

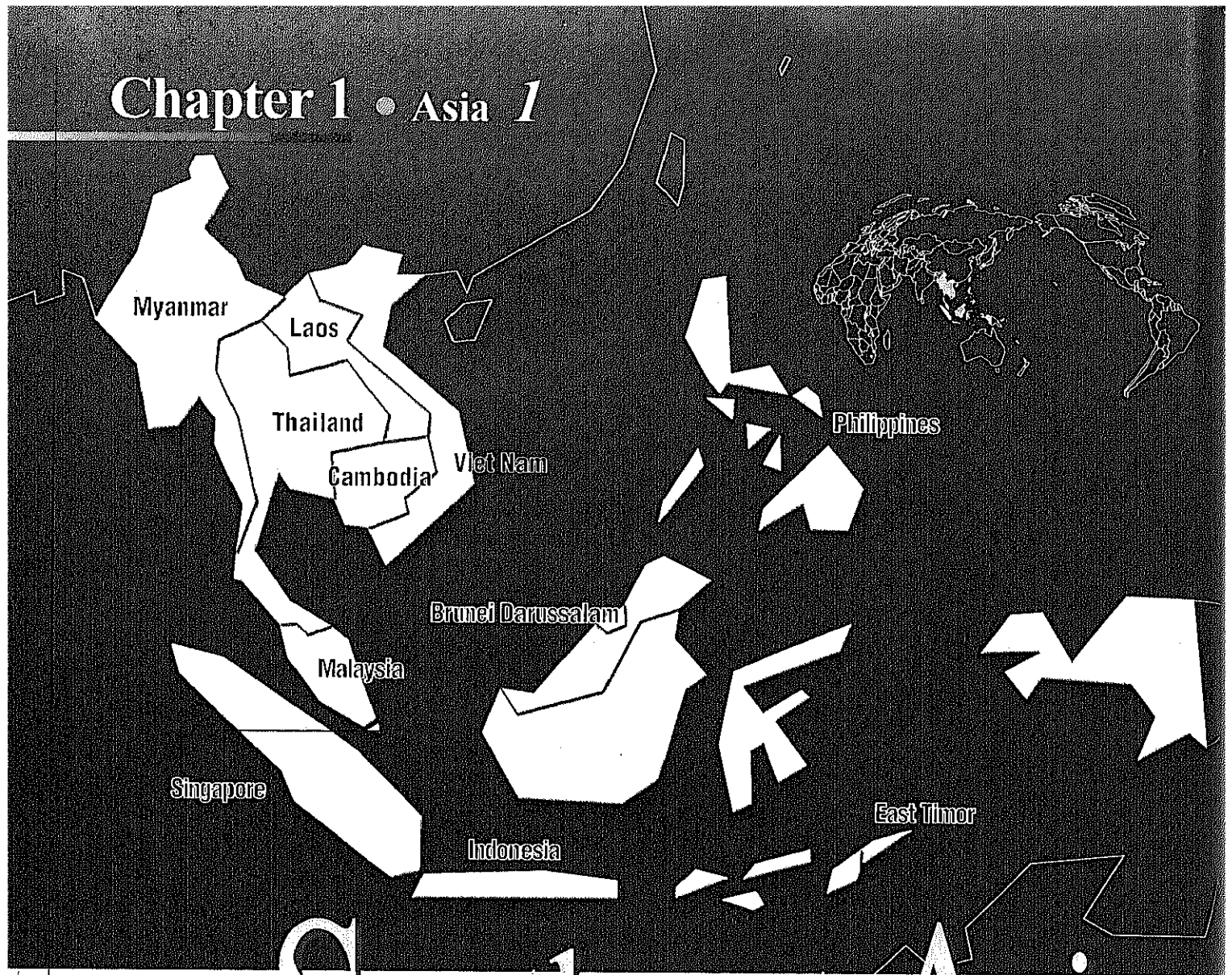


Part II

JICA's Regional Activities

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Chapter 1 • Asia 1



Southeast Asia

Pillars of Aid Aid for the Development of Southeast Asia as a Whole

Countries in Southeast Asia and Japan have had a close relationship in terms of economics, politics, and culture for years, and even today, Southeast Asia is still a priority region for Japan. In addition to trade and investment from Japan, human resources development, infrastructure* building, and policy and institutional support* through development aid have helped the region achieve remarkable economic growth.

Southeast Asian countries have overcome the Asian economic crisis through their contin-

uous efforts and high potentiality, and now they are mostly back on track in terms of development. However, since Southeast Asia is a unique region where each country has distinctive historical and racial diversity, the region still faces particular problems and struggles to solve them.

Nowadays, Southeast Asia seeks to boost the development level of the entire region, envisioning a free trade zone through the ASEAN Free Trade Area (AFTA). Emphasizing the framework of the Southeast Asian countries

including China and Korea, Japan proposed the Initiative for Development in East Asia (IDEA) to promote cooperation that organically combines trade and investments and aid.

While paying close attention to such situations, JICA will make efforts in support for economic policies, relief of the socially vulnerable, and environmental issues through intra-regional cooperation. Such continuous cooperation will facilitate political stability and the economic development of individual countries and thus to the whole Southeast Asian region.

Current State of Development

■ Remaining Economic Disparities

Japan has close political and economic relations with Southeast Asia and, therefore, cooperation for the stability and development of the region is a critical issue for Japan. A policy of giving priority to this region will not change in the future. All eight countries in the region, except for East Timor, Singapore, and Brunei Darussalam, are listed among the top 10 recipient countries and regions in JICA-based technical cooperation values in fiscal 2002. The cooperation for East Timor is now expanding, and Singapore and Brunei Darussalam are not aid recipient countries. Japan's ODA thus far, combined with investing and trading activities, has contributed greatly to the development of the region in the fields of human resources development, infrastructure building, and policy and institutional support.

Although Southeast Asia has achieved high economic growth as a whole, there still remain economic disparities among the six founding members of ASEAN and four other ASEAN countries which joined in the 1990's, and East Timor. Detailed response is required with due consideration given to the economic disparities as well as different conditions of each individual country. In doing so, it is necessary to keep in

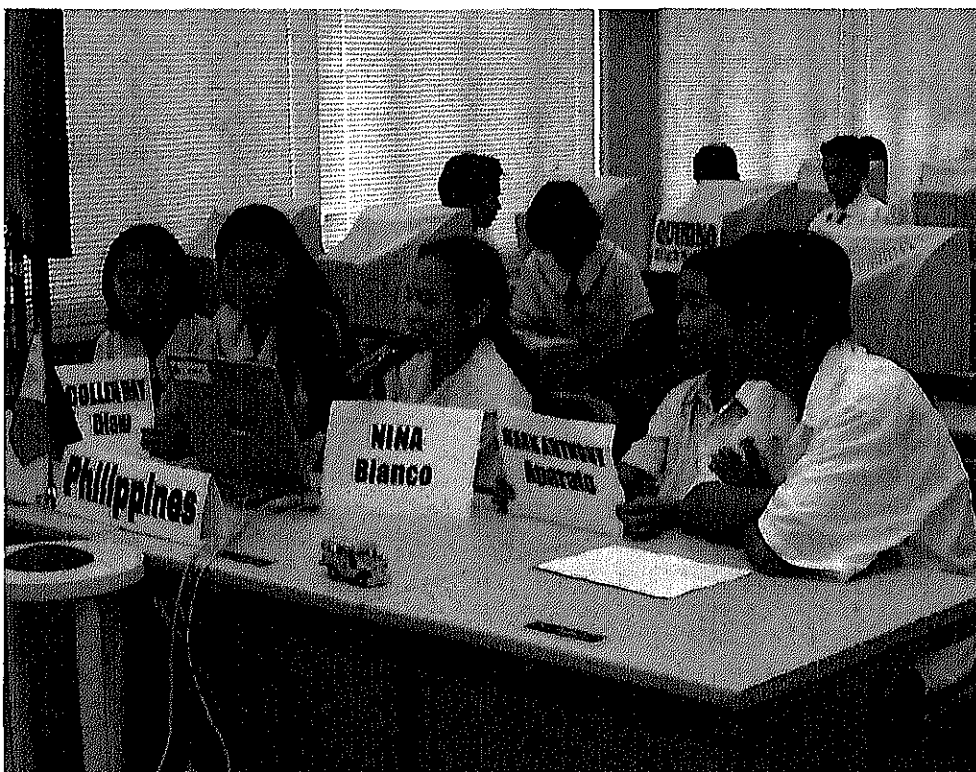
mind the following facts: the impact of the economic crisis that began in 1997 has not been overcome completely; administrative institutions are not sufficiently functioning especially in rural areas; substantial consideration should continuously be paid to the harmony of the environment and development; there are almost 60 million people living on less than one dollar a day. With those points in mind, the priority issues are summed up in the following four points.

- 1) Sustainable economic growth based on structural reforms of the economy
- 2) Strengthening governance capacity
- 3) Sustainable use of global resources
- 4) Relief for the socially vulnerable and poverty alleviation

As economic globalization advances, Japan's relationships with China, Korea, and Southeast Asia has become particularly stronger, and the harmonious development of the whole region has become vital to the prosperity of Japan. The Ministerial Meeting of the Initiative for Development in East Asia proposed by Prime Minister Junichiro Koizumi was held in August 2002. Japan confirmed the importance of efforts to solve development issues from a regional perspective, and

the significance to seek an ideal way of development cooperation in a concerted manner. Japan then announced it would continue assistance for sustainable economic development, emphasizing the promotion of trade and investment, the fostering of small and medium-scale enterprises, and the implementation of the WTO Agreement.

JICA will make efforts to solve various issues in different countries in a comprehensive manner through a package of technical cooperation projects on prioritized development issues in each country, the so-called Program Approach, while encouraging



International exchange using JICA-net (long-distance education system) in the Philippines

the participation of the private sector, NGOs, universities, and local governments.

Furthermore, JICA will support the initiative for ASEAN Integration (IAI) through intra-regional cooperation using partnership programs employing the experience and rich

human resources of the six founding ASEAN countries, which accumulated experience through the activities of JICA. Above all, JICA will work on correcting regional disparities through cooperation in the development of the Mekong river basin.

Front Line

● Philippines Cooperation for Rice Cultivation in the Muslim Mindanao Autonomous Region

Extend a Helping Hand in the Conflict Area

Technical Cooperation Project

Economic recession affected by independence movement

Autonomy has been granted to the majority of Muslims on the Island of Mindanao located in the southernmost region of the Philippines, a country in which the majority of the population is made up of Catholics.

The long-lasting independence movement has stagnated economic activities, and fighting between the rebels and the Philippine national army continues. The living standard of the residents in the Autonomous Region in Muslim Mindanao (ARMM) is very low. The region consists of five states and one city in the southern and western part of the island of Mindanao, namely, Sulu, Tawi-tawi, Maguindanao, Lanao del Sur, Basilan, and Marawi City. The average income of the residents in the region is one third that of the average citizen of the Philippines, and the access rate to basic life functions such as water, electricity, and hygienic toilet facilities is less than half the average.

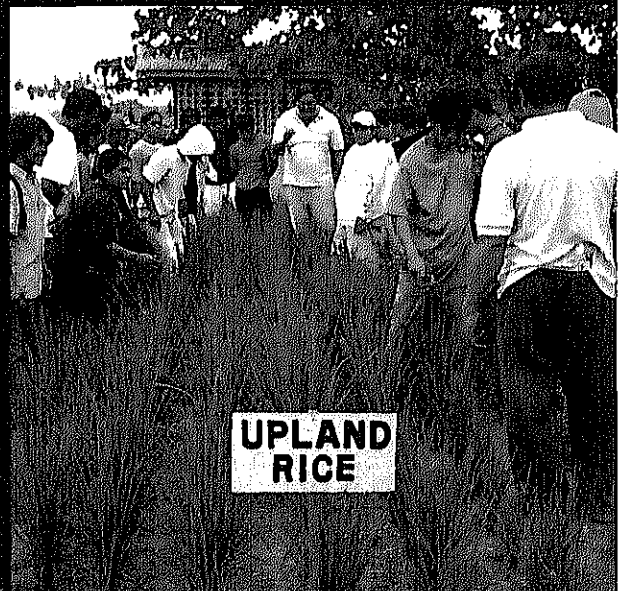
Difficulty in the dispatch of Japanese experts

In order to secure stable incomes, development in the agricultural sector is indispensable, and for this purpose, dissemination of modern technologies for rice production is crucial in the region.

However, public safety in the Muslim Mindanao region is poor, and it is difficult to dispatch Japanese experts there to provide direct guidance. Meanwhile, expertise has been acquired over long years at a rice research organization called PHILRICE in Luzon Island through JICA's technical cooperation for the development of modern technologies for rice crop.

Accordingly, using PHILRICE as an implementing body, JICA invited 30 agricultural engineers from the Autonomous Region in Muslim Mindanao to receive training on advanced rice production technologies. Moreover, in order to disseminate the technology widely to the farmers of the region, training was provided to 192 farm leaders by those 30 engineers as instructors throughout the region. Similar training will be implemented in the future, and agricultural exhibition centers will be established by these farm leaders to promote community-based and easy-to-understand agricultural technologies.

Cooperative activities are somewhat restricted in conflict areas. However,



Rice crop training for agricultural technicians

assistance in response to the local needs becomes possible through partnerships with regional organizations based on the trust that has been nurtured through the hard working efforts of JICA. A strong feeling of ownership* is generated in both providers and recipients of training. The approach of the support for the Autonomous Region in Muslim Mindanao, which makes effective use of domestic human resources, has gained a reputation for being the one to represent the future direction of cooperation by JICA.

(JICA Philippines Office)

Addressing Priority Issues in JICA Programs

■ Economic Policy Support

The Asian economic crisis that began in July 1997 imposed reviews of budget austerities and development policies on ASEAN countries, although the circumstances varied from country to country. The crisis also made a large social impact, due to the rapid increase in unemployment. The economic crisis led the resignation of President Soeharto in Indonesia, and invited economic and political confusions as well as economy recessions in Thailand and Malaysia. The impact was not negligible on the economic reforms that started in the late 80's in Viet Nam, Laos, Myanmar and Cambodia, which joined ASEAN in the 90's.

Thus, the important tasks of the ASEAN countries are to overcome the economic crisis and foster international competence to achieve development by expanding the regional economy through the establishment of the ASEAN Free Trade Area (AFTA). In view of such situations, JICA will provide cooperation giving the highest priority to economic policy support.

In Laos, for example, until 2002, focusing on the stability of a macroeconomy, policy proposals were made in the areas of reform of finance, promotion of direct investment from overseas, industry policy, agricultural and rural development, and poverty reduction. In addition, assistance was provided to strengthen Laos's analytical ability and policy formulation capability. Based on the outcomes of such activities, policy proposals for economic development of Laos through cooperative research projects and support for human resources development started in 2003 in the areas of promotion of small and medium-scale enterprises, the financial system, WTO entry, etc.

With the objective of assisting economic structural adjustment* toward a transition to a market economy, since 2000 JICA has made proposals to Myanmar for the formulation of strategic economic reform programs in the areas of financial and monetary functions, industrial trade, information technology (IT), and agriculture and rural development. Specifically, JICA's proposals have been made on the unification of multiple foreign exchange rates, the necessity of a stable macroeconomy as a prerequisite to such unification, policies on the promotion of small and medium-scale enterprises, and measures for increasing productivity to improve mainly the welfare of farmers.

The Indonesian economy has been heading towards recovery, but important issues such as the heavy debt burden and restructuring of the financial sector remained, in addition to an appropriate response to economic globalization. Based on consensus between Prime Minister Koizumi and President Megawati, the Japanese government implements policy advice through top-level discussions between six Japanese scholars and senior officials of the Indonesian government in the fields of macroeconomic management, financial sector reform, small and medium-scale enterprise promotion, and private investment expansion. Ensuring financial sustainability and strengthening international competitiveness serve as pillars of economic policy in this assistance. To address the former pillar, a methodology for the redemption of national bonds starting in 2003 and smooth completion of IMF programs and increasing income through a tax reform system were proposed. As for strengthening international competitiveness, a proposition was made on strategies to improve the investment environment for economic development and its implementation and monitoring systems of such strategies.

■ Governance Support

Governance issues have been stressed since the 1990s in ASEAN countries. It is recognized that "Good Governance**" is a prerequisite to sustainable development*, and an important political, social and cultural factor that affects the effectiveness and efficiency of aid.

Directions of governance support for Southeast Asia can be characterized by three elements: democratization support such as election assistance and police reform; administrative support such as decentralization; and legal system support such as judicial reform.

With regard to democratization support, for the purpose of realizing democratic elections in Cambodia, East Timor, and Indonesia, JICA has provided assistance in establishing and improving election systems, conducting elections and reinforcing their management, and promoting understanding and participation in elections. In order to establish democratic and modern police institutions, support has been provided for reforms of the national police department, which gained independence from the Ministry of Defense in Indonesia, and technical cooperation has been provided to improve modern investigation capability in the Philippines. Furthermore, JICA

extends cooperation in the reinforcement of drug-related crime control, which has become increasingly a serious social problem in Thailand, Myanmar, the Philippines, and Cambodia. The Koban system, which Japan is proud of, is promoted throughout ASEAN countries through Singapore, the first country to adopt the system.

In Indonesia, for example, the Citizen Police Activity Promotion Project started in 2002, using a real police station as a new police model for civilians. This is carried out in collaboration between the field police officers from Japan and Indonesia to improve identification activities and anti-drug measures, and also to introduce a citizen service system using e-mail on cellular phones.

In the area of administrative support, technical cooperation is provided to develop national administrative systems and

institutions by improving the capacity of national government employees. Cooperation for the autonomy of Muslim Mindanao is provided to assist structural and capacity-building* of the administrative system and to support health administration in the Philippines. Indonesia, the Philippines, and Thailand are active in the promotion of decentralization. To assist their efforts, various forms of cooperation have been implemented for establishing a decentralized system, policy formulation, and improvement in the ability of local government officers.

Support for modernization of civil laws and commercial laws including drafting and establishing laws have been provided to Viet Nam, Cambodia, and Laos, countries in transition to a market economy and in the process of opening up to the outside world. In order to improve judicial functions, coop-

Front Line

● Thailand Project for Capacity-building to Develop Information Technologies for Education

IT Changes Class and Children

Technical Cooperation Project

PC training for teachers

The National Information Technology Committee was established in 1992 in Thailand to promote information technology (IT) policies, including human resource development. In order to increase the number of personnel who can manage IT in the future, the Committee has promoted the dissemination of new educational methods using IT in the educational field.

In response, this project provides training for mainly elementary and junior high school teachers at five local adult education centers in order to help them use IT in teaching Thai language, mathematics, science, and social studies in collaboration with the Educational Management Information System Center (EMISC).

Teachers who have never touched PCs learn how to design class newsletters with photos and graphs using PCs. For teachers who already have some knowledge about PCs and schools that

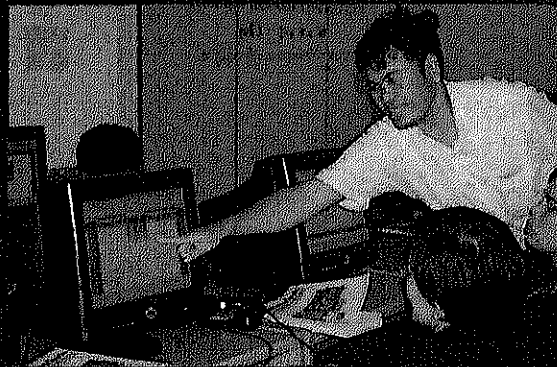
are enthusiastic about IT, there is training about creating class materials and class teaching methods using Internet or image processing software.

Expanding classrooms

JICA dispatches experts to give instructions for training materials and curricula for preparation of the project.

Experts repeatedly discuss with staff of the Ministry of Education on the ideal way of training at every level. In the meantime, Japanese Overseas Cooperation Volunteers (JOCV) have been dispatched to these adult education centers to provide training for school teachers and local residents together with the staff of the centers.

Mobile IT vehicles are sent to schools and community centers in remote areas to offer mobile classes for



Class using PCs in Thailand

those who live far away and thus cannot visit the centers. This has become quite popular.

Three thousand school teachers received this training over three years. Classes using PCs will enable children to see a new world, which cannot be seen in the conventional teaching. This effort is expected to nurture the curiosity of children who take on important roles in the future.

(JICA Thailand Office)

eration has been carried out to establish judicial organizations and institutions. Currently, JICA assists Indonesia with securing judicial independence and transparency in the course of judicial reform. Training for legal professionals and formulation of training materials and curricula have assisted in nurturing many competent personnel in the legal field.

■ Promotion of Intra-regional Cooperation

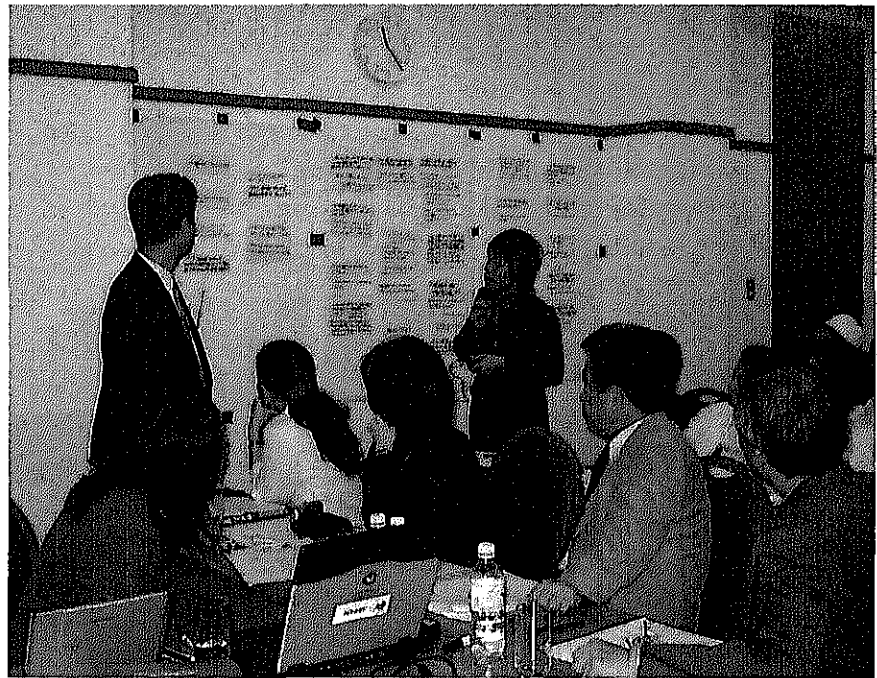
In addition to bilateral cooperation, JICA is taking a comprehensive approach to various common issues from the perspective of overall regional development through cooperation in order to contribute to the stability and development of the politics, economy, development, regional

economic integration, and environmental conservation, as well as of the relief of the socially vulnerable and poverty alleviation in Southeast Asia. Japan actively collaborates with founding members of ASEAN to extend cooperation for new members including Viet Nam, Laos, Myanmar, and Cambodia, which joined ASEAN in the 1990s.

In intra-regional cooperation, after studying Japan's experience and expertise, people from the founding members of ASEAN comprehend and develop them in their own way so that they can pass it on to other countries of the region who share the similar social, cultural, and natural environment. It is expected to not only result in positive outcomes but also help promote the sharing of common experiences and eventually strengthen regional ties.

There are various ways to that goal. For example, Japan has made an equal cost-sharing partnership with Singapore, Thailand, and the Philippines to provide support for neighboring countries and countries outside of the region through training programs and the dispatch of experts. Fiscal 2002 resulted in 41 third-country training* courses that are carried out in each country jointly with JICA, including training on practical skill-development jointly implemented with a local NGO in the Philippines, and training on productivity improvement for African countries.

Another form of intra-regional cooperation is region-wide projects. In this form, with a base set up in Thailand, cooperation is carried out simultaneously, not only in Thailand but



Interim evaluation of The Bach Mai Hospital Project In Viet Nam

also in neighboring countries. Intra-regional cooperation is under way in Thailand for the development of human resources in higher education, mainly in the area of engineering, drug control, support for persons with disabilities, parasite control, and prevention of diseases in livestock.

The ASEAN countries have gradually taken the initiative in formulating projects for intra-regional cooperation. The first Conference for the Promotion of Regional Cooperation was held in Malaysia in July 2002, and was co-sponsored by JICA and the ASEAN countries with East Timor as an observer. In the conference, it was confirmed that the ASEAN countries and JICA would extend cooperation under local initiatives in 12 prioritized areas, including trade promotion, fight against HIV/AIDS, reforestation, and tourism development for Viet Nam and the other three ASEAN members who joined in the 1990s. Furthermore, in order to examine mechanisms for promoting intra-regional cooperation and provide specific cooperation, building a network and developing a database has started.

Intra-regional cooperation also includes the Initiative for ASEAN Integration proposed by Singapore and led by the ASEAN Secretariat; and the Mekong River Basin Economic Cooperation Program by the Asian Development Bank. JICA actively participates in these programs.

What must be mentioned here is support for Afghanistan in the form of a partnership between Japan and the ASEAN countries. In March 2003, Indonesia and JICA invited 15

Afghans to Jakarta and other local cities with the aim of agricultural development, and carried out training on local agricultural development and women's roles in Indonesia. This training program was provided in Indonesia based on the fact that many Indonesians are Muslims. One of the favorable outcomes was the advancement of mutual understanding among the people of two countries. Following this training, Malaysia,

another country with a majority Muslim population, plans to carry out other training programs on road construction technologies, which Japan supported previously, in Kuala Lumpur jointly with JICA. Thus, intra-regional cooperation continues to be more active in the ASEAN countries through the utilization of various effective experiences and know-how that were accumulated over the years.

Front Line

● Myanmar Leprosy Control and Basic Health Service Improvement Project in Myanmar

Improve Regional Medical Care through Human Resources Development

Technical Cooperation Project

Health and medical care provided by midwives

Health and medical services in Myanmar consist of local primary medical care and primary health care, both of which are provided by 12,000 midwives (local public health nurses) stationed in the area. Township hospitals are secondary medical care institutions, and county hospitals, district and state hospitals, and disease-specific hospitals are higher medical institutions.

An integration policy for local health and medical services was introduced in 1978, and all the regions were integrated by 1991. A local public health nurse is stationed at each public health center (Sub-rural Health Center), and is responsible for primary medical care and primary health care of 5,000 to 10,000 residents.

Within such a framework, leprosy control has been given a high priority among public health programs in Myanmar because the country has a high rate of infection for the disease. Thus, the system for disease-specific measures has been strengthened and it functions quite effectively.

However, midwives diagnose and treat patients. Support for the periodical provision of state-of-the-art technologies

in response to the changing situation is required so that midwives can carry out effective measures to fight leprosy while being much occupied with other services.

Strengthening leprosy control

The Leprosy Control and Basic Health Service Improvement Project in Myanmar started in April 2000 as technical cooperation in the public health sector of Myanmar. Leprosy control, prevention of disabilities, and introduction and implementation of rehabilitation programs have been chosen as the threshold for the activities to improve the quality of regional basic health services.

In order to implement measures in response to local needs effectively, this project promotes partnerships among disease-specific treatment divisions at the central level. This further supports the promotion of disease control and improvement of health and medical services through improving the skills of midwives, who are responsible for public health and medical services at the local



Technical support for leprosy control

level, and the technology of hospitals at each level.

At the same time, educational campaigns for early diagnosis and treatment of the disease, prevention of infection, and disabilities are carried out in collaboration between the government and NGOs with the active involvement of residents.

While reinforcing the activities at 48 townships in mid-Myanmar, the experiences gained there will be presented within and out of the country as a model region, and similar activities are anticipated to start in other regions.

(JICA Myanmar Office)



Pillars of Aid East Asia in a Phase of Change—Aid Needs Keep Changing

● China

Japan has provided the utmost cooperation in China's efforts toward modernization since the launch of its open reform policy based on the recognition that China's stable economic growth is in Japan's national interest. Recently, due to rapid economic growth and changes in the socioeconomic structure, China's aid needs have changed and Japan's prolonged economy recession has made it necessary to reduce aid financing. Under these circumstances, aid for China has been reviewed.

With regard to medium-term aid policies for the future, based on the proposal put together in December 2000 by the Meeting on China's Economic Cooperation toward the 21st Century chaired by Isamu Miyazaki, former Director-General of the Economic Planning Agency, the China Economic Cooperation

Plan issued by the Ministry of Foreign Affairs in October 2001 serves the basic guidelines.

The Plan specifies the following six areas as priority areas in cooperation for China.

- 1) Cooperation towards resolving environmental and other global issues*
- 2) Assistance for an open reform policy
- 3) Promotion of mutual understanding
- 4) Assistance for poverty alleviation
- 5) Support for private sector activities
- 6) Promotion of multilateral cooperation

● Mongolia

Cooperation with Mongolia stresses the following four areas.

- 1) Intellectual support and development of human resources for transition to a market economy:
Structural improvement and human resources development provide support for the market economy system.

- 2) Upgrading economic infrastructure* and conditions for the promotion of industry:

The focus is primarily on support for the Mongolian Railway, which is a major means of transportation in Mongolia, and support for a stable supply of energy.

- 3) Promotion of livestock-farming and agriculture:

Livestock-farming and agriculture is a key industry that accounts for nearly 25% of Mongolian GDP. Since the majority of local residents who are engaged in livestock-farming and agriculture live below the poverty line, in relation to poverty reduction, this area is important as well.

- 4) Support for basic living environments:

Cooperation is provided for education, health and medical care, and rural infrastructure, which are fields that were subject to drastic budget curtailment after the political changeover.

Current State of Development

■ Widening Disparity in the Chinese Economy

Since the launch of the open reform policy in 1978, China has recorded exceedingly high economic growth, on average about 10% per year, and accomplished rapid economic development. On the other hand, in recent years not only has economic disparities between regions become evident and environmental degradation more serious, but the establishment of a market economy has not corresponded to the rapidly expanding economy, thus creating structural problems in the system.

The 10th five-year program (2001-2005) implemented in 2001 addresses greater adjustment of the stalling economic structure with more focus on the agricultural sector. In addition, improvements in the lives of citizens, social security, and Western Region Development were added to the plan. Consequently, a priority has been placed not only on economic growth, but also on creating a stable society through the elimination of disparities between urban and rural areas and between various regions.

The most significant recent development in the economic field is China's entry into the World Trade Organization (WTO) at the end of 2001. China's great challenge right now is to promote the necessary economic structural reforms through economic globalization and the introduction of an international economic system, and the primary task is to improve the domestic economic system that accompanies WTO membership.

On the other hand, the country's rapid economic growth for the past 20 years has brought about large domestic economic disparities within China. The average income disparity at the provincial level between coastal areas, where rapid eco-

nomical development has been achieved, and inland areas, where basic economic conditions lag behind, is more than tenfold. Furthermore, more than 200 million people living at the level of absolute poverty (i.e., living on one dollar or less a day) reside in the inland areas.

Environmental issues, which have emerged in the course of the promotion of the open reform policy, can be divided into three categories.

- 1) Environmental pollution, such as water pollution of the major rivers and lakes, air pollution of the cities, acid rain extending to over 30% of the country, waste disposal problems, etc.
- 2) Conservation and the creation of forests, which are currently losing tree coverage; implacable desertification; large-scale migration of yellow sand; and deterioration of ecosystems and the environment due to frequent flooding.
- 3) Sustainable use of water resources, which are closely related to environmental issues and are subject to pressure from population growth and urbanization.

In spite of active environmental countermeasures carried out by the Chinese government, the worsening environment has become a serious problem that undermines steady economic development and social stability.

■ Mongolia Needs to Maintain and Manage Infrastructure

Mongolia has extremely low population density, with approximately 2.5 million people living in an area four times the size of Japan. It features a severe climate of little precipitation and a long midwinter due to its inland location at a high latitude. Three quarters of the country's territory is grasslands, with the remaining area occupied by deserts or mountains. In order to adapt to such natural environments, people have lived nomadic lives since ancient times.

With its incorporation into the economic sphere of the Council for Mutual Economic Assistance (COMECON) in the 1920s, Mongolia began to serve as a supplier of raw materials, and mining and light industry as well as livestock-farming and agriculture started to develop. Another characteristic of this country was its level of basic living conditions (such as education and medical care), which was higher than that of other developing countries, thanks to substantial economic



Poverty program project implemented with the cooperation of a Japanese NGO in Guizhou Province

aid from the former Soviet Union.

Around the time of the collapse of the Soviet Union in 1991, Mongolia changed over from a communist system to a democratic system with a market economy. 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 and economic aid from the International Monetary Fund (IMF) and various countries.

However, lack of funds has created difficulties in maintaining and managing a wide range of socioeconomic infrastructure, and repair and renovation of this infrastructure have become important tasks. The development of human resources needed for the market economy is another urgent priority. Further problems that have surfaced recently include



Opening ceremony of an elementary school in Mongolia built with the support of Japanese ODA

the widening gap between the rich and poor, and a decline in the standards of education as well as health and medical care, especially in rural areas.

Front Line

• China The Model Afforestation Project in Sichuan

Deforestation as the Cause of Massive Flooding

Technical Cooperation Project

Afforestation in the upper waters of Chang Jiang

There was a massive flood in the Chang Jiang River basin in the summer of 1998. One of the causes of this flood is believed to be deforestation at the upper reaches of the river. The need for afforestation in the upper waters for flood control was acknowledged.

For this purpose, a five-year project started in July 2000. Specific activities in the Anning River basin, a branch river of Chang Jiang, which is situated in Liangshan Yizu Autonomous State, Sichuan, are as follows:

- 1) Nurseries are being built to carry out various experiments in Xichang City and Zhaojue County, which are located 1,560m and 2,950m above sea level, respectively, in order to develop technologies to produce seedlings in tropical, temperate, and high-altitude regions.
- 2) A 500ha model forest is being built to develop afforestation technologies with an aim to preserve wet soil suit-

able for dry and high-altitude regions.

- 3) Training is provided to develop human resources engaged in management, implementation, and dissemination of seedling, nursing, and foresting activities.
- 4) Seedling cultivation and afforestation technologies will be disseminated in order to help local residents understand the importance of forest conservation and implement their own self-sustainable afforestation activities.

Technical transfer to local residents

This project is implemented in the form of technical transfer where experts train local residents directly on site on seedling nursing and afforestation techniques. This project is carried out at different locations, including nurseries, afforestation sites, and villages, according to the expert.

Since most of the experts' activities take place not in an office but on site,



Local ethnic minority people participating in the afforestation project

they first have to deal with the language difficulty by writing messages to communicate with their counterparts*. However, they are now fluent in the Sichuan dialect and making progress in the project as communication improves.

(JICA China Office)

Addressing Priority Issues in JICA Programs

Environmental Issues and Infectious Diseases

—China

Activities for addressing environmental issues and infectious diseases that cross borders require international cooperation, and have become the highest priority issue of JICA programs.

With respect to environmental pollution, the Japan-China Friendship Environmental Protection Center plays a central role in supporting the establishment of an environmental information network and the promotion of the Japan-China environmental model city plans. The center also provides support related to formulation of environmental policies such as technical support through analysis of and solutions for acid rain and yellow sand storms, and the establishment of a pollution control administrator system.

As far as infectious disease control is concerned, JICA has made a large contribution to the eradication of polio in China, and presently emphasis is being placed on cooperation for tuberculosis control.

Next, the greater globalization of the Chinese economy through the support of China's transition to a market economy is deemed a priority. To support reform and open-door policies, it is carried out to establish tax, trade, and intellectual property right protection systems in accordance with the rules of the international community. In addition, Japan transfers its specific experiences in the areas of policy, financial systems, and small and medium-scale enterprise promotional support systems.

Thirdly, it is important to improve mutual understanding between the citizens of both countries as it will become the basis for a long-term sound relationship. Expansion of

exchange between young people in Japan and China, the training of China's young executives in Japan, and the encouragement of exchange between local governments are being promoted.

Finally, it is important to address poverty, a common problem for all developing countries. Although dealing with the poverty issue primarily concerns Chinese domestic income distribution, in the areas that Japanese experience and technology can be exploited, national land planning to correct disparities between regions is introduced and support for persons with disabilities is provided.

Human Resources Development in the Private Sector—Mongolia

In Mongolia, JICA provides intellectual support to government sectors to strengthen taxation functions and legislative measures in order to develop human resources who can lead the transition from socialism to a market economy. In addition, JICA focuses on human resources development in the private sector with the help of the Japan-Mongolia Center for Human Resources Development Cooperation. Furthermore, JICA engages in technical assistance in the areas of railroads, road construction, and power supply, all of which are the basis for industrial development.

JICA is cooperating in administration for livestock-farming and agriculture through facilitating statistical information. A natural disaster known as *DZUD* (snow damage) killed many livestock in 2003, as it did from 2000 to 2002. The great number of deaths was partly caused by deterioration in grass quality due to a sudden increase in the number of livestock and a lack of disaster planning capabilities. To respond to these problems, it is important to build institutions and organizations that can carry out sustainable management of livestock-farming.

Changes in the political system have brought about a sudden deterioration in social services such as education and health and medical care. Rural areas, in particular, are seriously affected by shortages in financial and human resources. JICA therefore plans to extend cooperation for rebuilding schools and communications networks, and to extend support for education on information technology (IT) as a step toward the future, while placing emphasis on improvements in rural living conditions.



The Japan-China Friendship Environmental Protection Center Project, Phase 3, addresses yellow sand problem

Also, the need for proper protection and management of the valuable natural resources found throughout Mongolia's vast land expanse has become heightened along with greater interest in international conservation, namely, biological diversity* and global warming issues. JICA will explore possibilities for cooperation in this environmental conservation area.



The moment when the Japan Center in Mongolia recorded its 30,000th visitor after opening on February 27, 2003

Front Line

● Mongolia Assistance for Wildlife Conservation and Research for Compiling a Catalogue of Useful Plants

Conservation of Biological Diversity Rooted in the Traditional Culture of Falconers

Dispatch of Technical Cooperation Experts

Starting from an understanding of natural conditions

In the 1990s, the Mongolian government successively joined major international conventions in the field of conserving biological diversity, including the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), as part of its environmental conservation policies. However, the development of judicial systems and implementation of environmental conservation administration, which should have been in place before joining the conventions, lag behind. Financial difficulties and a shortage of human resources, combined with expectations for commercial activities such as tourism, pose the question of how to develop actual conservation policies. Experimental data, which had been gathered during the socialist era, are now scattered or lost, and they lack credibility. Expertise, which enables them to conduct scientific studies and monitoring, is in short supply. All of these factors hinder the understanding of accurate natural conditions as a basis of the conservation policies.

Global interest in conservation of the natural environment in Mongolia is high, and international NGOs and international organizations provide support for the designation of wildlife sanctuaries and the protection of rare animals. JICA also provides assistance in the form of dis-

patch of individual experts in order to help develop the domestic systems in line with the Washington Convention and compile a catalogue of useful plants through the research support fund.

Gel workshops

Generally speaking, research and monitoring of habitat conditions of wildlife and plants require cooperation from local residents. Since there are not enough nature inspectors to cover the vast land of Mongolia, local residents are expected to participate in monitoring. Therefore, residents' participation is the key to improving sustainability of conservation activities. In that sense, the experts have set their eyes on nationally recognized traditional hunters and Kazakhstani falconers who live in the west. They possess a philosophy of the sustainable use of wildlife, which is similar to that of the Japanese "Matagi" culture, and enjoy the respect of local residents.

Experts held a workshop in a gel (the nomadic tent house) to encourage the participation of residents. Falconers shared their experiences in the workshop, and experts provided technical assistance, including data sheets for research into habitat conditions. As a result, some local NGOs such as the Wolf Preservation Association and the Golden Eagle Preservation Association were founded. Data collected by these associations will be stored at the Ministry



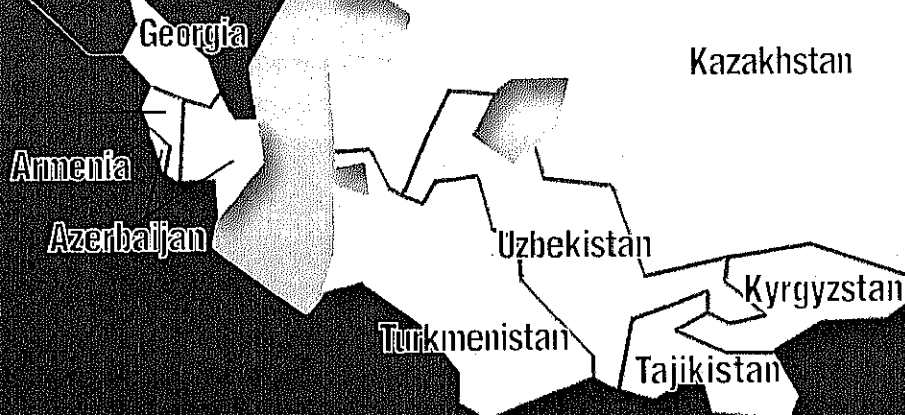
A Kazakhstani falconer living in western Mongolia

of Nature and Environment and used for further research as basic data on habitat conditions.

Long-lasting cooperation

Although understanding the habitat conditions may sound simple enough, it actually requires long-term efforts including the development of human resources to collect basic data and analyze them. Natural environment and diverse wildlife in Mongolia are attracting many tourists from all over the world, not to mention Japan. The abundant natural environment and biological diversity of Mongolia can be raw material for the development of Mongolia including tourism. In order to preserve these profound natural resources for many years to come, we must nurture technical cooperation by combining the experience of Japan and the wisdom of Mongolia.

(JICA Mongolia Office)



Central Asia and the Caucasus

Pillars of Aid Building an Independent Country

The countries of Central Asia and the Caucasus are facing major problems on their paths to nation-building. Under socialism, dependency on the Soviet Union and strong central government were fostered, and a clear division of industries existed between the individual countries. This now means that much of the societal and industrial infrastructure* required by independent nations is lacking. Consequently, there is a need for many reforms, including abandoning the former system, the establishment of democratic institutions and, the adoption of a 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 the Caucasus, JICA is providing cooperation with emphasis on policy advice aimed at implementing a market economy, human resources development, and the upgrading of basic infrastructure.

Since independence, various problems have arisen that were scarcely considered during the Soviet era. 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 an absolutely 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 opera-

tion 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 experts for environmental monitoring and is cooperating on specific topics such as preservation of biological diversity*.

Various problems have arisen 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 care sector closely linked to civil life. Cooperation will continue to be provided to upgrade infrastructure from the Soviet era, which is increasing inefficiency and ineffectiveness.

Current State of Development

■ Path of the Silk Road

Central Asia consists of the five countries of Uzbekistan, Kazakhstan, Kyrgyzstan, Turkmenistan, and Tajikistan, while the Caucasus comprises the three countries of Azerbaijan, Armenia, and Georgia. These two areas are located in the center of the Eurasian continent; combined, they cover an area of 4.2 million km² and have a 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 witnessed constant territorial conflicts among the nomadic peoples who lived there. After being under the rule of the Russian Empire in the 19th century, the countries in this region formed part of the Soviet Union from the 1920s onward, but they gained their independence when the Soviet Union disintegrated in 1991.

People of many different ethnic backgrounds, including Iranians, Turks, and Mongolians, have lived in this area since ancient times. Slavs, including Russians, settled the area in early modern times and Germans and Koreans were forced to emigrate here in the Soviet era. This area today has a complex ethnic mix.

In terms of religion, although the five countries of Central Asia and Azerbaijan have been reverting to Islam, each country has adopted the principle of separation of politics and religion so that Islamic rules are not strictly imposed. 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 countries of Central Asia and the Caucasus must dismantle the system imposed by the former Soviet Union, and establish 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 so-called developing countries. However, since independence, the inefficiencies of the planned economic system that was applied during the former Soviet Union era, the deterioration of facilities and machinery, inadequate maintenance control, insufficient energy, and division of industrial relationships due to the collapse of the former Soviet economic zone, have led to disunity across their societies and economies. A priority for these countries is therefore to estab-

lish systems and structures appropriate for their status as truly independent countries.

Each country is continuing with efforts aimed at moving from a planned economy to a market economy. However, 10 years have passed since independence, and differences in the speed and progress of transition are becoming clear. Certain results have been achieved on the macroeconomic front, but the gross national products (GNP) of almost all the countries have not recovered to the levels they were at the time these countries achieved independence. Nation-building must take place in parallel with economic reconstruction for the recovery and betterment of the economy and living standards of the people.

■ Diversifying Political and Economic Conditions

As regards economic reform, Kazakhstan, Kyrgyzstan, and the three countries of the Caucasus 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 International Monetary Fund (IMF) and the World Bank. However, the economic disparities between the countries are becoming more and more apparent, as is evident in the conditions of Kazakhstan and Kyrgyzstan. While Kazakhstan has been showing steady economic growth thanks to oil development in the Caspian Sea, which has started to become profitable recently, the mountainous landlocked country of Kyrgyzstan suffers from large debts. On the other hand, Uzbekistan and Turkmenistan are distancing themselves from these radical reform programs and following their own distinctive paths. In January 2002,



Kazakhstan Japanese Speech Contest held at Kazakhstan Japan Center

Uzbekistan commenced a new program in line with an IMF proposal, but has not really launched basic economic reforms, such as the abolishment of exchange rate control and trade control systems. Tajikistan has embarked upon economic reform for sustainable development* after going through difficulties with reconstruction following years of civil war.

Agriculture is the main industry in this region. Central

Asia, most of which generally has a dry climate, is promoting structural reforms in order to be free from the monoculture of cotton production that relied on large-scale irrigation systems during the Soviet era. The Caucasus mainly falls within the Mediterranean climatic zone and farming occurs in line with the climatic and natural conditions of each territory. The region as a whole has a plentiful supply of mineral resources

Front Line

● Kazakhstan

Technical Cooperation for the Improvement of Health Care Services in the Semipalatinsk Region (in the Republic of Kazakhstan)

Easing the Pain of Victims of Nuclear Testing

Technical Cooperation Project

A mushroom cloud in the sky of plain

Semipalatinsk City, located in the northeastern part of the Republic of Kazakhstan, is a typical medium-sized Russian city with a population of 300,000 living on a large plain. Dostoevsky, the great 19th century Russian writer, once lived in this city.

In the area surrounding Semipalatinsk City, there are numerous nuclear testing grounds from the Soviet era, and from 1949 to 1989, about 470 nuclear tests were reportedly conducted. During the Cold War, the United States and the Soviet Union were busy with nuclear development. Residents of a village located only 38km away from a testing ground were not given any explanation as to what the mushroom clouds in the sky and the mysterious lights on the horizon really were. The health conditions of residents who were continuously exposed to radiation for as long as 40 years were seriously damaged. Even now, approximately 300,000 people are estimated to be suffering from the aftereffects of radiation exposure.

Utilizing the experiences of Hiroshima and Nagasaki

Following the unanimous consent for

support for Semipalatinsk at the 52nd UN General Meeting in 1997, an international conference regarding support for Semipalatinsk was held in Tokyo in 1999. At this conference, Japan, the only country ever to suffer from an atomic attack, declared that it would provide medical support for residents of Semipalatinsk utilizing the experiences of Hiroshima and Nagasaki and results of previous support for atomic bomb sufferers so that they are at least able to lead healthy and culturally humane lives.

Consequently, in July 2000, a regional medical care improvement planning project for Semipalatinsk commenced for the purpose of improving regional medical care and support the early detection of leukemia and cancers caused by radiation exposure. Under this project, Japanese experts and their counterparts* are conducting health check ups of residents using equipment such as a health check vehicles provided with Japan's grant aid. More than 15 Japanese experts annually are dispatched under this project, providing various kinds of technical advice as well as the above-mentioned health checks. The technical advice includes diagnostic



An expert (on the far right) discusses radiation diagnosis in Semipalatinsk.

techniques, such as in-depth examination and confirmation examination for examinees with comments and data analysis methods regarding data collected. These diagnostic results are then collected as data and analyzed so that they can be reflected in future administrative policies.

The whole world, including various international organizations, is paying attention to this area, where the damage of nuclear testing is unprecedentedly serious. Japanese experts' dedication to their operations for improving the health of the residents has been widely accepted by local residents and highly praised by the world.

(Regional Department II, East, Central Asia, and the Caucasus Division)

including petroleum, natural gas, zinc, tin, and rare metals, including uranium and radium, and there are several countries where primary manufacturing industries are well developed. Azerbaijan, Kazakhstan (petroleum for both), and Turkmenistan (natural gas) are rich in energy resources and have strong confidence in developing their respective resources and in establishing export routes. On the other hand, as a country without its own resources, Georgia is attempting to establish a role for itself as a conveyance route for energy.

In international relations, all these countries except a few, including Tajikistan, kept their respective distance from Russia until June 2001, when four countries of Central Asia (Kazakhstan, Kyrgyzstan, Tajikistan and Uzbekistan) formed the Shanghai Cooperation Organization with China and Russia, and agreed to promote neighborly relations among members, cooperate in a wide range of fields including politics and economics, and work together for regional security and

stability. With the terrorist attacks in the United States on September 11, 2001, and the subsequent air strikes in Afghanistan, the region passed a big turning point in terms of national security. Threats from radical and extremist Muslims, such as the Taliban faded, and Uzbekistan, Tajikistan, and Kyrgyzstan, offered military bases to US and European forces, strengthening the relationship between each country and the United States. Turkmenistan, on the other hand, has tended to take an independent course of diplomacy, which has resulted in being isolated internationally in many fields.

In the Caucasus, 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. In addition, Azerbaijan and Armenia continue to dispute possession of the Nagorno-Karabakh enclave.

Addressing Priority Issues in JICA Programs

Supporting Self-sufficiency among the Newly Independent States

In July 1997, Japan's then prime minister, Ryutaro Hashimoto, announced "Eurasia Diplomacy" in Central Asia and the Caucasus, referred to as "Silk Road Region," thus strengthening economic cooperation and resources development cooperation. Among such efforts, technical cooperation has drawn much attention. JICA has provided cooperation in four main areas with the aim of supporting self-sufficient development in this region, namely: (1) support for transition to a market economy; (2) socioeconomic infrastructure development centering on transportation and communications; (3) cooperation with social sectors such as health and medical care and education; and (4) conservation of the environment.

Support for a transition to a market economy has been taking the form of advice on macroeconomic and economic development planning policies, master plans on specific topics such as the promotion of small and medium-scale enterprises and banking systems, and intensive technical cooperation. In the field of socioeconomic infrastructure, JICA has cooperated on the upgrading of railways, roads, airports, and water supply systems. In social sectors, institutional reforms in the health and medical care field and policy support on education reforms and maintenance of equipment are under way.

JICA has also provided technical cooperation to support conservation of the environment. Other areas of cooperation include basic industries such as agriculture and mining.

In Tajikistan, cooperation has been limited to the acceptance of training participants for supporting the transition to a market economy and democratization. However as peace-building after the civil war has progressed and internal security has been recovered following the collapse of Taliban controls in its southern neighbor, Afghanistan, with which



Exchange party between local citizens and NPO from Mitaka City at Uzbekistan Japan Center

Tajikistan has a strong relationship, full-scale cooperation has been developing, including the dispatch of personnel starting in 2002. Support for poverty alleviation and social sectors in the country, whose economy has fallen to the poorest level due to the influence of civil war, are under consideration.

Furthermore, it should be noted that Japan Centers* have been set up in Uzbekistan, Kazakhstan, and Kyrgyzstan to continuously offer business courses aimed at developing practical human resources that will contribute to the transition to a market economy, and to provide Japanese language courses and information on Japan aimed at increasing local awareness of Japan.

■ Review of Priority Areas

Because differences in progress and priorities have begun to emerge clearly after 10 years of independence in the region, based on the results of a one-year study by the Study Committee for Development Assistance to Central Asia in 1999, JICA reviewed priority areas for cooperation with Uzbekistan, Kazakhstan, and Kyrgyzstan to provide more appropriate cooperation for each country. Since the economic

disparities between rural areas and the capital or large cities have become wider in each country, cooperation for closing regional disparities has been a recent focus, including cooperation for regional development and extension of volunteer activities to rural areas.

■ Further Efforts to Bolster Security

The underlying ethnic and religious makeup of this region is complex. Unstable political conditions following the collapse of the Soviet Union have led to terrorist activities, civil war, and conflict in some countries of the region. In fact, several 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 Japanese engineers in Kyrgyzstan. Although conditions have shown some improvement in recent years, utmost vigilance is called for due to the activities of Islamic fundamentalist forces. In order to proceed with cooperation in the region, JICA is planning to give further consideration to public order and security measures.



Discussion on regional development of Issyk-Kul Lake, a tourist attraction in Kyrgyzstan