

Central America and the Caribbean

Pillars of Aid Increasing Mutual Cooperation in the Region

JICA continuously contributes to human resources and socioeconomic development in the countries of Central America and the Caribbean, taking into account the following prioritized issues and self-help efforts on the part of the recipient countries.

1. Promotion of regional cooperation utilizing South-South cooperation

In this region, relatively developed countries and those in difficult situations are bonded by common languages such as Spanish and English. Many have called for greater mutual cooperation in the region and the need to improve the efficiency of aid is intensifying. JICA's continuing support for South-South cooperation* in this region is thus an important priority.

In addition, in the countries of the region that share many common issues, JICA will pro-

mote effective and efficient regional cooperation projects that can be adapted and utilized by several countries. Areas such as disaster prevention, infectious disease control, the environment, and fisheries are considered to be promising.

2. Disaster prevention measures

In the past, this region was struck by hurricanes, earthquakes, and volcanic eruptions that caused enormous damage. JICA will support the enhancement of disaster prevention capacities in this region, the countries of which suffer from the high frequency of natural disasters.

3. Environment

In this region, modernization and the development of industry and economy have been accompanied by serious environmental problems involving air and water pollution, the

generation of harmful waste products, and an over-concentration of population in metropolitan districts. Dealing with these problems has become an urgent issue. The region is endowed with forest areas of great biological diversity* and bountiful oceans. Their preservation leads to the safeguarding of natural assets for humankind.

4. Development after civil war

The civil war that racked Central America for several decades severely damaged the region's social and economic infrastructure*. Sectors that are particularly affected and in need of support include water supply, health and medical care, basic education, agricultural development, construction of roads and bridges, democratization, and internal security improvement.

Current State of Development

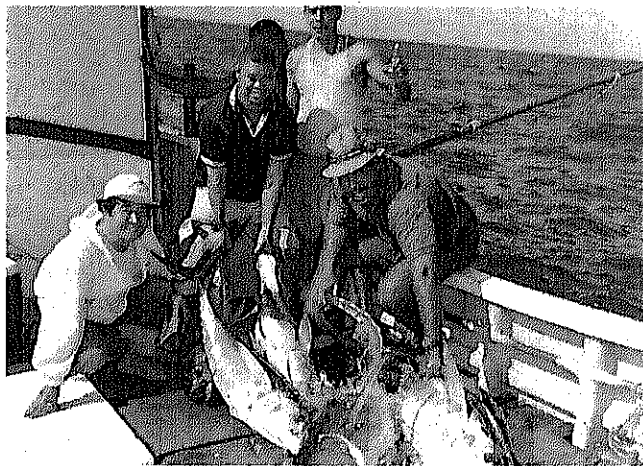
■ Small Countries with Many Similarities

Central America and the Caribbean comprise 21 countries, eight in Central America and 13 in the Caribbean. It occupies an area of 2.96 million km², or 2.2% of the world's surface, and is home to 164 million people, or 3% of the world's population. The region has many small countries, of which eight have land areas of less than 10,000km² and nine have populations of less than one million people.

The economies of most of the countries in this region are based on agriculture and are reliant on exports of primary products. Although tourism is thriving in many countries, manufacturing and other industries remain relatively underdeveloped in the region as a whole. Even though their economies have improved in recent years, helped by the long economic boom in the United States, they are still burdened with accumulated debts and are subject to the impact of the international situation and the international financial market.

■ Regional Alliance for a Peaceful and Safe Society

Decades of civil war in Central America since the late 1970s destroyed these countries' societies and economies.



An expert conducts piscatology training in the Dominican Republic

Neighboring countries felt repercussions in the form of influx of refugees and arms. Peace-making proceeded in the early 1990s and, following the signing of the Guatemalan peace accords in December 1996, all the countries of the region with the exception of Cuba now have democratically elected governments. However, the damage that was inflicted on the social and economic infrastructure of these countries is still being felt today: many countries have inadequate water supply facilities and are yet to attain adequate health and medical care and basic education. Assistance from developed countries is essential to solve these problems.

In addition, in fall 1998, hurricanes hit Central America and the Caribbean region and caused damage on an unprecedented scale. Furthermore, in January and February 2001, devastating earthquakes struck El Salvador, which resulted in massive damage. This region is highly prone to natural disasters, and cooperation for disaster prevention and reconstruction is also needed to overcome the threats posed by such disasters.

Independent countries recognize the advantage of having the same languages and pressing issues even though they are small. They are striving for regional alliances and tight, integrated relationships. Since 1991, the Central American Integration System (SICA) has attempted to coordinate various activities in various fields. President Vicente Fox of Mexico, who was inaugurated in December 2000, proposed the 'Puebla Panama Plan' which promotes an alliance with Central America in 2001 through economic development by several means such as integration infrastructure from the southern region of Mexico to Panama. This plan has further increased momentum toward an alliance. In the Caribbean, an alliance has advanced since the establishment of the Caribbean Community in 1973. In 1995, Belize joined the Community and made its activities more vital.

Addressing Priority Issues in JICA Programs

■ Active Regional Cooperation and Support for South-South Cooperation—Mexico

Mexico, the country with the largest land area and population in Central America, has made solid improvement in its

status within the international community through the implementation of the North American Free Trade Agreement (NAFTA) and its entry into the Organization for Economic Co-operation and Development (OECD) in 1994. However,

the southern part of Mexico is still seriously underdeveloped, and so the country has the important task of promoting economic development effectively with other neighboring countries in Central America. JICA is promoting South-South cooperation from Mexico that facilitates the regional development.

Since July 2000, in particular, a team of JICA experts has assisted in the further development of the institutional capacities of the Mexican Institute for International Cooperation (IMEXCI). Two projects, a popular earthquake-resistant hous-

ing project in El Salvador and an agricultural pest control management project in Nicaragua, both identified and formulated based on a joint study implemented by JICA and IMEXCI, are scheduled to commence in fiscal 2003 as a collaborative cooperation project by Japan and Mexico. JICA has implemented five third-country training* programs in Mexico, among which are Appropriate Management of Solid and Hazardous Waste, and Integrated Wastewater Treatment and Reuse for Environmental Sustainability that commenced in 2002 to train each country's technicians in the region. In

Front Line

● Mexico Project for Assisting Small-scale Producers in the Soconusco Region in the State of Chiapas

Community-based Rural Development

Development Study, Dispatch of Technical Cooperation Experts, etc.

Model village for development

The state of Chiapas located in the south of Mexico shares a border with Guatemala and is one of the poorest areas of the country. Since the late 1990s, the decline in the price of farm products has driven many working-age males to the northern national borders and even to the United States as migrant workers. Under such circumstances, it is necessary to organize the remaining female residents, improve living conditions, and implement small-scale projects. It is expected that these activities will become a good model for community-based rural development in the area.

Gaining experience

JICA conducted a development study called the Study on Integrated Agriculture, Livestock and Rural Development Project in the Soconusco Region in 1998 and 1999. In response to the results of the study, the Project for Assisting Small-scale Producers in Soconusco Region in the state of Chiapas started in cooperation with the Rural Development Bureau of the

Chiapas government in March 2003.

Five villages were selected to be project sites based on natural conditions and types of produce as a prospective model for the region. This project emphasizes understanding of and gaining experience in processes such as objectives and methods of the project implementation, operation management, and follow-ups, not to mention the implementation of actual activities. By carrying out small projects such as producing vegetables and building improved cooking stoves under the initiatives of the community, we aim at reinforcing the organization, improving its capacity, and accumulating experience. These are skills required to carry out bigger and more difficult projects in the future.

Joint work with organizations

In order to develop a community-based project, cooperation from villages in support of the project, the Rural Development Bureau, and other relevant organizations is required. Also, reinforcement and improvement of the operation systems of such organizations are also needed. Thus, JICA always carries



A discussion with a residents' group in the State of Chiapas

out joint work involving villages and relevant organizations as well as residents groups. The problems that we are currently facing are underdevelopment of the system for rural communities and lack of status studies and follow-ups by the implementation body. There is also the issue of unawareness that projects should be community-based.

Through not only the dispatch of experts and provision of equipment, but also linking with volunteer programs, this project will be carried out in grass-roots cooperation. The Mexican side also plans to develop a community-based project involving local colleges, students, and NGOs.

(JICA Mexico Office)

addition, JICA has dispatched third-country experts* on as many as 22 occasions.

The prioritized aid fields for Mexico that were confirmed during policy consultations between the two governments in November 2001 include support for South-South cooperation, the reduction of disparities among regions and gaps between rich and poor, industrial and regional development, environmental management, and conservation of the natural environment.

■ Quick Response to Disasters—El Salvador

In January and February 2001, a series of disastrous earthquakes hit El Salvador. JICA immediately dispatched the Japan Disaster Relief (JDR) Teams to the affected regions followed by experts on Sand Arrestation and Landslide Control for fiscal year.

In accordance with the reconstruction of El Salvador, JICA dispatched the Project Confirmation Study Team to El Salvador to determine the prioritized fields and the specific needs for cooperation in August 2001: reactivation of the production sector, social development, the environment, and support for democratization.

In addition, the Study for Detailed Design is implemented for an ODA loan project to develop the La Union Port in order to stimulate economic activity in the eastern region of El Salvador and the neighboring countries.

El Salvador places great importance on regional cooperation with SICA, which is a prospective partner for effective cooperation. Taking this into account, JICA allocates an expert to the General Secretariat of SICA (SG-SICA).

■ Promoting Reconstruction of the Poorest Country in Central America—Nicaragua

Nicaragua has the lowest per capita income in Central America, with many people living under the poverty line. In 2001, Nicaragua completed the Poverty Reduction Strategy Paper (PRSP)*, as other heavily indebted countries did, with public participation in order to seek further cooperation from the international community.

The priority areas for cooperation agreed upon between Japan and Nicaragua are: agricultural and rural development, health and medical care, education, roads and transportation infrastructure, support for democratization, and disaster prevention. JICA provides technical cooperation aimed at strengthening the regional health care system and improving sanitation for the residents of Granada Province. Furthermore,

JICA examines possible cooperation on improving technologies in livestock farming and agriculture, which are potential means for greater economic vitality and sustainable development in Nicaragua.

■ Cooperation for National Reconciliation—Guatemala

In Guatemala, since the signing of the peace accords between the Guatemalan government and left-wing guerrillas in December 1996, efforts have been made for the recovery and development of democratic governance. There are many problems to address, including improvements in the harsh living environment in the mountainous areas, security, and the promotion of ethnic reconciliation. In March 2001, JICA implemented a project confirmation study that involves policy discussions, and confirmed five prioritized aid fields—education, health and sanitation, infrastructure improvement, public safety, and administration and judicial systems and also recognized the importance of the agricultural field.

In the field of education, JICA has supported the extension of elementary education to girls of indigenous descent, and in fiscal 2002 implemented an ex-ante evaluation study on a project which aims at improving school management with participation of local residents. In health care, JICA experts and JOCVs have been sent to promote measures for the elimination of Chagas disease, which is prevalent among impoverished families. The results of these activities have been encouraging. In fiscal 2003, JICA started preparation for the commencement of the project that will extend results of these measures to neighboring countries. Also in 2002, a basic health care study was implemented to look into possible cooperation in the field of regional health care.

■ For Effective Cooperation—Honduras

After Haiti and Nicaragua, Honduras is one of the least developed countries. Since the country has extensive development needs, partly due to massive damage caused by hurricanes, Japan provides assistance in a variety of fields. The prioritized fields include infrastructure improvement, improvement of basic living conditions, promotion of key industries such as agriculture and fishery, and human resources development. As a reflection on small improvements in economic indicators in spite of the relatively large support extended from various countries and international agencies so far, the execution of specific measures based on PRSP that was formulated with the initiative of Honduras in 2001 is a major task. Coordination among individual donors*

and international agencies involved in this task has become even more important.

In 2002, JICA launched the Project for the Improvement of Teaching Methods in Mathematics, which developed from past efforts in the field of elementary education. Also, in the agricultural sector, which is the country's key industry, long-term experts are dispatched in order to examine improvements in the circulation of products. As the importance of presenting successful cases in the development of impoverished regions has been pointed out, JICA takes active leadership in donor meetings to propose cooperation projects that integrate various activities in various fields.

■ Unique Efforts Leading the Region—Costa Rica

Costa Rica has relatively high educational standards and a well-organized social security system. It is recognized as one

of the most stable democratic counties in Central America.

The Technical Instructor and Personnel Training Center for Industrial Development of Central America, which was constructed with grant aid from Japan, first powered up its central function through a technical cooperation project and third country training. The Center then commenced the Project on Productivity Improvement for Enterprises in January 2001. For the purpose of maintaining the environment and proper use of living marine resources in the north Gulf of Nicoya, the Project on Sustainable Fisheries Management Plan for the Gulf of Nicoya started. In addition, by organizing programs such as third-country training courses on Effective Treatment Measures to Facilitate the Reinsertion of Inmates into the Society, Costa Rica is building on its unique status as a leading provider of cooperation in the region, as well as being a recipient of Japanese cooperation.

Front Line

● Honduras The Project for the Improvement of Teaching Methods in Mathematics Increase the Completion Rate for Primary Education

Japan Overseas Cooperation Volunteers

Nationwide improvement of teachers' academic abilities

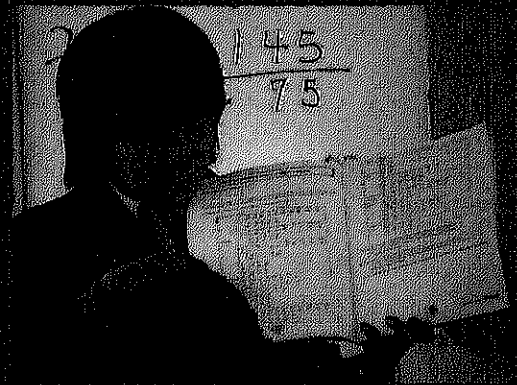
Total enrollment in primary education exceeds 90% in Honduras, however the completion rate is only a little over 60%. It has been pointed out that the decisive factor is the teachers' lack of academic ability and skills.

Under the Mathematics Project, which was mainly promoted by Japan Overseas Cooperation Volunteers (JOCV), 58 volunteer teachers at elementary schools participated for 13 years until 2002. They provided retraining to a total of 20,000 local teachers. Japan's cooperation received praise from Honduras thanks to the accumulated experience of these activities, which lead to the launch of the Project for the Improvement of Teaching Methods in Mathematics.

Project activities include the development of guidelines for teachers and workbooks for students, and then train-

ing teacher using these materials. Experts, senior volunteers, and JOCVs are involved in the development of teaching materials and spent a total of 5,000 hours on trial production for each grade in working with related staff from Honduras. Training is in the form of lectures at colleges covering materials for grades one to six over 440 hours in four years, and 26 credits are accredited by the college. Participants in this training course may be able to obtain a college degree if they complete a certain program that includes other courses.

These activities started last year even before the technical cooperation project started. The Ministry of Education and the University of Education, the main implementation arms of the project, expect significant results based on the previous training monitoring, as well as the results of academic and teaching achievement



A JOCV teaching in the Project for the Improvement of Teaching Skills in Mathematics

tests taken by teachers. We are planning to spread the teaching materials and methodology of the projects throughout the country using new teachers training courses and retraining schemes for new teachers. 38,000 teachers and 1.2 million students across the country will benefit from these activities.

(JICA Honduras office)

Wide-ranging Development Centered on the Canal —Panama

The year 1999 was a momentous one for Panama, with a change in regime and the return of the Panama Canal by the United States. In 2000, the reduction of disparities between poor and rich and among regions, sustainable development* of the economy, environmental conservation, and support for the canal and its surrounding areas were confirmed as priority fields for cooperation.

In Panama, environmental conservation that leads to the preservation of the water sources of the canal is an important issue, and in response the Panama Canal Watershed Conservation Project (technical cooperation project) was commenced in 2000. In addition, focusing on growth in the service industry and taking advantage of its unique status in marine transportation in the world and the development of impoverished rural villages, JICA provides cooperation by dispatching individual experts in the following fields: economic development policy, management and administration of harbors, and enhancement of institutional capacities of farmers' organization.

Moreover, as a base for the enhancement of disaster prevention systems in Central America the Coordination Center for the Prevention of Natural Disasters in Central America is in Panama, which set up the Academy. As demonstrated in the dispatch of a long-term expert to the Center in fiscal 2002, JICA plans to extend active cooperation in the disaster prevention field, a common issue for the countries in Central America.

Countries with Similarities and Diversities —The Caribbean

The countries of the Caribbean are mostly small in size and population, and many have gained their independence in recent years. Because of their relatively high per capita income and the small scale of their economies, Japan does not have a strong record of cooperation in these countries.

It is effective to assist the Caribbean region, which has many small nations that are similar, on a regional basis in connection with common development issues, employing the resources of regional organizations such as the Caribbean Community and Common Market (CARICOM). Because hurricanes are always a problem, the issue of flooding needs to be addressed. In order to expand cooperation for the Caribbean Disaster Emergency Response Agency (CDERA), which is located in Barbados, JICA started the Caribbean

Disaster Management Plan, a technical cooperation project aimed at disseminating and drawing up flood control maps in 16 CDERA member countries such as Jamaica, Saint Vincent and the Grenadines, and Trinidad and Tobago. In Japan, region-specific training courses were carried out to improve regional health care systems and marine resources management for this region.

In addition to country-specific support, cooperation forms that could broadly benefit the region have been examined. A good example is a cooperation project called Promotion of Sustainable Marine Fisheries Resource Utilization, which JICA commenced in September 2001 to support 10 countries including Jamaica based on the Caribbean Fisheries Training and Development Institute (CFTDI) in Trinidad and Tobago. In fiscal 2002, training participants from the target countries gathered at CFTDI to learn about small-scale fixed netting operations and aquatic food processing techniques and a project expert visited Barbados to provide technical guidance.

Jamaica has the largest population of the English-speaking Caribbean countries, and the relationship between Japan and Jamaica grows closer every year. Cooperation for Jamaica focuses on the dispatch of volunteers and technical cooperation. JICA is focusing its efforts on the Project for Strengthening Health Care in the Southern Region and the dispatch of JOCVs.

There are many immigrants from Japan in the Dominican Republic. In an effort to realize wide-ranging development with the active participation of Japanese immigrants and descendants, JICA is providing cooperation, particularly in the fields of agriculture, education, and health and medical care. The prioritized aid fields include infrastructure improvement, health and medical care, agriculture, livestock, fishery, education, and the environment. JICA conducted a project confirmation study to identify suitable directions for medium-term cooperation, such as development issues to be tackled, in line with the prioritized aid fields. In the field of agriculture, on which JICA has focused, the Study on the Integrated Rural Development of Former Sugarcane Plantation Area (development study) and the Technology Improvement Project for Irrigated Agriculture (technical cooperation project) have been implemented. In the environmental field, JICA's cooperation is expanding, as seen in the Master Plan Study on Watershed Management in the Upper Area of the Sabana Yegua Dam and the Improvement of Sewage System and Environment in the City of Santiago (development study).



South America

Pillars of Aid Projects Emphasizing Five Priority Issues

There are many South American countries that have achieved remarkable economic growth. However, those countries still face various problems such as income and regional disparities, deterioration of the environment and public safety. Therefore, financial, technical, and personnel assistance are still required for the socioeconomic development of the region.

JICA has been carrying out projects focusing on the following issues.

1. Development of an investment environment with due consideration given to the role of the private sector
2. Response to various urban problems (poverty in urban areas and the environment, etc.)
3. Proper management of underground resources, maintaining and improving food producing capacity, and conservation of the natural environment
4. Promotion of Intra-regional cooperation and response to inter-regional integration
5. Collaboration with Ethnic Japanese (NIKKEI) Communities

Current State of Development

Many countries in South America have achieved high economic growth. Argentina, Brazil, Chile, Uruguay, and Venezuela are ranked as upper middle-income countries (UMICs), and Bolivia, Colombia, Ecuador, Paraguay, and Peru as lower middle-income countries (LMICs), according to the Development Assistance Committee (DAC)* List of Aid Recipients.

Even those countries with high levels of growth, however, are facing problems, including insufficient investment in infrastructure, income and regional disparities, and deterioration of the environment as a result of economic growth, as well as issues involving drugs and public safety. Therefore, they are still in need of financial, technical, and personnel assistance.

Characteristics of South American countries are summarized in the following five points.

1. As privatization progresses, the private sector plays an important role.
2. The existence of international cities (e.g. Sao Paulo in

Brazil and Buenos Aires in Argentina) poses problems such as urban poverty and environmental pollution.

3. Regional cooperation in Latin America is being carried out by such countries as Argentina, Brazil, and Chile, and regional integration (e.g. Mercado Común del Sur: MERCOSUR*, which is a regional customs union formed by Argentina, Brazil, Paraguay, and Uruguay) are in progress.
4. South America is an important resource and food production region not only for the Japanese but also for the entire world. The region is also home to a valuable ecosystem.
5. There are many immigrants from Japan and people with Japanese ancestry (according to the statistics of the Ministry of Foreign Affairs in 2002, the population of Japanese ancestry in Brazil is about 1.3 million, which accounts for 51.2% of all non-Japan residents of Japanese ancestry in the world), and they contribute to the regional development, and the cultivation of friendship and a trust- ing relationship with Japan.

Addressing Priority Issues in JICA Programs

Based on the characteristics mentioned above, JICA programs in South America concentrate on the following issues.

Development of an Investment Environment with Due Consideration Given to the Role of the Private Sector

JICA projects in this region have the objective of contributing to the promotion of intra- as well as inter-regional exports and investments. Those projects were associated with studies on economic development, industry promotion, regional development, comprehensive planning on the development of infrastructure, etc. (master plan study), and feasibility analysis for specific individual development projects (feasibility study). The following are some project examples.

- Argentina: economic development study
- Chile: the study for promotion of investments and exports for balanced economic development
- Paraguay: economic development study
- Venezuela: study on promotion of small and medium enterprises

The results of these studies (final reports, etc.) will be pub-

licized broadly to Japanese private corporations in the future so that they will be used for the promotion of economic activities between Japan and South American countries at the private level. JICA will also examine the possibility of dispatching experts and accepting technical training participants in fields where the transfer of Japan's knowledge, technologies, and know-how are still required.

Response to Urban Problems

The following assistance is provided to large cities in South America to deal with serious air pollution, water contamination, waste treatment, and increasing poverty in urban areas.

- Argentina: strategic action plan for the sustainable environmental management of an urban-industrial area in complete scale
- Brazil: research on air and water contamination in Sao Paulo, technical guidance for industrial waste treatment
- Brazil: health care education to improve the living environment of slum dwellers

- Paraguay: installation of solid waste treatment facilities and staff training for those facilities

Proper Management of Underground Resources, Maintaining and Improving Food Producing Capacity, and Conservation of the Natural Environment

South America is endowed with rich mineral resources and the world-famous Amazon rain forest. It is also the world's leading breadbasket; regions like the Cerrado (Brazil) and the Pampa (Argentina) contribute to the world's stable food supply.

Based on the above, JICA provides cooperation in the survey and search for mineral resources and assistance in responding to mining pollution in the heart of such abundant mineral resources.

Cooperative research and studies with various affiliated institutions in Brazil on the conservation of the Amazon rain forest are conducted. Moreover, cooperation in conservation of the precious ecosystem of the Galápagos Islands is now under way.

Furthermore, in order to maintain and improve food productivity, technical guidance and pilot projects regarding the agricultural development in the Cerrado have been carried out.

In view of the serious damage caused by the ozone hole in the southern part of South America in recent years, we are assisting with observations of the ozone layer, impact studies

of ultraviolet rays, and the replacement of ozone depleting substances.

Major cooperation carried out so far is as follows:

- Argentina: prevention of the ozone hole (ozone depletion) (observation of the ozone layer, assessment of impact on ecology, technology of hydro chlorofluorocarbon)
- Brazil: conservation of the Amazon rain forest ecosystems (research on Amazon forests, recovery plans for degraded land)
- Brazil: production of soybeans and grains (implementation of various projects for the agricultural development in the Cerrado region)
- Ecuador: Sustainable Development of the Galápagos Marine Reserve (conservation of marine and land ecosystems)
- Many countries in South America: development of mineral resources (dispatch of experts, technical cooperation projects, development studies)

Promotion of Intra-regional Cooperation and Response to Regional Integration

In South America, relatively developed countries as Argentina, Brazil, and Chile have long conducted independent interregional cooperation. Japan has concluded Partnership Programs (PP)* with these three countries under the principle of providing cooperation as equal partners to other developing



A third-country expert, who is an Argentinean of Japanese ancestry (far right), gives instructions at the National Institute of Technology and Standardization in Paraguay

countries in South America. JICA has extended various forms of joint projects such as dispatch of third-country experts*, acceptance of technical training participants in those countries, project-type cooperation, etc. Also, in order to further promote PP, surveys are conducted in countries of the region to formulate technical cooperation projects actively.

Moreover, for the purpose of promoting and coordinat-

ing Japan's region-wide cooperation, JICA dispatches experts to MERCOSUR, a regional customs union formed by Argentina, Brazil, Paraguay, and Uruguay. In this way, JICA is assisting the smooth implementation of the Study on Improvement of Packaging Technology for Merchandise Distribution in MERCOSUR, which Japan plans to launch. Japan is studying possibilities of further cooperation.

Front Line

● Brazil Cooperation in the Amazon Region

Balance between Environmental Conservation and Development

Individual Technical Cooperation Program, Technical Cooperation Project, Development Study

Continuously disappearing forests

The Amazon forest, the world's largest tropical rain forest, is being rapidly destroyed. In the Amazon region in Brazil, in particular, approximately 17,000km² of rain forest, or eight times the size of the Tokyo Metropolitan area, has been disappearing every year and the rate never decreases. The dwindling forests are mostly attributed to slash and burn agriculture carried out by newly-settled landless farmers and illegal logging, which is related to poverty in the northern and northeastern regions of Brazil. Regulations by government and public projects are not effective in solving these problems in the Amazon region, which is 14 times the size of Japan. Projects led by and beneficial to residents, which integrate environmental conservation and sustainable development* /increase in income in rural areas, are called for.

Under the concept of active promotion of agroforestry, JICA is conducting research into afforestation techniques on degraded land with the National Institute of Amazon Research. JICA is also conducting research into cultivation of tropical fruits, which are specialty crops in the Amazon region, with the Brazilian Agricultural Research Corporation (EMBRAPA). The cooperation of the latter, in particular, is conducted in close collaboration with farmers of Japanese



An expert giving instructions to make furniture from the flooded timber of the Amazon

ancestry who immigrated in this region and contributed to the establishment of agriculture and are now practicing the agroforestry that is the subject of high global interest.

Cut the vicious circle

In addition to agroforestry, JICA is working on research into breeding Pirarucu, the world largest freshwater fish, with support from Kagoshima Aquarium. Pirarucu is a valuable source of protein for the local people, but is also in danger of extinction. JICA also provides technical support in furniture production in order to effectively add values to timber such as controlled logging and

fallen or discarded timber (with cooperation from Oak Village Inc.). In agricultural produce processing and distribution, in collaboration with a local NGO, JICA works to create a model to cut out the vicious circle that starts from slash and burn agriculture, goes through low production, abandonment, and urban concentration, and results in slums/pollution. Paper making from plants is also being promoted with the local NGO.

To disseminate the results of these projects, master plans to rehabilitate degraded lands and feasibility studies for commercialization are under consideration now.

(JICA Brazil Office)

■ Collaboration with Ethnic Japanese (NIKKEI) Communities

JICA has implemented projects in collaboration with ethnic Japanese (NIKKEI) communities, for example, in the form of dispatching Brazilian experts of Japanese ancestry to Bolivia for technical guidance. In pursuit of more effective and efficient implementation of projects through the promotion of international collaboration with the ethnic Japanese society made of more than 1.45 million South Americans of Japanese ancestry, JICA conducts field studies and domestic discussions, which will become the guideline of the implementation of such international cooperation.



Japan-Chile Partnership Program (JCPP) Seminar

Front Line

● Argentina Package of Emergency Measures for Crisis

Support Economic Development and Social Development

Aid Efficiency Promotion Activities, On-site Development Study, Individual Technical Cooperation Program

Development of the crisis

The Argentine economy faced a crisis starting in the latter half of 1998, and social conditions deteriorated due to an increased unemployment rate and poverty. It developed into an economic, political, and social crisis, the so-called "Argentine Crisis," which resulted in the removal of the president and the establishment of an interim government in December 2001. However, the unplanned actions of the interim government, such as pronouncement of suspension of payments on the foreign debt, and the devaluation of the Argentine peso due to the abolishment of the fixed exchange rate regime aggravated the confusion of the economy and in 2002 the country reported negative 10.9% of GDP growth, 21.5% of unemployment rate (May) and 57.5% of the rate of poverty group (October).

JICA's response

In response, in August 2002 JICA proposed a package of assistance in

economic development and social development titled Package of Emergency Measures for the Argentine Crisis.

As assistance in economic development, JICA carried out a basic study for the promotion of small and medium-scale enterprises and the expansion of export, both of which are regarded as priority issues to overcome the crisis. Specifically, The Study on Selected Productive Clusters (Forestry/Forest products, IT, non-metalliferous minerals), the Study on Updating of the Study of the Economic Development of the Argentine Republic-the Second Study, conducted by JICA formerly, and a study of the Business Development Survey, were commissioned to local consultants and research institutions and implemented with help of Japanese experts. As assistance in social development, JICA carries out pilot projects to aid the socially vulnerable in cooperation with NGOs, and conducts a study on decentralization of public services in the areas of health care and education.



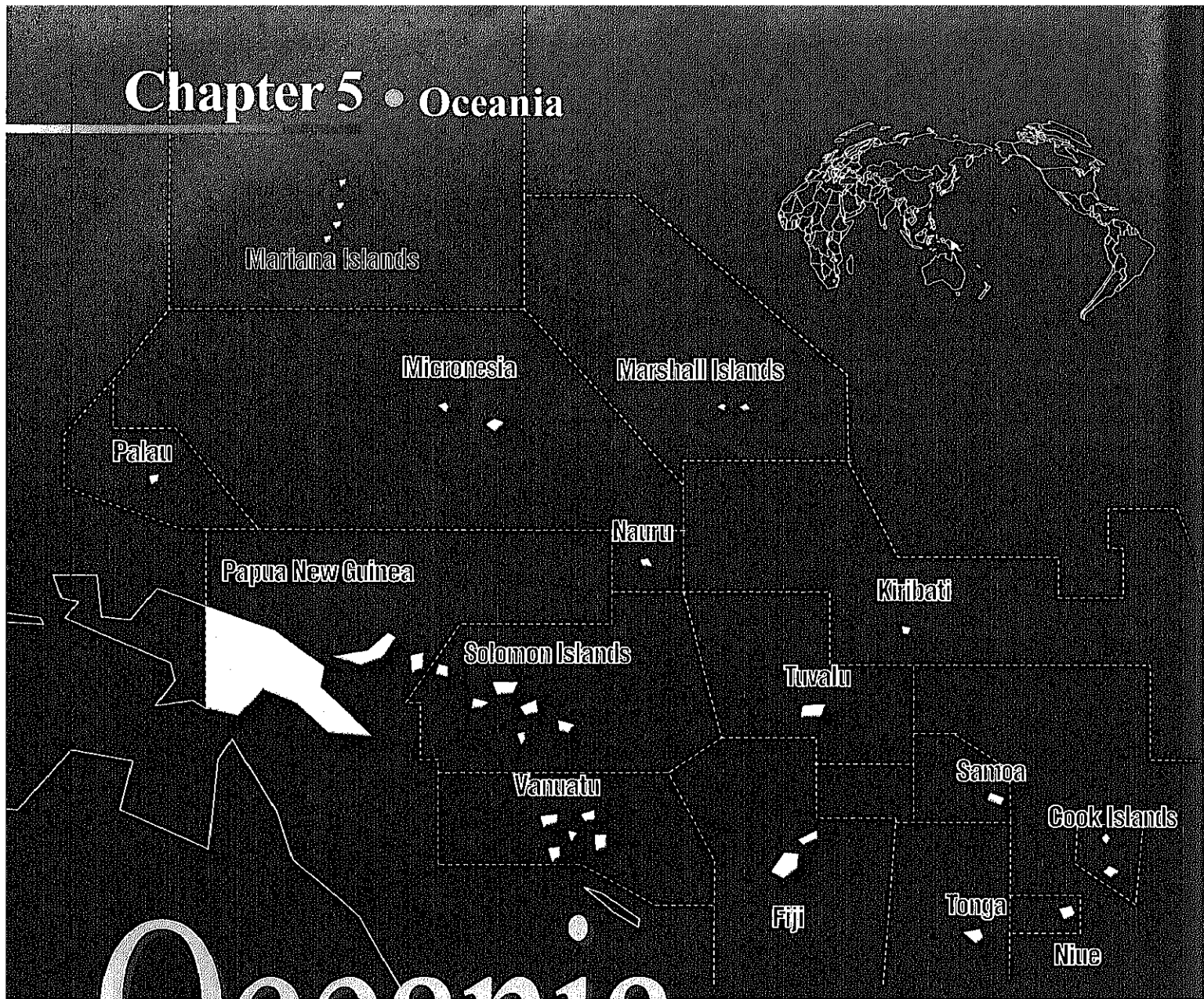
A lecture on the Package of Emergency Measures for the Argentine Crisis

Further aid for Argentina

The study reports of the Package of Emergency Measures for the Argentine Crisis contain analyses of current conditions and policy recommendations and provides solutions for overcoming the crisis to both private and public sectors, and at the same time serves as important information when Japan and the government newly formed in May 2003 discuss the future direction of assistance. Moreover, implementing pilot projects has made it possible to directly support the poverty group which is most seriously affected by the economic crisis.

(JICA Argentina Office)

Chapter 5 • Oceania



Pillars of Aid

Human Resources Development and Environmental Conservation Required for Sustainability of Small Island Countries

The priority issue in Oceania is to develop societies that are independent from the former suzerain states. Developing human resources and building socioeconomic infrastructure* are important for self-reliant administrative and social services, as well as for economic growth. In addition, in order to pursue sustainable development* for these goals, emphasis is placed on proper resource development and environmental conservation in development.

In the area of human resources development, volunteers are dispatched mainly in the

sectors of primary and secondary education, vocational training, and health and medical care; and many administrative officials are accepted as training participants. Distance learning using information technologies (IT) is employed in providing cooperation in higher education. In the area of health and medical care, we promote cooperation that addresses infectious diseases such as polio, malaria, tuberculosis, and filariasis.

With respect to the development of socioeconomic infrastructure, such as roads, har-

bors, airports, and power and water supply, financial assistance for the construction of facilities. Associated technical cooperation for the maintenance and operation of those facilities is extended.

Environmental problems represented by coral reef destruction and solid waste disposal have become serious. Region-wide cooperation crossing national borders is promoted to address environmental conservation, which is a global issue*, as a common issue in Oceania.

Current State of Development

Societies and Economies Reliant on Former Suzerain States

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

Relations between these countries with their former suzerain states are generally close, but in recent years, growth in bilateral aid* and multilateral aid* to developing countries in Oceania has remained stagnant. Following achievement of independence from the United States, the three nations of Micronesia (Palau, Micronesia, and Marshall Islands) have been receiving financial aid in the form of "compact money" based on the Compact of Free Association with the United States. However, financial aid has recently started shifting to project-type aid.

Against this backdrop, establishing societies and economies that are no longer reliant on aid is an urgent issue for the small island countries in this region. There are many issues that affect Oceania as whole: waste control; environmental problems, including climatic change and rising sea levels; human resources development; and the development of inter-island transportation and communication. It is therefore



A project to support rice cultivation in Papua New Guinea

essential to adopt a comprehensive approach to the region. Every country in the region places emphasis on the reduction of public sectors, promotion of private investment leading to development in the main industries of agriculture, fishery, tourism, and promotion of regional cooperation which jointly addresses common issues.

In May 2003, the Third Japan-South Pacific Forum (currently known as the Pacific-Islands Summit) was held in Okinawa. At the summit, regional development strategies and joint action plans (Okinawa Initiatives) were adopted, designating the priority areas of strengthened security in Oceania, a safer and more sustainable environment, improvement of education and human resources development, improvement of health care and hygiene, and more active and sustainable trade and economic development. These issues should be addressed on a mid- or long-term basis in the framework of bilateral or multilateral cooperation. JICA is planning to implement cooperation that fully reflects the results of the summit.

Addressing Priority Issues in JICA Programs

Two Priority Issues in Common

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

each country is therefore required. However, since all these countries gained their independence relatively recently and are dependent on primary industries, human resources development is the most important. In addition, it is important to provide support that enables these countries to overcome the limiting factors that distinguish insular nations (i.e., isolation, small size, and vulnerability).

There are two priority issues that affect virtually all the countries in this region, the first of which is support for social and economic self-reliance, and the second is environmental conservation and the proper management of resources for sustainable development. Efforts are needed to identify and formulate effective cooperation projects that will bring benefits to the region as a whole. At the same time, it is necessary to work closely with other donors* that possess knowledge of island nations and international organizations active in the region.

■ Support for Social and Economic Autonomy

As regards support for social and economic autonomy,

personnel training for nation-building must be combined effectively with upgrading infrastructure for the development of basic industries.

Cooperation with personnel training is being regularly provided through the dispatch of Japan Overseas Cooperation Volunteers (JOCV) and the acceptance of technical training participants with a view to creating a body of qualified people to work in economic management, development planning and other leading industrial fields. Grant aid is also going toward improvements and expansion at the Papua New Guinea University of Technology and the National University of Samoa in combination with technical cooperation linked with the grant aid projects.

Front Line

● Papua New Guinea Special Equipment for Infectious Disease Control

Eradication of Diseases Preventable by Vaccination

Provision of Equipment

Outbreak of measles

The government of Papua New Guinea has implemented the Expanded Programme on Immunization (EPI) planned by WHO since 1977, and has provided vaccinations against six major diseases (polio, diphtheria, whooping cough, tetanus, tuberculosis, and measles). In relation to EPI, JICA has continuously provided vaccines, syringes, and cold chain materials through the special equipment project for infectious disease control.

However, against a backdrop of financial difficulties in the health and medical care sector in recent years, the immunization rate has stagnated and that of measles remains as low as about 50%. Under such circumstances, there was a nationwide outbreak of measles in 2002, and group infections were confirmed in 15 out of 19 provinces. More than 32,000 cases of infections and about 170 deaths were reported.

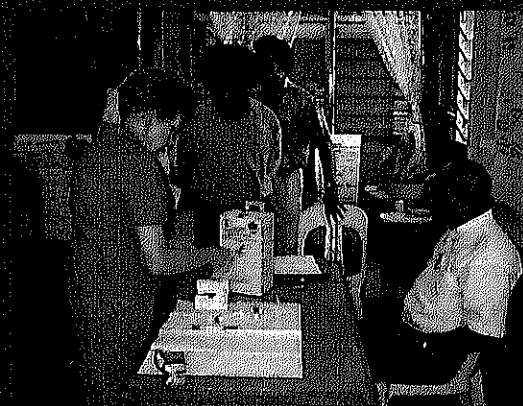
Prevent the outbreak of measles

Amid the crisis, the Ministry of Health

of Papua New Guinea established an EPI Technical Management Committee, including EPI officers, staff from relevant international organizations, and donors such as JICA, WHO, UNICEF, and AusAID (Australian Government Overseas AID) to discuss measures to fight a nationwide outbreak of measles, which is predicted to occur in 2004.

As a result, a nationwide immunization campaign was approved with the aim of providing vaccinations against measles and polio and supplying Vitamin A capsules for one year starting in October 2003.

Japan has been requested to provide necessary materials and equipment, such as vaccines, vitamin A capsules, syringes, and safety boxes for syringes, as well as the dispatch of short-term experts to offer technical guidance on the road. As far as the provision of materials and equipment is concerned, the Japanese government has decided to provide emergency assistance worth about 80 million yen in



Vaccine control in Papua New Guinea

response to a request from WHO's Western Pacific Office.

Papua New Guinea continues to collect information through the dispatch of relevant officers to the EPI Technical Management Committee and coordinates aid programs with other donors. At the same time, they work earnestly to prepare for the prompt transportation of the right amount of materials and equipment, including vaccines provided by Japan on a timely basis, to destinations in different areas.

(JICA Papua New Guinea Office)

From the standpoint of upgrading the bases for key industrial development, infrastructure improvement is occurring in the fields of information technology (IT), communications and broadcasting, transportation, and electric power and roads, so as to reflect the needs of island countries. Cooperation is

also taking place with emphasis on fishing, marine transportation, and marine resource development in connection with fish breeding, promotion of the small-scale fishing industry, compilation of marine charts, shipping inspections, and exploration of seabed mineral resources.

Front Line

• Samoa Environmentally-friendly Approach to Waste Treatment Problems

Adoption of Fukuoka-style Hygienic Landfill Method

Dispatch of Technical Cooperation Experts and others

Waste problems on islands

On small islands in the Pacific Ocean, traditional lifestyles based on nature are dramatically changing into lifestyles that are greatly dependent on imports from developed countries. In the process, the type and volume of waste generated in the region have rapidly increased, and the region now faces various issues related to waste disposal.

The Tafaigata waste disposal site (landfill) in Samoa was a simple and typical open dump where refuse had been dumped without any sort of overseeing management for about ten years. The dump not only generated bad smell, flies, and harmful insects, but also contaminated groundwater that in turn seriously damaged plantations in the area downstream of the disposal site. Furthermore, human scavengers, dogs, and pigs wandered the landfill looking for something to eat. Sometimes arson occurred and the resulting fires could take a few weeks to extinguish.

The initiative of a former training participant

The Samoan government, taking the impact of the dump on the residents of the neighborhood and on the environment seriously, formulated an improvement plan under the initiative of a former training participant, who had attended a course in waste management and was working in the Ministry of Environment, with the help of senior volunteers and

experts who were dispatched to the South-Pacific Region Environment Programme (SPREP). The government then requested assistance from JICA and SPREP.

Renovation, which was conducted with financial aid from Japan and technical assistance from SPREP, adopted a hygienic landfill method called the Fukuoka style for the first time in the South-Pacific Region.

Using this method, work starts with a clear division of the landfill into earth-fill dams, and pipelines are laid in the landfill in order to drain contaminated water and gas generated by the waste. Then, by supplying air under the ground, it is designed to expedite the natural decomposition of the waste materials.

The construction work continued while waste was transported into the site every day. Other difficulties included heavy rain during the rainy season. Nevertheless, the concerted effort of the former training participant, experts, senior volunteers, and construction workers made it possible to complete the work successfully.

Reborn waste disposal site

On the first day of Waste Week, an annual event held by the government of Samoa, at the end of January 2003, an



The Tafaigata waste disposal site in Samoa

opening ceremony combined with the provisional hand-over of the Tafaigata waste disposal site was carried out. It was attended by the Prime Minister and government ministers, as well as by many citizens. After the ceremony, everyone walked to the reconstructed waste disposal site, and many compliments were made about the dramatic change.

The former training participant, who had been involved in the renovation project, was invited to the Waste Management Training Course for Oceania held in Okinawa as a lecturer. He gave a presentation to training participants from other countries in Oceania, thus contributing to mutual cooperation within the region. This case is expected to become a model and spread to other countries in the region.

(JICA Samoa Office)

Environmental Conservation and Proper Management of Resources

In terms of environmental conservation and proper management of resources to enable sustainable development, JICA aims cooperation directly at environmental conservation measures, such as preservation of coral reefs and waste management, to deal with such issues as the decay of seashore ecosystems, the indiscriminate catching of certain types of fish, the felling of tropical forests, and improper handling of wastes. One example of cooperation in this area is the Palau International Coral Reef Center (a Japan-U.S. Common Agenda* project). The center, constructed with Japanese grant aid, is expected to become an international base for coral reef preservation and research, and diverse technical cooperation activities are under way, including coral reef monitoring, maintenance and management of an aquarium established next to the center, and implementation of educational activities.

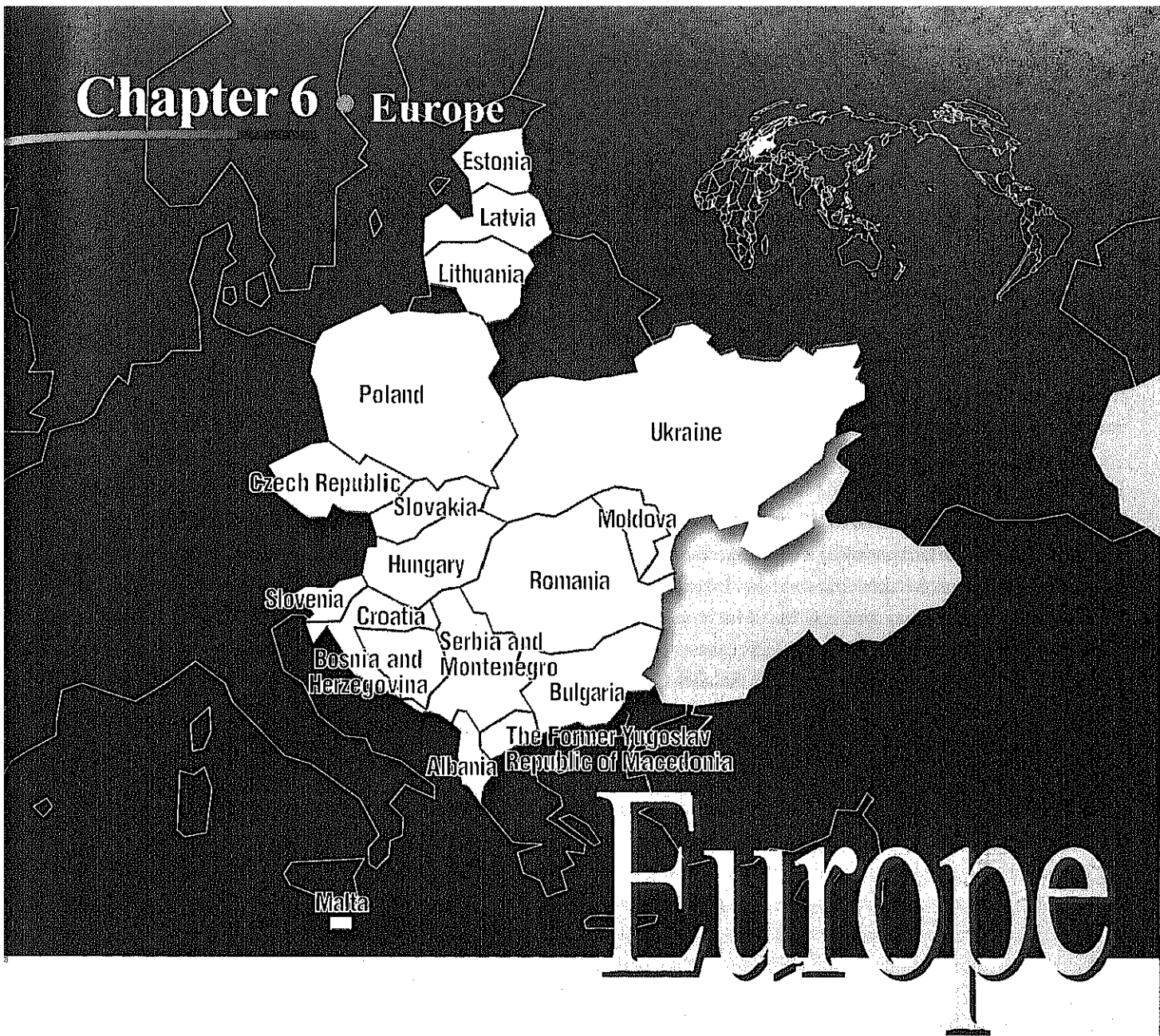
In Oceania, coordinated and collaborative cooperation with other aid agencies and international organizations take place. An example of cooperation that has benefited the region

as a whole is a project for distance learning and strengthened information technology based on the establishment of the University of the South Pacific (USP), which is a base for higher education for the 12 countries and areas in Oceania, as well as network facilities for distance learning that makes use of satellite communication for neighboring countries (a joint project with New Zealand and Australia).

Other examples of such cooperation conducted through international organizations active in the region include grant aid to the educational and training center of the South Pacific Regional Environment Programme's (SPREP) headquarters and region-wide technical cooperation for the proper management of wastes.

As a partner of the Pacific Programme to Eliminate Lymphatic Filariasis (Pac ELF), which is implemented by WHO in 22 countries and areas in the region, since 2000 JICA has provided the medicines and examination kits and has dispatched Japan Overseas Cooperation Volunteers under a five-year plan. In Papua New Guinea, JICA has started aid coordination on a sector-wide approach in the health care sector.

Chapter 6 • Europe



Pillars of Aid Priority Shift from Central to Southeast Europe

—Promotion of Transition to a Market Economy—

Since commencing cooperation with Central and Eastern Europe in 1990, Japan has provided aid in the following priority fields.

- 1) Support for transition to a market economy (economic policy, productivity enhancement, business management, etc.)
- 2) Environmental problems (air pollution, water pollution, waste disposal, etc.)
- 3) Rehabilitation of deteriorated economic infrastructure*

The Medium-term Policy on ODA that was announced in August 1999 made a reference to post-conflict reconstruction for the countries in conflict and their neighboring countries.

However, it has been more than 10 years since reforms in transition to a market economy in Central and Eastern Europe started, and large disparities among the countries of the region are emerging in terms of progress of economic development and reforms. Thus, it is

necessary to discuss shifting aid resources to Southeast Europe, which has greater development needs.

Since Bosnia and Herzegovina is in the transition period from the post-conflict reconstruction stage to the development stage, post-conflict reconstruction and support for transition to a market economy are complexly intertwined and various development issues are pressing. Similarly, although in a different magnitude for Bosnia and Herzegovina, we realize that it is necessary to provide assistance in neighboring countries like Albania, the former Yugoslav Republic of Macedonia, and Serbia and Montenegro in a combination of rehabilitation of deteriorated infrastructure and support for transition to a market economy.

Ukraine and Moldova, where the influence of the former Soviet Union still remains, are deemed the poorest countries in the region.

They need a type of development that provides due consideration of the support for BHN*. Bulgaria and Rumania fall behind other new EU member countries in terms of transition to a market economy and economic development; therefore, it is necessary to focus on support for transition to a market economy and environmental issues.

At the European Council (EU Summit) held in Copenhagen in December 2002, accession to EU was granted to 10 countries (among which nine countries except Cyprus receive aid from JICA), including Hungary, Poland, and the Czech Republic. We believe those 10 countries have achieved a certain degree of transition to a market economy; thus, it is necessary to limit cooperation to complementary support projects and to areas where Japanese expertise is best utilized.

Current State of Development

Transition in Support for Central and Eastern Europe

After World War II, the countries of Central and Eastern Europe had centrally planned economic systems under communist regimes. In the 1980s, the inefficiency of economic management under such systems led to an economic collapse.

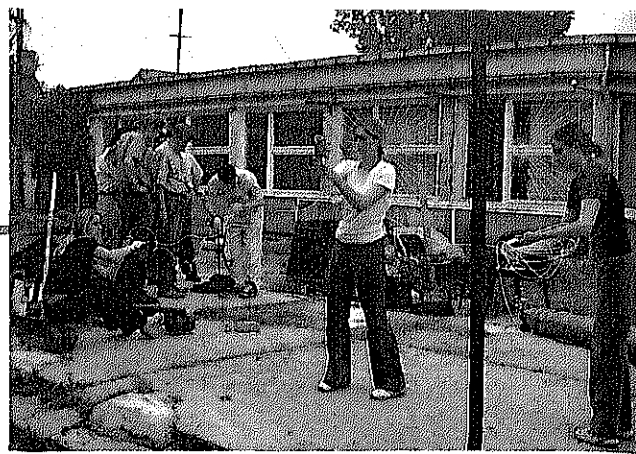
In 1989, Poland and Hungary led the way from communism by introducing market economies, followed by other countries in economic and social reform.

The developed nations positively evaluated these reform efforts in transition to market economies and decided to provide support within a framework of the Group 24 whose establishment was announced in July 1989 to conduct assistance for Central and Eastern Europe. The G24 group includes the 12 members of the European Community (EC), 24 countries such as Japan, the United States, Canada, Austria, and international organizations such as the International Monetary Fund (IMF), the World Bank, and the Organisation for Economic Co-operation and Development (OECD).

In line with G24 resolutions, since 1989 the Japanese government has been extending the range of its aid operations from Poland and Hungary to include the Czech Republic and Slovakia (two countries that formed Czechoslovakia when aid was commenced in 1991), Bulgaria, Romania, Albania, three Baltic countries (Estonia, Latvia, and Lithuania), Slovenia, the former Yugoslav Republic of Macedonia, Bosnia and Herzegovina, Croatia, and Serbia and Montenegro (Yugoslavia until February 2003). Support on an ODA basis was provided for the first time in 1997 to Moldova and Ukraine (Aid commenced for Malta in 1989).

Aid Needs According to Stages of Economic Development

Now that 13 years have passed since the collapse of the



An expert and counterparts* perform experimental measurements on the speed of underground earthquake waves in Romania (The Project on the Reduction of Seismic Risk for Buildings and Structure)

Soviet Union in 1989, large disparities have emerged among countries in the region in terms of transition to a market economy and results of economic and social reforms.

In Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, and Albania, needs for emergency rehabilitation of economic and social infrastructure, such as roads, hospitals, and schools, in post-conflict reconstruction are still great. Thus, JICA provides assistance mainly in these areas. These countries, which have high unemployment rates, are in need of job creation; therefore, it is necessary to support transition to a market economy in parallel.

The influence of the former Soviet Union remains in Ukraine and Moldova. In addition to slow progress of economic reforms, the deterioration of facilities and equipment has come to the surface because of the sluggish economy. They still have problems in fields of basic living such as health and medical care and stable supply of water.

Bulgaria and Romania, which did not accede to the European Union (EU) in 2004, need to work on reconstruction of economic and industrial structures, environmental problems, and infrastructure rehabilitation.

It has become increasingly important to correctly ascertain economic development levels and aid needs of each of the diversifying countries of Central and Eastern Europe. It is also essential to input limited aid resources effectively while paying attention to trends and results in support from EU and other aid agencies.

Addressing Priority Issues in JICA Programs

Cooperation Based on the Perception of Recipient Countries' Situations

Support for transition to a market economy is one of the priority issues for aid to Central and Eastern Europe. This covers a broad range of cooperation that includes providing

policy advice on industry, human development through training of the personnel required to operate the new economic systems, and industries and the transfer of technology and expertise.

In Hungary, JICA provided cooperation until 1999 that

involved quality control, factory improvement, and personnel and labor improvements at the Hungary Productivity Center. In fiscal 2000, the center began to offer third-country training* on management consulting, which is scheduled to continue for five years, to disseminate results of Japan's technical cooperation to neighboring countries.

A feature of these countries that distinguishes them from developing countries in other regions is that they generally possess high technical levels and a plentiful supply of trained personnel. When providing cooperation to these countries, we need therefore to make sure that we achieve a proper balance between the advanced, but undemonstrated technical capabilities that people in the region possess and the technology that Japan is able to provide. Since the eventual goal of these countries is to join the EU, we need to ensure that

Japanese cooperation is fully in accord with the policies, rules and regulations, and legal institutions of the EU. Our task is to plan and implement Japanese cooperation while taking into account these features.

■ Post-conflict Stabilization and Reconstruction

Post-conflict reconstruction is also a major issue for future cooperation with Central and Eastern Europe, particularly the former Yugoslavia and its neighboring countries, which experienced ethnic conflicts.

Since the Dayton Accords of November 1995, Japan has been providing Bosnia and Herzegovina with active aid for the reconstruction process. JICA has been dispatching project formulation advisors* and project formulation study teams to this country. JICA has also provided grant aid and technical

Front Line

● Bulgaria Hosted by JICA Alumni Association

Observation Tour to Subway in Sophia City

Former Training Participants

Subway in expansion

The Federal Republic of Bulgaria, located in the middle of the Balkan Peninsula, is an Eastern European country with a population of about eight million and is in transition from socialism to a liberal economy, not only politically and economically but also socially. A subway system has been under construction for many years in the capital city of Sophia. It was a warm spring day on March 28, 2003, when an observation tour for the expansion work was carried out. This tour was hosted by a JICA Alumni Association, which was organized and managed by former JICA training participants. It was a very lively event attended by many guests and visitors, including Yasuyoshi Ichihashi, ambassador of Japan in Bulgaria; the management team of the public company, Metropolitan, which operates the subway system; relevant staff from the JICA office; and the alumni association, JICA experts, and JOCVs.

A station in harmony with ancient ruins

The subway plan of the city of Sophia is to build three subway lines covering 46 stations and 52km, which will cross through the center of the city. A portion of the first line opened in January 1998 connecting the Obelia district in the northwest part of Sophia and the Mladost district in the southwest part. This first line is scheduled to start expansion work with yen loans from the Japan Bank for International Cooperation* and public bidding will be held some time in 2003 followed by the construction.

The site tour included visits to stations in service such as Serdika, Obalchenska, and Konstantin Velichkov, by means of actual trains, followed by visits to planned station sites such as Sophia University Station and National Stadium Station. Serdika Station lies at the heart of Sophia City and, at the same time, is located under the ruin of the ancient Roman Empire. Interestingly



Visit to a subway that is part of the expansion work

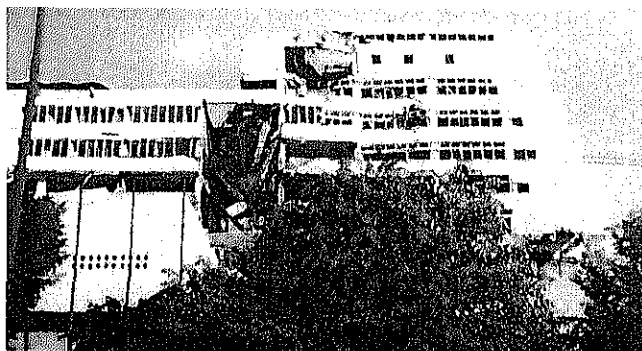
enough, you can see the harmony of modern interior and ancient ruins in this station. The insides of Obalchenska and Konstantin Velichkov Stations are accentuated by uniquely designed ceramic panels.

The subways in Sophia will be an important means of transport for the citizens, and will carry many passengers. JICA experts who support these urban transport policies will be dispatched in fiscal 2003, expanding the cooperative relationship.

(JICA/JOCV Bulgaria Office)

cooperation in electric power, transportation, and medical care, as these are likely to produce clear results in a relatively short time and contribute to post-conflict reconstruction as well as ethnic reconciliation.

Furthermore, since the establishment of a democratic government in October 2000, JICA has implemented cooperation in Serbia and Montenegro to reconstruct the economy and basic infrastructure that were ravaged through years of economic sanctions in coordination with the international community. Especially since the Federal Republic of Yugoslavia Donors' Conference in June 2001, cooperation in sectors including electric power, public transportation,



A building destroyed by NATO air strikes in Belgrade (former Yugoslavia) health and medical care, urban environment, agriculture, and social welfare has steadily made progress.

Japan's various assistance for Southeast Europe focuses not only on development aid mainly for transition to a market economy, but also on the ethnic balance, since Japan is able to take a neutral position in terms of ethnicity and religion. In this respect, our efforts enjoy credit from the recipient countries and other donors in the west.

Front Line

● Southeast Europe Investment Promotion Seminar

Support for Transition to a Market Economy in Cooperation with UNIDO

JICA/UNIDO Joint Program

Stability in Southeast Europe

In July 1999, the Stability Pact for Southeast Europe was signed by more than 40 countries, including Japan, and international organizations in order to promote peace and achieve political and economic stability in Southeast Europe, which suffered from long-lasting conflicts. Under the initiative of the Organisation for Economic Co-operation and Development (OECD), an Investment Charter was adopted in February 2000 under the pact in order to reform the system toward market economies in the region and improve the investment environment. The Southeast Europe Round Table on Investment Promotion was held to discuss the means of attracting investment and developing the human resources in investment promotion ministries.

At the meeting, a proposal was made to hold an investment seminar in Japan. Following a discussion on the implementation of the seminar between the United Nations Industrial Development Organization (UNIDO) and JICA, the Seminar on Investment Promotion in Southeast Europe started in fiscal 2002

as a joint program of JICA and UNIDO.

Full training

The original proposal was to hold a two-to-three-day investment seminar targeting investment promotion officials from countries in the region. However, after deliberation on the advantage of JICA's training courses, the period was extended to two weeks. The training course features include a general orientation, in which participants become familiar with Japanese culture and history, investment seminars that invite Japanese corporations in Tokyo and Osaka, observation tours of various plants, and a visit to the liaison offices of foreign investment agencies residing in Tokyo. Training participants were quite satisfied with the course because they were able to learn methods to promote investment, since foreign direct investment is the most effective means of developing a market economy.

Coordination increases results

Investment promotion is a very



A training participant makes a presentation on attracting investment at the Seminar on Investment Promotion in Southeast Europe.

important issue for countries in Southeast Europe, which need to accelerate the speed of transition to a market economy. Collaboration with such organization as UNIDO, which possesses expertise in the area of investment, made the training program more productive. The training program also gained support from OECD, which leads the Investment Charter, in the form of dispatch of lecturers. We realize that more effective and efficient projects were made possible within a limited budget by coordinating with other aid organizations while considering the uniqueness of Japan's aid.

(Regional Department IV, Middle East and Europe Division)