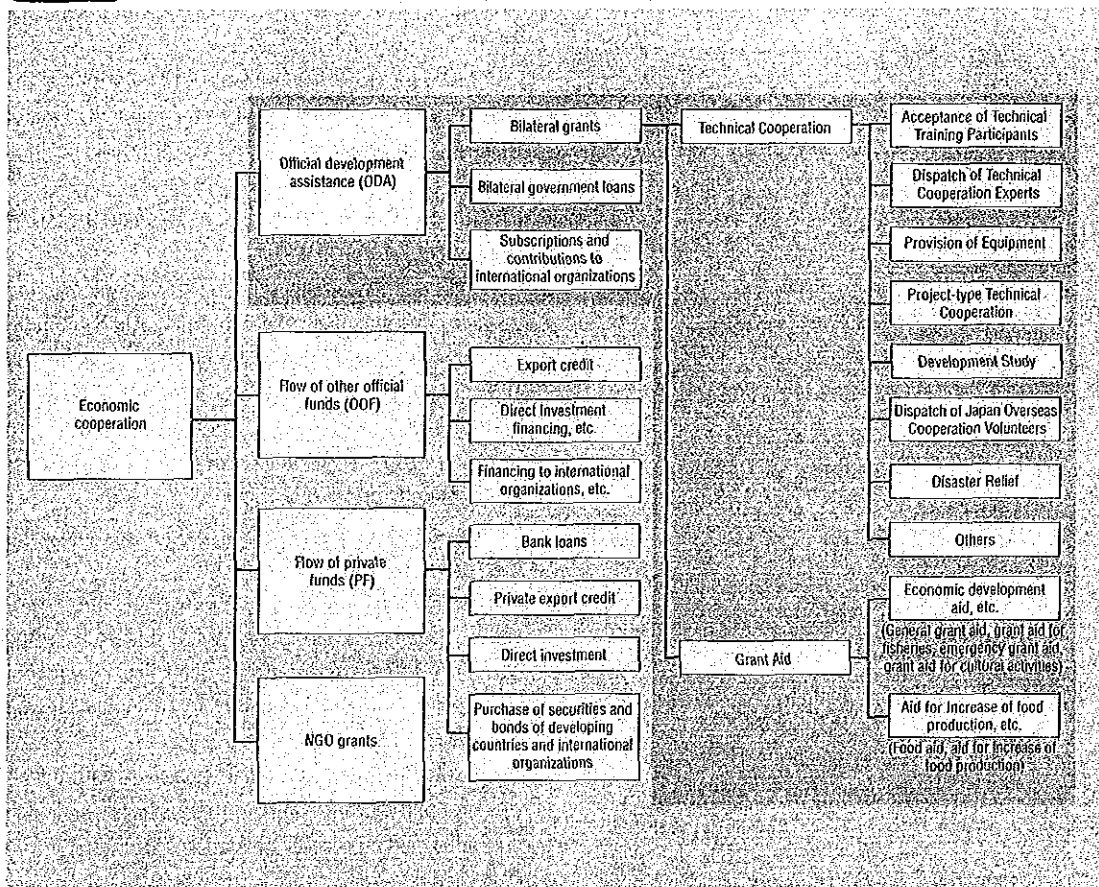


Table 1-7 Total Government ODA Budget (General Account)

(Units: 100 million yen, %)

Type	FY 2000	FY 2001	Rate of Increase
	Budget	Budget	
I. Grants	7,403	7,307	Δ1.3
1. Bilateral Grants	6,066	5,985	Δ1.3
(1) Economic Development Aid, etc.	2,079	2,054	Δ1.2
(2) Food Aid, etc.	432	416	Δ3.6
(3) Technical Cooperation (JICA Allocation)	3,555	3,516	Δ1.1
(JICA Allocation)	(1,792)	(1,790)	Δ0.1
2. Subscriptions and Contributions to International Agencies	1,337	1,322	Δ1.1
(1) Organizations of the United Nations, etc.	788	807	2.3
(2) International Development Financial Institutions	549	515	Δ6.1
II. Loans	3,063	2,845	Δ7.1
(1) Japan Bank for International Cooperation (JBIC)	3,063	2,845	Δ7.1
Total	10,466	10,152	Δ3.0

Note: The overall totals for and the totals for each category do not match exactly since fractions have been rounded to the nearest whole number.

Table 1-8 Changes in the ODA Budget in Government Ministries and Agencies (General Account)

(Units: 1 million yen, %)

Ministry or Agency	FY 2000	FY 2001	Rate of Increase
	Budget	Budget	
Cabinet Office	1,261	1,295	2.7
National Police Agency	121	111	Δ8.0
Financial Services Agency	61	177	189.2
Ministry of Public Management, Home Affairs, Posts and Telecommunications	1,064	1,070	0.6
Ministry of Justice	510	510	Δ0.1
Ministry of Foreign Affairs (JICA Allocation)	569,260	556,503	Δ0.7
(JICA Allocation)	(179,204)	(179,040)	Δ0.1
Ministry of Finance	362,687	337,611	Δ6.9
Ministry of Education, Culture, Sports, Science and Technology	48,979	49,324	0.7
Ministry of Health, Labour and Welfare	12,640	12,431	Δ1.7
Ministry of Agriculture, Forestry and Fisheries	8,183	6,963	Δ14.9
Ministry of Economy, Trade and Industry	48,727	47,305	Δ2.9
Ministry of Land, Infrastructure and Transport	1,465	1,433	Δ2.2
Ministry of the Environment	637	488	Δ23.3
Total	1,046,595	1,015,221	Δ3.0

Note: The overall total and the totals for each category do not match exactly since fractions have been rounded to the nearest whole number.

The budget was previously allocated within the budget of 17 government ministries and agencies, but will be allocated to 13 government ministries and agencies as shown in Table 1-8 from fiscal 2001. This change is due to central government reform that took place in January 2001.

The Ministry of Foreign Affairs, which is Japan's largest ODA implementation institution, takes the largest allocation of the ODA budget. In addition to the Technical Cooperation budget supervised by JICA, the budget for Grant Aid and contributions to United Nations-related organizations such as the UNDP are included in this portion.

The expenses for the Acceptance of Technical Training Participants and for various studies conducted overseas (carried out through related organizations) are included in the allocation of the Ministry of Economy, Trade and Industry (METI). JICA receives and implements part of the study costs contained in the METI budget allocation.

The Ministry of Finance allocates the budget for the financing of bilateral government loans overseen by the Japan Bank for International Cooperation* (JBIC) and subscriptions to international development financial institutions such as the World Bank.

Agencies Other than JICA Providing ODA (Technical Cooperation)

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

The Japan Foundation is a special governmental corporation founded in 1972 to enhance understanding between nations and to promote international friendship. It receives a part of its project budget from the Ministry of Foreign Affairs' budget. The Foundation implements projects for both developed and developing countries. Of these, the ODA budget is primarily used for projects involving personal exchanges with developing countries, dissemination of Japanese language education, and presentation of Japanese culture.

JETRO is a special governmental corporation founded in 1958 to implement Japan's trade promotion projects. Since the late 1960s it has worked especially toward encouraging imports from developing countries. It has brought officials responsible for trade policy and executives of private companies (that export to Japan) in developing countries to Japan, has given its support to the promotion of economic reform, has encouraged developing countries to export to Japan, and has sent its own experts to developing countries to help in the dissemination of technology appropriate to these countries. JETRO merged with the Institute of Developing Economics (IDE) in July 1998 and is now engaged also in basic and comprehensive studies and research on economic and other conditions in developing countries.

AOTS is a corporation under the jurisdiction of METI that was established in 1959 specifically to accept trainees from foreign private companies. JODC, which is also a corporation under the wing of METI, was established in 1970 to encourage industrial development in developing countries and regions and to promote trade between Japan and these countries and regions. It conducts projects that include dispatching Japanese engineers, managerial experts and other specialists.

The Roles of JICA in ODA

JICA plays a key role in Technical Cooperation

implemented by the Japanese government.

Japan's budget for Technical Cooperation in fiscal 2001 amounted to ¥351.6 billion as shown in Table 1-9, a figure which accounts for 34.6% of the total ODA budget. Of this, JICA is responsible for ¥179.0 billion, or 50.9% of the Technical Cooperation budget.

One of the features of JICA's operations is that aid with 'a clearly visible profile' is positioned through the activities of JICA experts and Japan Overseas Cooperation Volunteers (JOCV), at the center of its programs. JICA programs thus focus strongly on the human elements of contribution to the international community that are keenly expected of Japan today. As of the end of March 2001, JICA had sent as many as 240,000 technical cooperation experts, study team members, JOCV, and Senior Volunteers to developing



Elementary school students receiving lessons outdoors because of a lack of classrooms (Nepal).

Table 1-9 Japan's ODA Budget and JICA's Technical Cooperation (DAC Base)

	Project Budget (for FY 2001) (General Account)	Expenses	2000 Calendar Year			
			Technical Training Participants	Experts and Study Teams	Cooperation Volunteers	Overseas Students
Japan's ODA as a Whole	¥1015.2 billion	\$12,990 million (¥1400.3 billion)	/	/	/	/
Japan's Technical Cooperation	¥351.6 billion	\$3,534 million (¥381.0 billion)	37,200 people	20,389 people	4,673 people	74,799 people
JICA's Technical Cooperation	¥179.0 billion	\$1,454 million (¥156.7 billion)	17,088 people	14,535 people	4,587 people	0 people
Proportion of Technical Cooperation as a Whole Implemented by JICA	50.9%	41.1%	45.7%	71.3%	98.2%	0.0%

Notes: 1. Including figures for Central and Eastern Europe.

2. JICA's Technical Cooperation includes results based on trust funds from METI.

countries. In addition, JICA has assisted with the development of human resources, with as many as 220,000 administrators and technicians from those countries coming to Japan for training or receiving third-country training*.

JICA projects are also closely connected with the yen loans implemented by the JBIC. JICA carries out studies to support the range of public development planning which provides the foundations for nation-building in developing countries, and it submits the results to the recipient country in the form of a development study report. The construction of public infrastructure, such as roads and hospitals, and some of the other suggestions proposed in the reports are realized by means of yen loans.

In addition, while the Technical Cooperation implemented by JICA has previously been primarily composed of "human resources development" cooperation, in recent years it has also been focusing its efforts on "policy-making and institution-building" to strengthen the foundations of developing countries.

JICA is implementing projects in these areas that place emphasis on each developing country's development program and on compliance with Japan's country-specific policies. Therefore, while promoting country-studies to determine the kinds of aid needed by recipient countries, JICA is deepening dialog with government officials in these countries through various opportunities in an effort to ensure that cooperation is provided in line with the actual on-site conditions.

The ODA Charter and JICA

The Cabinet approved Japan's ODA Charter on 30 June 1992. The aims of this Charter are to clarify the ideals and principles of ODA in order to create the conditions under which ODA can be implemented more efficiently and effectively with the understanding and support of people in Japan and abroad.

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

- (1) Humanitarian considerations: As a member of the developed world, Japan can ill afford to disregard the famine and poverty which occur in developing

countries.

- (2) Recognition of interdependence: Political stability and economic development in developing countries are indispensable for maintaining peace and prosperity in Japan and throughout the world.
- (3) Conservation of the environment: A topic facing mankind as a whole which must be tackled jointly by both developed and developing countries.

On the basis of this approach, Japan provides aid that helps developing countries to become "self-reliant."

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

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

Japan's ODA: Achievements and Tasks

Japan's ODA Achievements

As shown in Table 1-10, the total value of Japanese ODA in 2000 was US\$13.06175 billion (excluding aid to Eastern and Central Europe), making Japan the world's largest donor nation. This represents 24.6% of the total value of ODA provided by the 22 Development Assistance Committee* (DAC) member states in 2000, which amounted to US\$53.05800 billion as shown in Table 1-11. Meanwhile, Japan's ODA accounted for 0.27% of its gross national product (GNP), placing it in twelfth position among the DAC countries.

The grant element* and the grant ratio are considered to be among the main indices of the quality of aid. The figures for Japan remain low among the DAC nations as a whole and must be improved.

An expansion of bilateral grants that mainly involve Technical Cooperation, which JICA plays the leading role in implementing, is essential to improving the quality of Japan's ODA in the future.

Future Tasks

Within Japan, a restructuring of government ministries and agencies was implemented in January 2001, and a review of special governmental corporations, including JICA, has been advanced. In addition, conditions surrounding ODA have become more severe than ever as a result of administrative and fiscal reforms, including reductions in government

expenditures. Under these circumstances, even the basic principles of ODA and its system of implementation are under review.

The government compiled its "Medium-Term ODA Policy" in August 1998 to determine the essential direction of Japanese ODA for the coming five years. This policy document was formulated to substitute the "Medium-Term ODA Objectives" produced five times since 1978. Its main feature is that it does not stipulate targets for overall ODA performance as in the case of medium-term objectives—it is concerned with tackling global issues with emphasis on intellectual support including human resources development, policy-making and institution-building.

The policy also stresses the importance of striving to gain the understanding and support of the Japanese people by making aid operations more efficient and by

Table 1-10 Japan's ODA in 2000 (According to Aid Type)

Type of Aid		Value of Aid		In Dollars (US\$m)		In Yen (¥100m)		Constituent Ratios (%)	
		Amount	Change from Previous Year (%)	Amount	Change from Previous Year (%)	ODA Total	Bilateral		
ODA	Bilateral ODA	Grants	Grant Aid (Excluding Central and Eastern Europe and Graduate Nations)	2,033.51	-13.1	2,192.12	-17.7	15.7	21.6
				2,024.80	-12.6	2,182.73	-17.3	15.5	21.3
			Technical Cooperation (Excluding Central and Eastern Europe and Graduate Nations)	3,534.10	10.5	3,809.76	4.6	27.2	37.6
		3,391.11	7.4	3,655.62	1.6	26.0	35.7		
		Total (Excluding Central and Eastern Europe and Graduate Nations)	5,567.61	0.5	6,001.88	-4.9	42.9	59.3	
			5,415.91	-1.1	5,838.35	-6.4	41.5	57.0	
		Government Loans, etc. (Implemented Loans) (Loan Recovery) (Excluding Central and Eastern Europe and Graduate Nations)	3,862.78	-22.8	4,125.57	-27.0	29.5	40.7	
			(6,893.85)	(-13.7)	(7,431.57)	(-18.3)	(53.1)	(73.4)	
			(3,067.07)	(1.3)	(3,306.30)	(-4.2)	(23.6)	(32.6)	
			4,089.95	-18.2	4,408.96	-22.6	31.3	43.0	
	Total (Excluding Central and Eastern Europe and Graduate Nations)	9,394.39	-10.5	10,127.15	-15.3	72.3	109.0		
		9,505.86	-9.3	10,247.31	-14.1	72.8	100.0		
	Subscriptions and Contributions to International Organizations (Excluding Contributions to EBRD)	3,595.43	-26.4	3,875.87	-30.4	27.7			
		3,555.89	-26.6	3,833.25	-30.6	27.2			
	Total (Including Central and Eastern Europe, Graduate Nations and the EBRD)	12,989.81	-15.6	14,003.02	-20.1	100.0			
		13,061.75	-14.8	14,080.56	-19.3	100.0			
	GNP (provisional) (US\$1 billion, ¥1 billion)	4,814.49	9.5	519,001.70	3.7				
	% of GNP (Including Central and Eastern Europe, Graduate Nations and the EBRD)	0.27		0.27					
		0.27		0.27					

Notes: 1. DAC rate for 2000: \$1.00 = ¥107.80 (Appreciation in the value of the yen by ¥6.10 compared with 1999)
 2. The subtotals for each aid type do not match exactly with the overall total since fractions are rounded to the nearest whole number.
 3. EBRD: European Bank for Reconstruction and Development. The EBRD provides assistance for the transition to a market economy in countries of the former Soviet Union and Eastern and Central Europe.
 4. Countries and regions considered to be "graduate" nations: Brunei, the Republic of Korea, Singapore, Hong Kong, Macao, Israel, Kuwait, Libya, Qatar, United Arab Emirates, Bahamas, New Caledonia, Cyprus.



Members of social welfare groups from Latin America visiting Japan as part of a Youth Invitation Program with elementary school children.

disclosing more information. Amidst hectic changes occurring in the economy, public finances and the aid environment, there is a growing need for a review of Japanese ODA policy, which has hitherto centered on the quantitative aspect in the form of gradual increases in aid expenditure. However, we must move away from quantity to emphasize quality in ODA.

JICA is more than ever aware of its responsibility as an aid agency to respond to the expectations of the Japanese people and to further improve the quality of its projects in order to provide effective aid.

Table 1-11 ODA of DAC Countries in 1999 and 2000

Position	1999							2000						
	Country	Total (\$bn)	Share (%)	Change from Previous Year (%)	% of GNP	Ranking	Country	Total (\$bn)	Share (%)	Change from Previous Year (%)	% of GNP	Ranking		
1	Japan	15,323	27.1	44.01	0.38	7	1	Japan	13,062	24.6	-14.76	0.27	12	
2	USA	9,145	16.2	4.09	0.10	22	2	USA	9,581	18.1	4.77	0.10	22	
3	France	5,637	10.0	-1.83	0.39	6	3	Germany	5,034	9.5	-8.72	0.27	12	
4	Germany	5,515	9.8	-1.18	0.26	13	4	UK	4,458	8.4	-29.22	0.31	9	
5	UK	3,450	6.1	-10.71	0.25	15	5	France	4,221	8.0	-25.12	0.33	8	
6	Netherlands	3,134	5.6	3.02	0.79	3	6	Netherlands	3,075	5.8	-1.88	0.82	2	
7	Italy	1,806	3.2	-20.72	0.16	20	7	Sweden	1,813	3.4	11.23	0.81	3	
8	Denmark	1,733	3.1	1.70	1.01	1	8	Canada	1,722	3.2	1.35	0.25	17	
9	Canada	1,699	3.0	0.50	0.28	12	9	Denmark	1,664	3.1	-3.98	1.06	1	
10	Sweden	1,630	2.9	3.62	0.69	4	10	Italy	1,368	2.6	-24.25	0.13	21	
11	Norway	1,370	2.4	3.71	0.92	2	11	Spain	1,321	2.5	-3.08	0.24	19	
12	Spain	1,363	2.4	-0.94	0.23	19	12	Norway	1,264	2.4	-7.74	0.80	4	
13	Switzerland	984	1.7	8.69	0.36	8	13	Australia	995	1.9	1.32	0.27	12	
14	Australia	982	1.7	2.29	0.25	15	14	Switzerland	888	1.7	-9.76	0.34	7	
15	Belgium	760	1.3	-13.93	0.30	10	15	Belgium	812	1.5	6.84	0.36	6	
16	Austria	527	0.9	-15.57	0.26	13	16	Austria	461	0.9	-12.52	0.25	17	
17	Finland	416	0.7	5.05	-0.33	9	17	Finland	371	0.7	-10.82	0.31	9	
18	Portugal	276	0.5	6.56	0.25	15	18	Portugal	261	0.5	-5.43	0.26	15	
19	Ireland	245	0.4	23.12	0.30	10	19	Ireland	239	0.5	-2.45	0.30	11	
20	Greece	194	0.3	—	0.15	21	20	Greece	216	0.4	11.34	0.19	20	
21	New Zealand	134	0.2	3.03	0.25	15	21	Luxembourg	116	0.2	-2.52	0.70	5	
22	Luxembourg	119	0.2	6.25	0.64	5	21	New Zealand	116	0.2	-13.43	0.26	15	
	DAC Total	56,442	100.0	8.78	0.25			DAC Total	53,058	100.0	-6.00	0.22		

Notes: 1. This table excludes aid to Central and Eastern Europe and to "graduate" nations.
 2. The DAC total may not tally with the total of individual countries owing to rounding off of figures.
 3. Provisional values for results in 2000.
 4. Greece joined DAC in December 1999.

An Overview of JICA Activities in FY 2000

Statistics on Japan's ODA and JICA Activities

As previously mentioned, Japan's ODA in calendar year 2000 totaled US\$12.98981 billion (including figures for Central and Eastern Europe, "graduate" nations and financing of the European Bank for Reconstruction and Development [EBRD]), of which Technical Cooperation accounted for US\$3.5341 billion, or 27.2% of Japan's total ODA. Of this Technical Cooperation, JICA's activities amounted to US\$1.453 billion, or 41.1% of Technical Cooperation as a whole. Compared with the previous year, these figures represent a 10.5% increase in Technical Cooperation as a whole and an increase of 5.9% for JICA Activities. A breakdown of Technical Cooperation expenditure is shown in Table 1-12.

JICA's initial budget for fiscal 2000 was ¥187.4 billion, a 1.0% increase on the previous year, of which grants accounted for ¥176.6 billion, investments for



Signing the memorandum of a joint project formulation study between JICA and USAID (Health sector in Tanzania).

¥2.6 billion, and funds in trust for ¥8.2 billion. Activities executed by JICA accounted for ¥155.3 billion (64.6%) of the Grant Aid budget of ¥240.5 billion entrusted to the Ministry of Foreign Affairs. JICA budgets since 1974 are shown in Figure 1-13.

Composition of Activities by Region

A look at costs per region in connection with Technical Cooperation implemented by JICA in fiscal 2000 shows the following distribution: Asia 43.4%, Middle East 9.7%, Africa 15.4%, Latin America 19.8%, Oceania 3.0%, and Europe 2.7%. Figure 1-14 shows composition by region including a year-on-year comparison.

Activities by Sector

Looking at costs by sector in connection with Technical Cooperation implemented by JICA in fiscal 2000, distribution was as follows: planning and

Table 1-12 Japan's ODA and JICA Activities

(Unit: \$1 million)

Type	Calendar Year	1999	2000	Change from Previous Year (%)
Official Development Assistance		15,385	12,990	-15.6
Technical Cooperation Expenses (proportion of ODA)		3,199 (20.8%)	3,534 (27.2%)	10.5
JICA Proportion (proportion of Technical Cooperation expenses)		1,372 (42.9%)	1,453 (41.1%)	5.9
Technical Training Participants (JICA figures)		403 (252)	395 (248)	-2.0 (-1.6)
Experts and Study Teams (JICA figures)		833 (723)	890 (784)	6.8 (8.4)
Cooperation Volunteers (JICA figures)		167.14 (167.07)	183.14 (183.03)	9.6 (9.5)
Overseas Students		410	469	14.4
Provision of Equipment, Research Cooperation, etc. (JICA figures)		1,372 (231)	1,634 (239)	19.1 (3.5)

Note: Including Central and Eastern Europe, graduate nations and the EBRD.

administration 12.8%; public works and utilities 19.4%; agriculture, forestry and fisheries 19.9%; mining and industry 9.2%; energy 2.5%; business and tourism 2.2%; human resources 12.8%; health and medical care 11.1%; and welfare 1.6%.

As to JICA's portion of Grant Aid, the figures were as follows: living conditions and the environment 18.4%; transport and communications 23.6%; agriculture, forestry and fisheries 31.0%; education and research

8.9%; and health and medical care 18.0%.

Proportions by sector and comparisons with the previous year can be seen in Figure 1-15.

Personnel Numbers by Type of Cooperation

Examining JICA's activities in fiscal 2000 in terms of the numbers of people involved, there were 17,513 new participants in training programs, while 3,381 experts, 9,428 members of study teams, 1,370 Japan

Figure 1-13 Changes in JICA's Budget

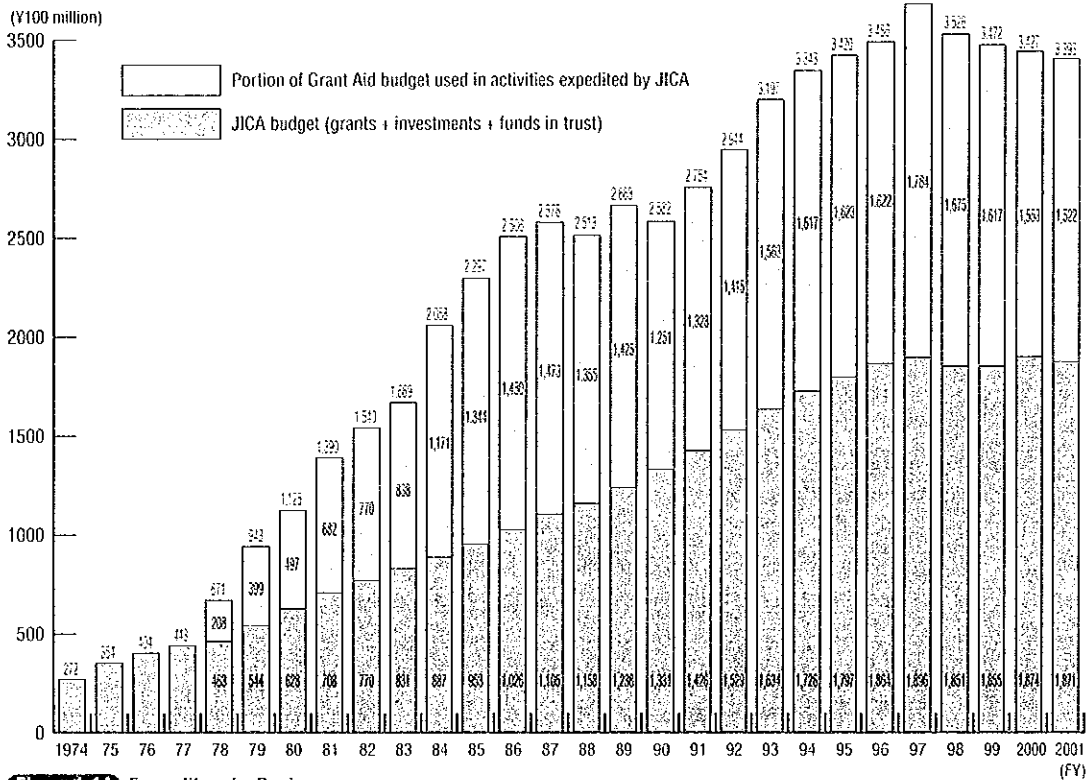


Figure 1-14 Expenditure by Region

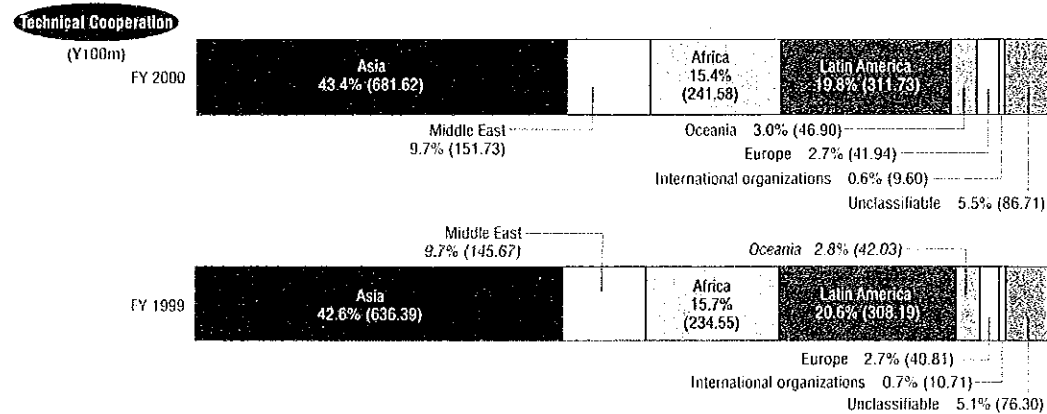
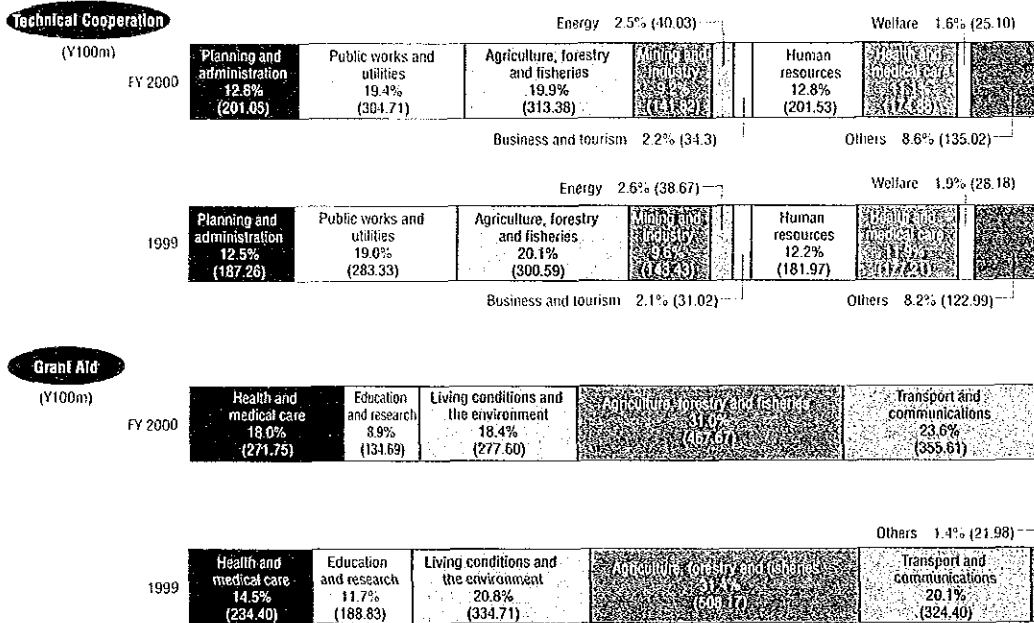
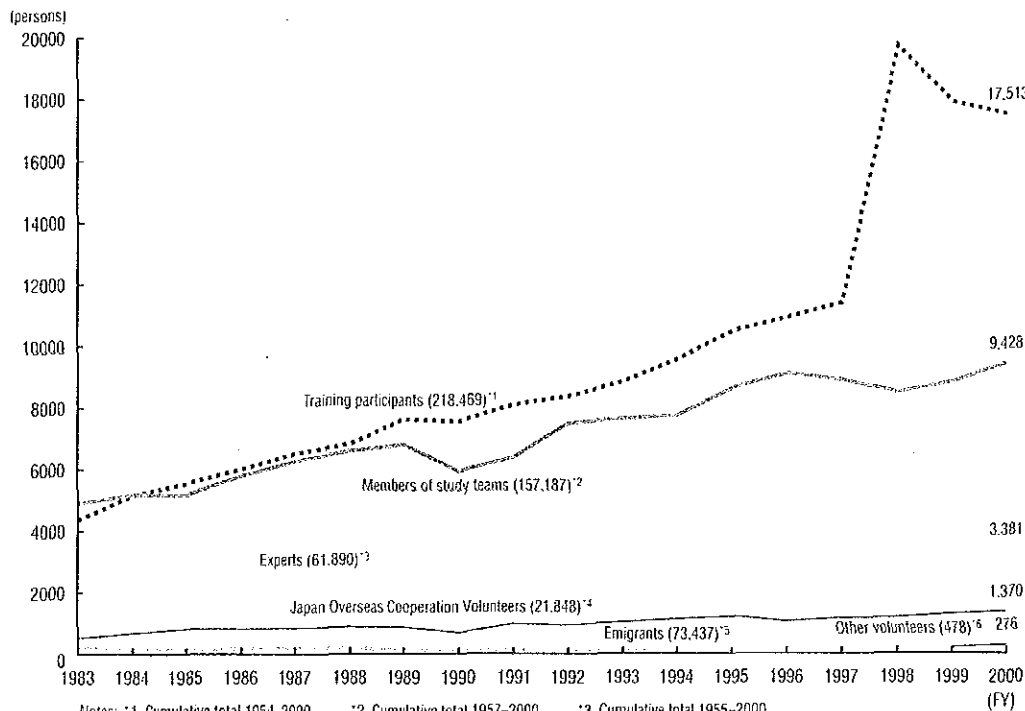


Figure 1-15 Expenditure by Sector



Notes: 1. Results based on Cabinet decisions concerning JICA allocations (grant aid for general projects, grant aid for fisheries, food aid, and aid for increase of food production) for fiscal 2000.
 2. JICA was charged with basic design studies and implementing of Grant Aid within these results.

Figure 1-16 Changes in Personnel Numbers by Type of Cooperation



Notes: *1. Cumulative total 1954-2000 *2. Cumulative total 1957-2000 *3. Cumulative total 1955-2000
 *4. Cumulative total 1965-2000 *5. Cumulative total 1952-1995
 *6. Cumulative total 1999-2000 (includes Senior Volunteers, Senior Cooperation Experts for Overseas Japanese Communities, UN Volunteers, and Japan Overseas Development Youth Volunteers. Until fiscal 1998, these numbers had been included in other totals.)

Overseas Cooperation Volunteers, and 276 other volunteers were newly sent overseas. Figure 1-16 shows the number of people involved by type of cooperation since 1983.

Program Expenses and Ratios

Figures for the expenses of JICA programs according to type in fiscal 2000 show that Project-type

Technical Cooperation accounted for the major portion (35.2 billion yen). This was followed by the Development Study program and the Acceptance of Technical Training Participants scheme, as can be seen in Figure 1-17.

Cumulative total expenses from 1954 through 2000 are shown in Figure 1-18.

Figure 1-17 Program Expenses and Ratios (FY 2000)

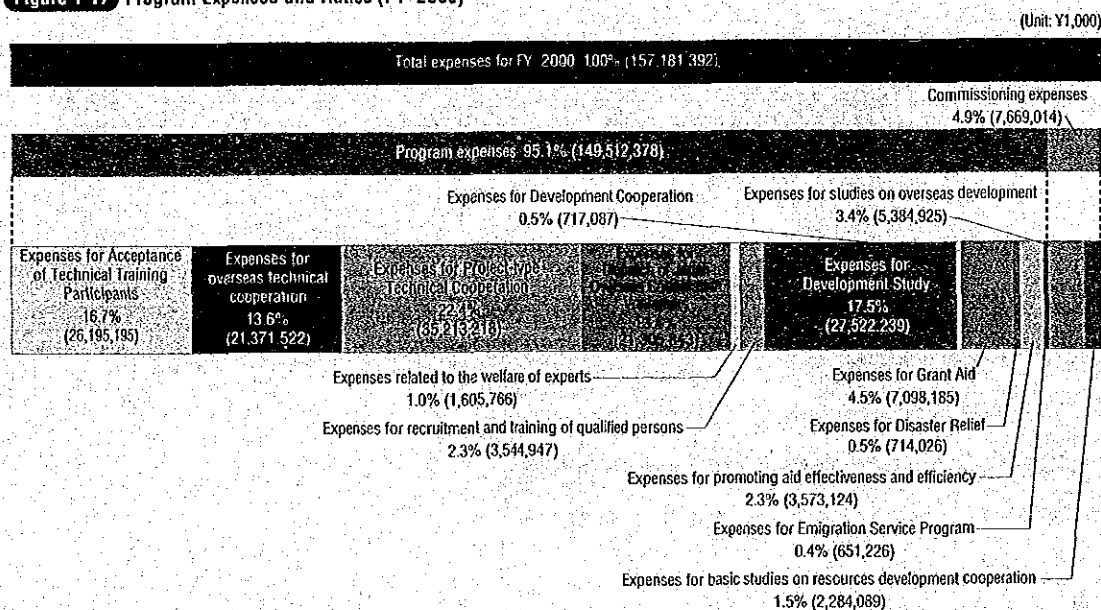
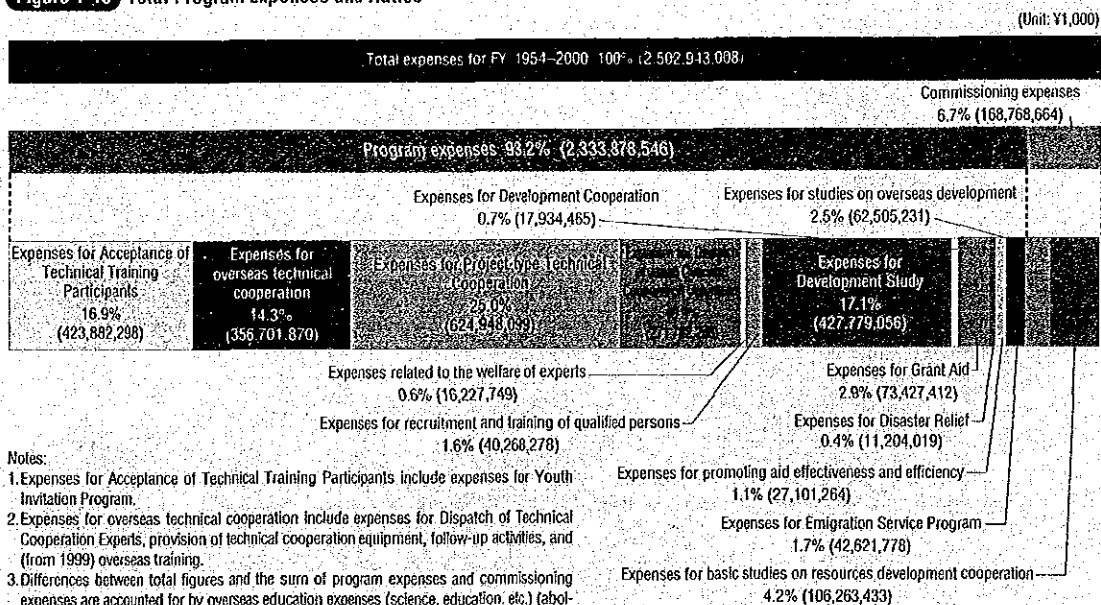


Figure 1-18 Total Program Expenses and Ratios



Notes:

1. Expenses for Acceptance of Technical Training Participants include expenses for Youth Invitation Program.
2. Expenses for overseas technical cooperation include expenses for Dispatch of Technical Cooperation Experts, provision of technical cooperation equipment, follow-up activities, and (from 1999) overseas training.
3. Differences between total figures and the sum of program expenses and commissioning expenses are accounted for by overseas education expenses (science, education, etc.) (abolished in FY 1957).