



Part II ● JICA's Regional Activities

Chapter 1 Asia

1 Southeast Asia 44

2 East Asia 50

3 Central Asia and the Caucasus 54

4 Southwest Asia 58

Chapter 2 Middle East 63

Chapter 3 Africa 69

Chapter 4 Latin America

1 Central America and the Caribbean 76

2 South America 81

Chapter 5 Oceania 88

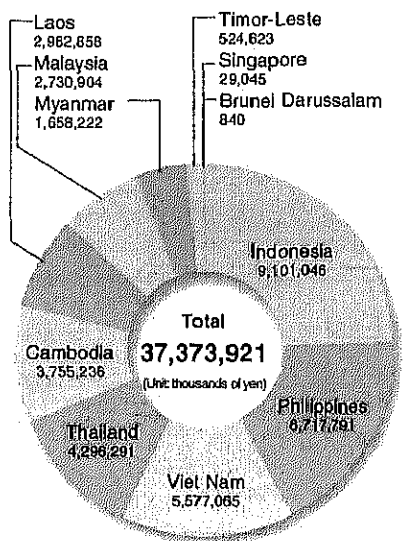
Chapter 6 Europe 91



Southeast Asia

Pillars of Aid → Cooperation for Sustainable Development and Redressing Intra-ASEAN Disparities in View of ASEAN Integration

■ Cooperation results by country (FY 2003)



The Association of South East Asian Nations (ASEAN) has been accelerating the pace of integration, and specific agreements and actions have taken place in both political and economic areas, such as the ASEAN Free Trade Area (AFTA) and the Initiative for ASEAN Integration. The six ASEAN countries, including Singapore and Thailand, reduced tariffs on intra-regional trade in 2002 in accordance with the AFTA agreement, which facilitated the economic liberalization of the region.

Southeast Asia, encompassing 10 ASEAN countries and Timor-Leste, is the most important region for Japan in terms of politics, economics, and society, and the share of aid provided by JICA to this region in fiscal 2003, though down from the previous year, remains the highest. Since the relationship with Japan is quite significant for each country, the amount of aid provided to each of the Southeast Asian countries is larger than it is for any other region. However, each country has a specific character in terms of methods and degree of develop-

ment because each has a unique historic background, in addition to diversity in terms of size, population, ethnicity, and religion. Therefore, based on the understanding of the characteristics of each country, JICA selects issues which are important for developing a stable society and for which ODA is effective, and formulates JICA country programs.

Common issues in this region include support for economic policies, good governance*, post-conflict reconstruction, environmental conservation, and measures against poverty, and JICA assists in the sustainable development* and correction of disparities in the region. In addition, in view of ASEAN integration, with a focus on Timor-Leste and four other countries that joined the ASEAN after the late 1990's, including Cambodia whose economic kick-off was hindered due to conflicts, JICA will actively promote intra-regional cooperation using South-South cooperation*, thus contributing to the development of Southeast Asia as a whole.

Current State of Development

■ Accelerated Integration and Strengthened Competitiveness

Southeast Asia has long been in close contact with Japan, and the development of this region affects greatly the prosperity and security of Japan. Thus, this region will remain crucial in the future.

Ten ASEAN countries, in particular, have accelerated the pace of integration since the economic crisis of July 1997. In 2002, the six original signatories to AFTA (Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Brunei) reduced tariffs on all products listed. Cambodia, Laos, Viet Nam, and Myanmar plan to reduce tariffs on intra-ASEAN trade gradually toward total abolition in 2015. Each country, as if confirming the economic boom, enjoys around 5% of high growth, headed by Viet Nam with 7.0% growth (2003).

Furthermore, the Initiative for ASEAN Integration (IAI) was launched to correct intra-regional disparities and enhance

competitiveness. Various efforts have then been made in the course of integration through setting up an IAI task force, which deals in human resources development. Some have proposed to eliminate time differences within the region to expedite the integration.

However, this trend of economic development and integration has diversified due to historical, cultural, and religious differences. Specifically, Singapore has become an equal partner as a graduate nation*, and Malaysia and Thailand should be considered as having graduated from aid, whereas countries such as Cambodia and Laos have per capita incomes around 300 US dollars. In addition, each country embraces distortion domestically due to rapid development. Myanmar is an example of a country in which assistance must be implemented with due consideration given to political circumstances. Therefore, it is necessary to assess the situations fully.

Addressing Priority Issues in JICA Programs

■ Contribution to Sustainable Growth and Correction of Intra-regional Disparities

Upon full assessment of development levels and diversification of economic and social situations, together with the current movements toward economic, political, and social integration of Southeast Asia, Japan believes that it is important to make an effort in overall economic reform assistance and correction of intra-regional disparities by effectively utilizing ODA in order to further strengthen the relationship. Population size and economic scale is large in this region, and seven ASEAN countries (except Myanmar, Timor-Leste, Singapore, and Brunei) are listed among the top 10 recipients of JICA cooperation, headed by Indonesia as the largest aid recipient country. It is therefore necessary to prioritize assistance areas and development issues by country. When taking an overall view of the region, issues common to these countries include economic reform support, good governance, intra-regional cooperation and South-South cooperation, post-conflict reconstruction, environmental conservation, and measures against poverty, none of which show any great change in recent years. Limited sources of assistance are allocated appropriately according to the situations and issues of individual countries. Upon closer inspection of cooperation in Fiscal 2003 by country, the largest amount of assistance is given to transport and

traffic in Indonesia, the Philippines, and Viet Nam, to education in Malaysia and Singapore, to health and medical care in Laos and Myanmar, to private sector development in Thailand, and to agriculture in Timor-Leste; the characteristic situations of individual countries are shown.

1. Economic Reform Support

The original six ASEAN countries that revealed weaknesses in their political and economic fundamentals following the currency and economic crisis in 1997, continue to receive assistance from JICA to achieve sustainable growth led by the private sector. Economic reform assistance has been provided to Indonesia in an effort to promote reform with the help of academic advisers. In view of the termination of loans from the International Monetary Fund (IMF), advice and cooperation are given to strengthen the economic and industrial structure including the enforcement of banking functions and support for small and medium-scale enterprises. Assistance is being provided to the late-comers of the ASEAN (Viet Nam, Laos, Myanmar and Cambodia), which have joined the ASEAN in succession since 1995, to facilitate the smooth transition to market economies and the adaptation to the international economic environment with the aim of building the entire economic system.

2. Good Governance

Legal frameworks that form the basis of economic and social development are underdeveloped in many countries. Under this situation, support for rebuilding sound law-abiding nations continues in Viet Nam, Cambodia, and Laos, such as drafting and revising civil laws closely related to the citizens' lives and capacity development for legal professionals. In cooperation with the legal world, such as academic advisers, the Ministry of Justice, the Supreme Court, and the Japan Federation of Bar Associations, a team working jointly with Cambodia has been formed to draft civil and civil procedure laws in Cambodia, and the development of legal professionals has been conducted as well. Today judges and lawyers who have been trained there provide legal services such as solving land issues.

In Indonesia, support for elections was given for the general election, which took place in April 2004, and cooperation is given to the police administration to ensure the safety of citizens' lives. In Viet Nam and Cambodia, while establishing an appropriate tax collection system, assistance is focused on the area of tax and customs administration to support participation in the international community, such as the World Trade Organization (WTO).

Cooperation is provided to Thailand, where efforts in decentralization have started, in the formulation and dissemination of development plans for regional development based on community participation, while designating an autonomous body in Eastern Thailand as a model case, which is equivalent to a municipality in Japan. Furthermore, as one of the means to improve administrative services, guidelines to promote cooperation among autonomous bodies, which is commonly taking place in Japan, have been formulated in cooperation with counterparts* in Thailand.

3. Intra-regional Cooperation

ASEAN has accelerated the pace of movement toward economic integration through the AFTA and the Economic Cooperation Strategy (ECS) proposed by Thailand, whereas huge economic disparities exist between original members of the ASEAN and the ASEAN members who joined in the late 1990s. In order to close this gap, intra-regional cooperation is actively promoted in a wide range of areas, not limited to economics. JICA also pushes forward regional cooperation to address common issues within the region, through cooperation for higher education in engineering in ASEAN, the Asia-Pacific Development Center on Disability, and the Asian Center for International Parasite Control. Under a livestock disease control project in Thailand, diagnostic methods and technologies for manufacturing vaccines to prevent livestock diseases such as foot-and-mouth disease and hog cholera



A JOCV working on the prevention of avian flu with a handmade poster to raise awareness about infection prevention in Viet Nam

are disseminated by Thai experts to Viet Nam, Cambodia, Laos, Myanmar, and Malaysia. Responsive measures to avian flu, which broke out in December 2003, have started as well. In support of preventing avian flu in Viet Nam, therapeutic drugs were provided ahead of any other country in the world. Other support for preventing the spread of the infection include guidance on diagnostic skills by the expert in the project for improving and disseminating diagnostic skills for livestock diseases and the education campaigns for the prevention of infection in various regions by Japan Overseas Cooperation Volunteers (JOCVs).

A productivity development project is under way in Cambodia, Laos, Myanmar and Viet Nam. In addition to proposed projects such as the development of the Mekong River basin, JICA is considering extending cooperation to the East Asian growth area targeting Brunei, Indonesia, Malaysia, and the Philippines.

Beyond intra-regional cooperation, Singapore has transferred know-how to African countries on increasing productivity, which had been accumulated through projects implemented with Japan during the 1980s and 1990s. Indonesia and Malaysia have offered training programs on rural agricultural development and road construction technologies to Afghanistan in cooperation with Japan; thus the technologies and competencies that Japan transferred and ASEAN nations nurtured spread throughout the world.

4. Post-conflict Reconstruction

JICA has formulated and implemented cooperation in line with the Support Package for Peace and Stability in Mindanao, the Philippines. In Aceh, Indonesia, assistance with an emphasis on governance support in accordance with the progress of peacebuilding and support for community development is

under consideration.

In Cambodia, which has shifted from the reconstruction stage to the development stage, JICA provides cooperation to facilitate landmine removal, support for persons with disabilities, and support programs for demobilized soldiers.

5. Environmental Conservation

Tropical forests that cover Southeast Asia are home to various species of living creatures, and research studies on status and proper conservation are needed. For example, JICA assists Malaysia in protecting species, which are becoming increasingly scarce, and preventing forest loss along with the development of societies and economies. In February 2004, the results of the Program for the Conservation of Biodiversity and Ecosystem, which had been undertaken with the participation of local communities in Borneo, were reported at the

international conference concerning the Convention of Biological Diversity*. Also in Indonesia, cooperation has been implemented for the development of human resources in the area of environmental administration and monitoring.

6. Measures against Poverty

To address the development of agriculture and rural areas which dominates the majority of the impoverished group and workforce, various forms of cooperation have been provided, including support for the formulation of Poverty Reduction Strategy Papers (PRSP)* and income-raising projects in collaboration with NGOs.

■ **Human Security**—Human-centered Approach for Cooperation Reaching out to those who Need Assistance
In Indonesia, the process of democratization is in transition

Front Line

● Malaysia Cooperation for Sports for Persons with Disabilities

Supporting the Challenge of the Paralympics in Athens as Coaches

Japan Overseas Cooperation Volunteers

Cooperation for 30 years

Cooperation in welfare for persons with disabilities in Malaysia started when Japan Overseas Cooperation Volunteers (JOCVs) were dispatched in 1976. Their initial activities were limited to disability centers. After 1989, when the government of Malaysia adopted the concept of Community Based Rehabilitation (CBR) as a measure for educating persons with disabilities, daycare centers for children with disabilities were established in every state. This meant that the JOCVs belonged to the welfare bureaus and welfare offices of the state and thus changed their activities to those of giving therapeutic instructions to leaders of daycare centers, which are actual sites of CBR, children, and their parents.

Facilities for disabilities and daycare centers established in line with the concept of CBR are managed by regional NGOs based in local communities. With the help of welfare bureaus, they utilize various regional resources to promote support for the rehabilitation, social participation, and independence of persons with disabilities.

Coach from swimming therapy to competitive swimming

Sports for persons with disabilities have become very popular world-wide in recent years. The Malaysia Sports Association for the Disabled made a request for the dispatch of JOCVs for the purpose of enhancing the team that participated in the Far East and South Pacific Games for the Disabled (FESPIC) held in Busan, Korea in October 2002. This was the beginning of the activities in the area of sports, which forms part of the support for the independence of persons with disabilities. Depending on the degree of disability, JOCVs offer a wide range of guidance, from swimming therapy as a part of the rehabilitation program to coaching of competitive swimmers who aspire to compete in the international arena. In particular, swimming coaching involves hard practice tailored to the disability, generating remarkable results such as bettering their own records and winning medals in international competitions.

The JOCVs are going to participate as coaches for the Malaysian swimming team in the Paralympics 2004 in Athens, and will challenge the world with three



Swimmers carrying out daily practice

competitive swimmers. In Malaysia, the authority over sports for persons with disabilities was transferred from the Community Welfare Department of the Ministry of Women, Family and Community Development to the Ministry of Youth and Sports in 2003, raising public awareness of competitive sports. In such a climate, in view of the FESPIC Games scheduled to be held in 2006 in Malaysia, the JOCVs are expected not only to improve the competitiveness and discover and train new swimmers, but also to extend their activities in the entire field of sports for persons with disabilities, including advice on organizing regional games and coach training.

(JICA Malaysia Office)

from development led by the central government to decentralized development emphasizing the initiative of local governments and community participation. Community participation was propelled by the fact that NGOs and NPOs had actively participated in support for the socially vulnerable at the time of the currency and economic crisis, and their efforts in working as a liaison between local citizens and the administration were highly appreciated.

However, due to the prolonged reign of the Suharto administration, NGOs and NPOs haven't acquired the capacity and organizational capabilities to respond to medium- and long-term development, and the government lacks human resources with the ability to promote participation of community-based organizations. In order to improve the post-currency crisis environment, JICA has collaborated with Indonesian NGOs. For example, by improving the production activities of the indigenous population and organizing local residents in East Nusa Tenggara, JICA implemented development model projects applicable to multiple areas and productivity promotion projects targeting women in rural areas. These activities were highly regarded by the Indonesian government.

As a result, with the aim of establishing a system for community participation in and collaboration with administration through dialogue with community-based organizations across the country and improving its ability to implement community development projects in cooperation with JICA, the government requested Japan to support the Community Development Project with Participation of Civil Society. "Community empowerment* through civil organization," in which community organizations strengthen ties with authorities to participate in the administration, is thought to be a major task for Indonesia, and therefore Japan adopted this project. The target area of this project is the eastern part of Indonesia where development is important due to heavy impoverishment, thus necessitating development initiated by the community. The ex-ante evaluation study of this project has already finished, and now the plan is to carry out the community development project, which will be a model project of cooperation with the government led by NGOs and other community organizations.

Projects in collaboration with Japanese NGOs have been actively implemented in Southeast Asia in forms such as JICA Partnership Program.

One example is the Project for Promoting Regional Health Care System in the Philippines, which is implemented jointly with a Japanese NGO, the Asian Health Institute, part of the comprehensive support for the Muslim Mindanao Autonomous Region. This project originated in 1997 when Japan received administrative officers for training in planning and managing the promotion of medical and health care services from the perspective of community participation with an aim to improve health care administration. Health and medical care had lagged due to the prolonged conflict. Local in-country training* has started in Mindanao, enjoying a good reputation among the local residents and the administrative organizations of the Philippines. This has become a model case of the NGO-JICA Collaboration Program, where projects are developed through local in-country training in collaboration between NGOs and JICA.

Another case in the Philippines is a sericulture project on Negros Island, which has been promoted in cooperation with Organization Industrial Spiritual Cultural Advancement (OISCA) since 2000. Utilizing OISCA's experience in mulberry farming and silkworm breeding for nearly 10 years, this project was implemented as a JICA Partnership Program with NGOs, Local Governments, and Institutions. After three years of cooperation, sericulture spread dramatically on Negros Island, and silk production reached 85% of the total domestic production, accomplishing better results than expected. Local textile manufacturers produce beautiful fabrics using raw silk made on Negros and they are now widely distributed in markets throughout the country, including the capital, Manila. Negros raw silk is also highly regarded in the fashion design



A wheelchair produced in cooperation between JICA and an NGO in Laos: Residents get together to see it being used for the first time

industry, and it has been exhibited in fashion shows and highlighted by the local media, such as newspapers and radio shows.

In Laos, JICA implemented the Project for Support for Wheelchair Production jointly with the Association for Aid and Relief, Japan. Noting that only seven wheelchairs had been produced domestically despite the great number of persons with disabilities in Laos, this project was first proposed by the Association for Aid and Relief, Japan, as a JICA Partnership Program with NGOs, Local Governments and Institutions. JICA alone would not have been able to acknowledge these needs from this perspective. As an effort unique to NGOs, a sponsorship system was introduced so that wheel-

chairs were sold to individuals and/or organizations and then granted to the poor and disabled, with the intention of securing a sustainable source of income, and reach everyone in need of wheelchairs. Laos appreciates this system.

In the Kokang Region in the north near the Chinese border in Myanmar, poppies have been grown as a cash crop for the past 50 years. With the participation of local residents, alternative crops such as buckwheat have been introduced and a comprehensive program for the eradication of drugs and the reduction of poverty has started to improve hygienic conditions and education there. Thus, human-centered cooperation steadfastly reaching out to people from the viewpoint of human security* has been implemented in Southeast Asia.

Front Line

● Thailand Regional Cooperation Project on Capacity Building of Drug Analysis for Improving Drug Law Enforcement in the Indochina Region

Five Indochina Countries Work toward Drug Eradication

Technical Cooperation Project

Region-wide approach

In the Indochina region, the availability of stimulant tablets has become widespread, as a replacement for opium or heroin, and in recent years drug addiction has spilled out from the cities to local areas and from adults to children. In Thailand alone, drug abuse cases increased more than six-fold from 72,000 to 463,000 between 1994 and 1999, posing a threat to society.

Such drugs come from production areas, including the Golden Triangle, across national borders, thus making it difficult for one nation to crack down on the crime, which requires region-wide cooperation.

In response, JICA has implemented a project targeting the drug enforcement agencies of five countries (Thailand, Viet Nam, Cambodia, Laos, and Myanmar), with the help of the National Police Agency of Japan. The project provides training in highly accurate drug analysis using uniform equipment and methods, and supports the promotion of narcotic investigation by sharing drug analysis

information obtained as a result of such efforts among relevant countries.

However, the five countries differ in many ways, ranging from the level of English proficiency and technical skills to laws and systems concerning drug enforcement, and therefore, achieving the uniform goal while respecting such differences involves many difficulties.

Aiming for 2015

Under these circumstances, favorable results have been pronounced due to the strenuous efforts of project experts and counterparts in each country who stood up to the various difficulties. Although there had been no substantial experience in drug analysis in countries except Thailand, training in the project has gradually nurtured these countries to analyze drugs on their own, and improvements in the number of analyses and accuracy in the future is now greatly anticipated. Also, in the area of drug enforcement, investigation methods introduced at the seminars resulted in indictments with sufficient evidence in

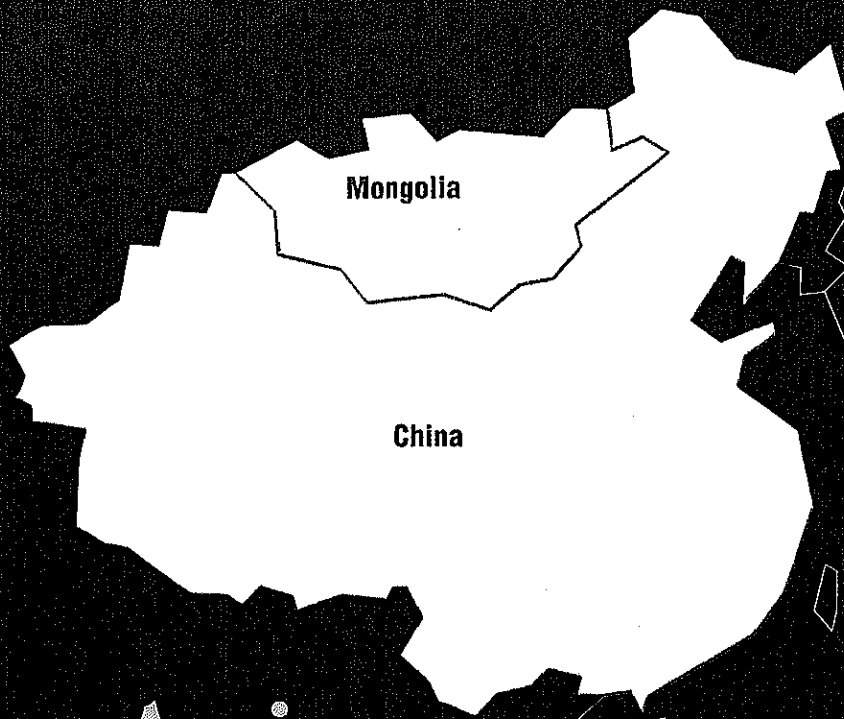


Drug analysis training

some cases. Moreover, collaboration with the United Nations International Drug Control Program is under way in developing training materials and co-hosting seminars, etc.

The project is scheduled to terminate in three years, but the goal set by the UN to make the Indochina region drug-free by 2015 is attainable because of continuous efforts for drug eradication utilizing international network established through the project activities.

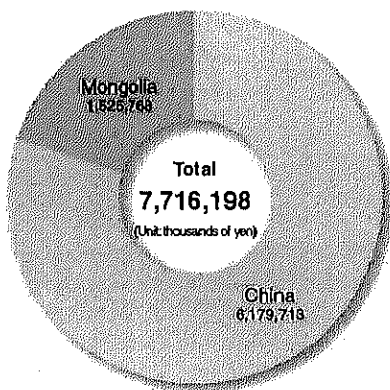
(JICA Thailand Office)



East Asia

Pillars of Aid → Review of Aid for China and Cooperation for Mongolia

■ Cooperation results by country (FY 2003)



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

With regard to future medium-term aid policies for China, the China Economic Cooperation Plan issued by the Ministry of Foreign Affairs in October 2001 serves the basic guidelines. The intention to provide effective aid in line with priority areas and issues while at the same time considering national interest based on Japanese citizens' understanding and support has been approved.

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 open and reform policy
- 3) Promotion of mutual understanding
- 4) Assistance for poverty alleviation
- 5) Support for private sector activities
- 6) Promotion of multilateral cooperation

Cooperation with Mongolia stresses the following four areas.

- 1) Intellectual support and development of human resources for transition to a market economy
- 2) Upgrading economic infrastructure* and conditions for the promotion of industry
- 3) Promotion of agriculture and livestock farming
- 4) Support for basic living environments

Current State of Development

■ Problems in the Economic System Become Evident—China

Since the launch of the open and 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.

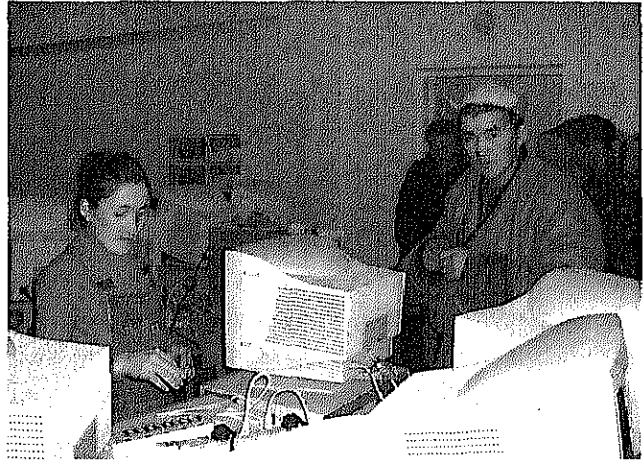
The 10th five-year plan (2001-2005) addresses greater adjustment of the stalled economic structure. In addition, the plan now stresses greater focus on the agricultural sector and improvements in the lives of citizens, social security, and Western Region Development. Consequently, priority has been placed not only on economic growth, but also on the elimination of disparities between urban and rural areas and between various regions and on stabilizing the society.

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 economic development has been achieved, and inland areas, where basic economic conditions lag behind, is more than



Health education vehicle to improve health awareness of local residents in China



Local citizens observing personal computers provided to a Mongolian school in support of IT education

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.

Moreover, as the economy improves, environmental issues such as pollution associated with industrialization, devastation of forests, and lack of water resources have become increasingly serious, and they have emerged as a threat to healthy social development.

■ Establishing Market Economy System Urgently Required—Mongolia

Due to the breakdown of the COMECON system, Mongolia was forced to transform its economic system. In addition to the disappearance of the COMECON market, loss of the Soviet Union, which accounted for 30% of Mongolia's gross domestic product (GDP), and the repatriation of Russian managers and engineers, the radical systemic transition policies of the Mongolian government itself caused economic confusion and difficulties. Thus, the country suffered a 20% cumulative GDP loss from 1990 to 1994.

This economic turmoil has stabilized gradually since 1995 by means of rigid economic stabilization policies and aid from other countries. However, this extremely tight financial policy has resulted in declined services in terms of both quantity and quality due to serious damage to the economic infrastructure, such as transportation and traffic, as well as to the social infrastructure, such as education and health and medical care. In addition, establishment of the system for a newly introduced market economy and the development of human resources to support such efforts are urgently required.

Addressing Priority Issues in JICA Programs

■ Addressing 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.

Secondly, the greater globalization of the Chinese economy through the support of China's transition to a market economy is deemed a priority. To support the reform and open-door policy, Japan transfers experience in the specific areas of policy, financial systems, and small and medium-scale enterprise promotional support systems. At the same time, Japan supports China in establishing tax, trade, economic laws, and

Front
Line

● Mongolia Teacher Retraining Project / Local Teachers

Support for Education to Acquire the Skills to Live

Technical Cooperation Project, Youth Invitation Program

Transition necessary in educational concept as well

"Education as human resources development and nation-building" is the concept inherited by today's Mongolia 10 years after its transition from a socialist system to a market economy system. Though the percentage of the government budget allocated to education has dropped to 15% (2002) from 25% in the 1980's due to economic difficulties, Mongolia has the highest adult literacy rate (99%) of all the developing countries in Asia. There are many parents who wish to provide their children with better education in a time of economic hardship.

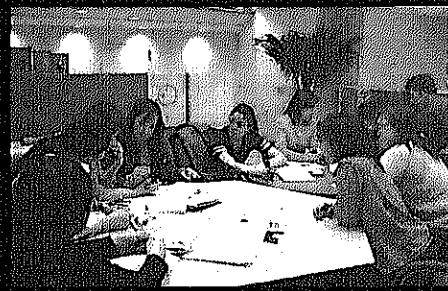
However, education is difficult. One problem is a decline in quality.

Education in Mongolia under the socialist system put excessive emphasis on knowledge and theories, and some important views were dismissed, such as how the theories were developed, and how to apply the acquired knowledge to real life situations. Now that democratization and transition to a market economy have been achieved, the people of Mongolia play a central role in national management from the viewpoint of development of human

resources who support the market economy; thus the ability to think and act on their own are vital. The current goal of the Mongolian Ministry of Education, Culture and Science is to provide education that allows children to acquire the skills to live, and therefore a revision of curriculum guidelines, modification of textbooks, and teacher training programs have been undertaken.

Outcome of training in Japan

JICA has implemented a technical cooperation project focusing on retraining teachers. The core of the project is a one-month training course in Japan. Participants were selected from those engaged in teacher training in the Ministry of Education, Culture and Science as well as from relevant personnel of each provincial education office. The training course aims to improve their abilities to draw up teacher training plans. Right before the end of the training course, each participant designed and formulated a teacher training plan and then implemented those plans upon returning home. In some provinces, Japanese experts monitored their plans. In some regions, teacher training was carried out with the help of Japan



Training participants exchange opinions with former JOCVs before returning home

Overseas Cooperation Volunteers (JOCVs)

Apart from this project, local young teachers come to Japan and participate in a three-week training program through the Youth Invitation Program. This program, besides teaching about the educational situations in Japan, focuses on exchange with Japanese people through in-house seminars and homestay programs. Though there are different circumstances for in-service teachers to hold seminars, the teachers report training results in and out of school and set up Japanese corners in their schools to display photos and textbooks of Japan, thus making the utmost effort to create better education in Mongolia.

(JICA Mongolia Office)

intellectual property right protection systems in accordance with the rules of the international community.

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 utilized, national land planning to correct disparities between regions is introduced and support for persons with disabilities is provided.

■ Focus on Human Resources Development

—Mongolia

In order to develop human resources who can lead the transition to a market economy, along with intellectual support to government sectors to strengthen taxation functions, JICA



Library of the Japan-Mongolia Center is always filled with users

focuses on human resources development in the private sector with the help of the Japan-Mongolia Center for Human Resources Development Cooperation.

Agriculture and livestock farming are the key industries, accounting for nearly half of the workforce in Mongolia. JICA will cooperate in the development of institutions and organizations for the promotion of agriculture and livestock farming.

In the area of basic living, JICA places emphasis on improvements in rural living conditions, and cooperation will be provided to improve water supply and school facilities.

Front Line

● China

Dispatch of Japan Disaster Relief Team for SARS Control

Stopping the Spread of Infection

Disaster Relief

Dispatch expert team to China-Japan Friendship Hospital

In China, the first case of severe acute respiratory syndrome (SARS) was identified in November 2002 in Guang Dong Province, followed by the spread of the infection to Shanxi Province, Beijing, and the Inner Mongolia Autonomous Region. In the middle of April 2003, the infection rapidly spread through Beijing, attracting international media attention.

In support of SARS control, Japan, through JICA, provided anti-SARS medical materials (protection suits and masks) worth 200 million yen on May 8. On May 16, the Japanese government decided to provide grant aid of 1.5 billion yen, and delivery of the medical equipment began at the end of May. From May 11 to 16, a Japan Disaster Relief (JDR) team comprising experts in infectious disease control was dispatched to the China-Japan Friendship Hospital.

At that time, the China-Japan

Friendship Hospital completely halted regular medical services and concentrated on the treatment of SARS patients. Since the hospital has better facilities than others, it received relatively severe patients. Access to the hospital was restricted to the authorized personnel only, and the facility was under stringent control, quarantined from the surrounding area. Medical staff commuted to the hospital by means of special buses and had to change clothes when entering the building to prevent infection.

Based on the experience of SARS containment in Viet Nam

The expert team provided the hospital's medical staff with seminars on in-hospital infection prevention, and instructions on how to use protective equipment and simple artificial respirators. The leader of the expert team was dispatched to Viet Nam for SARS control in March 2003, and greatly contributed to



JDR team giving seminar on in-hospital infection prevention at the China-Japan Friendship Hospital

the containment of SARS there. The presentation of the team leader gave to the Chinese staff information and advice based on his valuable experience.

Japan's prompt response to the request from China, JDR team's technical guidance in line with needs, and the provision of medical equipment were all greatly appreciated, and received extensive media attention in China and throughout the world.

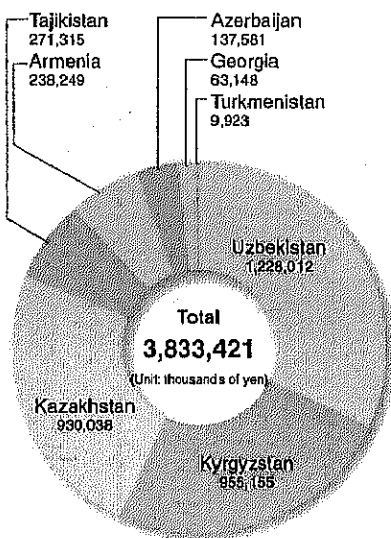
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Central Asia and the Caucasus

Pillars of Aid → Abandoning the Old System and Establishing New Ones

■ Cooperation results by country (FY 2003)



Historically, Central Asia and the Caucasus was a strategic location on the Silk Road that linked Asia and Europe, where goods were traded from time immemorial. The importance of this region, which borders large countries such as Russia and China, as well as Afghanistan, Iran, and Turkey, has not changed. With the development of petroleum and gas resources along the Caspian Sea, it attracts attention as a region that supplies new energy.

More than 10 years have passed since independence following the collapse of Soviet Union in 1991. During this period, some countries have continued to enjoy steady economic development because of rich natural resources, and some are catching up to the wave of economic globalization as a result of early efforts to change to a market economy. On the other hand, some countries still maintain closed political and economic systems, and some have experienced civil wars following independence. Thus, the speed and direction of development vary.

However, due to strong control from the central government and a clear division of industries during the Soviet era, many coun-

tries do not possess the basic functions required by an independent nation yet; they still have common issues, such as abandoning their old systems, establishing democratic systems, and changing over to market economies. Another common problem is a lack of human resources who can push these reforms through. In addition, people living in rural areas face problems such as poverty alleviation and unemployment measures that have resulted from the economic crisis that accompanied independence. This is not only true in countries whose economic development has been slower, but also in countries where economic development is relatively advanced.

JICA provides cooperation in the forms of policy advice and human resources development for the transition to a market economy and upgrading basic infrastructure*, taking into consideration the stage of development in each country. The old system of the Soviet Union is latent in education and health and medical care, and development has been delayed. In addition, problems that were not taken into consideration during the Soviet era, such as environmental pollution, have emerged and cooperation is provided in this field as well.

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 heart 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 in terms of everyday culture, each country has adopted a principle of separating politics and religion; thus 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 cultures with their own languages and characteristics.

■ Toward True Self-sufficiency

All the counties of Central Asia and the Caucasus must dismantle the systems imposed by the Soviet Union, and establish the systems they require as independent countries. The basic indices relating to education, health and medical 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 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 Soviet economic zone, have led to disunity across their societies and economies. A priority for these countries is therefore to establish 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. 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

In terms of economics, disparities in development become great depending on the presence of natural resources or differences in political framework. Kazakhstan, Kyrgyzstan, and the three countries of the Caucasus are moving firmly in the direction of price liberalization, privatization of state enterprises, deregulation, trade liberalization, and other types of structural reform in line with the prescriptions of the International Monetary Fund (IMF) and the World Bank. Among these countries, Kazakhstan and Azerbaijan have been showing steady economic growth thanks to oil development in the Caspian Sea. On the other hand, Uzbekistan and Turkmenistan are distancing themselves from these radical reform programs and following their own distinctive paths. Uzbekistan complied with Article 8 of IMF Agreement in October, 2003, which used to be the pending issue. However there are a parcel of problems related to further liberalization of economic activities and improvement in the investment environment. Kyrgyzstan suffers from large debts and has to address financial and economic reconstruction. Tajikistan has embarked upon economic reform for sustainable develop-



Examination vehicle visiting Semipalatinsk, Kazakhstan

ment* 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 plentiful mineral resources, including petroleum, natural gas, and rare metals, and there are several countries where primary manufacturing industries are well developed. Kazakhstan, Azerbaijan, (petroleum for both), and Turkmenistan (natural gas) are rich in energy resources and have developed their respective resources and increased the number and ways of export routes. On the other hand, as a country without its own resources, Georgia seeks to play a certain role for itself as a conveyance route for energy to Europe.

In international relations, all these countries except a few, including Tajikistan and Armenia, 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 US 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 their relationship with the US. Turkmenistan, on the other hand, takes an independent course of diplomacy as a permanent neutral country, which has resulted in its 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. In Georgia a new president was elected and efforts to rebuild the country have started.

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 that Japan would push forward "Eurasia Diplomacy" in Central Asia and the Caucasus, referred to as the "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; (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. Other areas of cooperation include conservation of the environment in technical cooperation as well as 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 recovered following the collapse of Taliban controls in its southern neighbor, Afghanistan, with which Tajikistan has a strong relationship, JICA started preparation for full-scale cooperation, including the dispatch of personnel 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 JICA has set up Japan Centers* 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, as well as Japanese language courses and information on Japan aimed at increasing local awareness of Japan.

■ Review of Priority Areas

As differences in progress and problems in relation to the reforms have begun to emerge clearly 10 years after independence in the region, based on the results of a one-year study by Regional Study for Japan's Official 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. 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 security and safety measures.

Front Line

● Uzbekistan Support Promotion of Tourism

Utilizing Abundant Tourism Resources Japan Overseas Cooperation Volunteers

Museum city Khiva

A Japan Overseas Cooperation Volunteer (JOCV) is working at the tourist information office of Khiva, located 750 km west of Tashkent, the capital of Uzbekistan. Khiva's history goes back more than 2,500 years, when the city prospered as an oasis on the Silk Road. It is an ancient city that became the capital of Khiva Khanate, a nation of Uzbeks in the 17th century, and developed. Double fortress walls were built to prevent foreign invasion, and the city is surrounded by an inner wall called Ichon-Qala, which still maintains its medieval appearance. The entire city was designated as a World Heritage site by UNESCO. Khiva does not have any other industry except tourism, so Ichon-Qala is an important income source for the city.

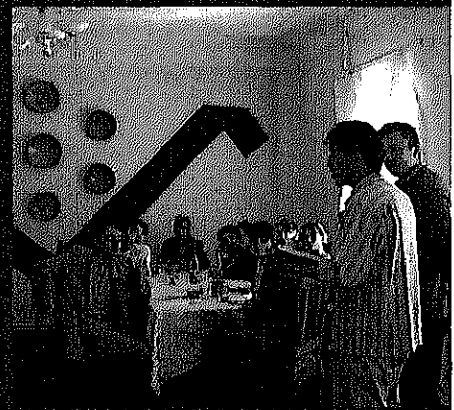
After Uzbekistan's independence, Khiva permitted foreigners to stay

overnight, which was prohibited previously. As a result, the number of inns is on the rise, but the level of service hasn't yet reached an international standard to satisfy foreign tourists.

Tourism with hospitality in mind

To improve these conditions, the JOCV invited an expert from the hotel industry in Japan to Khiva as an instructor, and provided lectures and practical training for people involved in tourism in Khiva for three weeks. Every lecture underlined the concept of hospitality as a basic. The instructor stayed in different accommodations in Khiva for two nights each and provided practical training in facility inspection, dining, business routine to the training participants.

Although numerous problems persist in the promotion of tourism in Khiva, we cannot wait to see the city bloom as a world class tourist spot. It was a huge



An expert invited from Japan gives a lecture

step forward when the JOCV, the expert from the private sector, and citizens of Khiva worked together for one purpose. The future activity of the JOCV along with the people of Khiva will lead to increased tourism in the city.

(JICA Uzbekistan Office)