

## Changing Development Issues and JICA

Today, development issues in the world are changing gradually. We are facing more issues, such as changes in the global environment, cross-border issues represented by conflicts, and support for Africa, all of which require aid methods different from conventional bilateral cooperation.

How is JICA going to address these issues?

How has JICA changed through the reforms promoted after its transformation into an independent administrative institution?

How is JICA going to approach its integration with the Japan Bank for International Cooperation scheduled for fall 2008?

This feature section reports on the steps JICA is taking in its aspiration to become an agency that can meet expectations.



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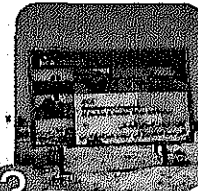
### Issues Expanding Beyond National Borders

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# 1

## Issues Expanding Beyond National Borders

The progress of globalization has brought about the international distribution of humans, materials, funds, and services, and development issues are increasingly becoming multilateral. These issues include environmental problems such as acid rain and global warming, infectious diseases such as HIV/AIDS and avian influenza, and terrorism and conflicts occurring in Africa and the Middle East. These issues have a big impact on regional development and stability beyond national borders.

On the other hand, globalization has accelerated movements for economic partnerships. Regional trade agreements such as free trade agreements and customs unions are some examples. While this movement can contribute to the stability of regional economies and development progress, it includes some risks: economic achievements and benefits are monopolized by a few competitive countries, resulting in the expansion of regional disparity; or when those economic achievements and interests are not appropriately distributed domestically, they lead to an increase in domestic disparities. Thus, though globalization is indispensable for sustainable economic growth, it contains the risk of increasing disparities throughout the whole international community.

Since the outcome of unilateral cooperation is limited in solving these cross-border issues, it is necessary to make efforts beyond national borders and international partnerships and cooperation. At the same time, as problem locations, technical levels, and needs vary from country to country, it is necessary to implement cooperation corresponding to the condition of each country.

Although JICA generally implements bilateral cooperation, support for cross-border issues is also promoted in cooperation with international organizations and other donor countries. This section reports new JICA efforts for issues that expand beyond national borders.



Fighting the threat of avian influenza with international cooperation (see p.13)  
(Photo by Katsumi Yoshida)

Feature

Part 1

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Feature Changing Development Issues and JICA  
1 Issues Expanding Beyond National Borders

## Accelerating Changes in the Global Environment

### Threat of Global Warming

Global warming and the resulting climate changes, which are a serious threat to the survival of humankind as a whole, are critical issues that should be dealt with jointly by developed and developing countries. Global warming is expected to have the following wide range of negative impacts.

- Damage to health and death by heat waves and the increased risk of infectious diseases brought by vectors
- Shortage of drinking water caused by a decrease in freshwater resources
- Destruction of ecosystems (accelerating extinction of species)
- Shortage of food due to decrease in

food production

- Increasing number of disasters such as flood and tidal wave caused by rising sea levels

Though impacts caused by global warming vary by region, the damage is expected to be greater in developing countries because of geological and meteorological conditions and these countries' lack of capacity to deal with the damage. For example, the Intergovernmental Panel on Climate Change (IPCC)\*1 predicts that 75 million to 250 million people in Africa will be exposed to water problems by 2020 and that crop yields in agriculture, which depend on rainfall, will decrease by approximately 50% by 2020. It predicts that the availability of freshwater will

decrease in Asia as well, and that with increasing population and improving living standards, the negative impact will likely be felt by more than one billion people by the 2050s.

In response, based on the UN Framework Convention on Climate Change (UNFCCC)\*2, the international community is promoting mitigation measures for reducing greenhouse gases such as CO<sub>2</sub> that cause global warming, as well as adaptation measures for enhancing the resistance capability of societies and ecosystems and dealing with the effects of climate change that cannot be avoided even with such mitigation measures. At the G8 Summit Heiligendamm in 2007, the world's major

countries agreed to seriously consider cutting the emission of greenhouse gas in half by 2050. The amount of greenhouse gas emission in developing countries accounts for approximately half of the world's total and therefore efforts in developing countries as well as developed countries are important.

### JICA's Efforts .....

Japan's Official Development Assistance Charter (ODA Charter) revised in 2003 declares that the effort for addressing global issues is one of the four priority issues. In 2007, "Becoming a Leading Environmental Nation Strategy in the 21st Century-Japan's Strategy for a Sustainable Society" was formulated to clarify the direction of Japan's domestic and international environmental policies and Japan's guidelines in contributing to building an international framework in the future. It includes a statement for expanding its assistance strategically from the perspective of human security to promote international cooperation with an emphasis on environmental issues. With regard to global warming, it states Japan's dedication to take the initiative in the world to overcome the problem of climate change.

### Cooperation for mitigation measures

JICA has implemented cooperation beneficial to the reduction of emission and promotion of absorption of greenhouse gas (in the areas of promotion of energy saving, promotion of utilization of renewable energy, forest conservation and afforestation, etc.). However, it is not easy to deploy a wide range of cooperation focusing on global warming in developing countries where poverty reduction and economic development are more pressing issues.

One of the measures for addressing this problem is the use of the clean development mechanism (CDM)\*<sup>3</sup> adopted at the Kyoto Protocol. CDM is a new mechanism connecting sustainable development in developing countries with measures to alleviate global warming. In developing countries, reduction of greenhouse gas emission utilizing CDM is actively starting to be addressed. However, the mechanism of CDM is complicated and know-how in various sectors such as energy, forestry, industry, and waste is required in implementing

CDM. JICA thus supports the capacity development of CDM-related institutions in developing countries in order to build and promote an environment for implementing CDM. A project exemplifying such cooperation is the Project for the Reinforcement of the Fundamentals for CDM in Argentina.

Though Argentina is one of the countries actively addressing global warming issues and CDM, the number of CDM projects registered at the UN in the country was small compared to other Central and South American countries.

JICA dispatched short-term experts to the Office of Climate Change, Ministry of Health and Environment in charge of global warming measures in Argentina starting in April 2004 to support the CDM promotion capacity development of the Argentina government. Also in May 2006, a technical cooperation project called the Project for the Reinforcement of the Fundamentals for CDM commenced for the purpose of promoting the country's recognition and understanding of CDM and improving the CDM promotion system in the Office of Climate Change.

As a result, CDM projects were formulated in the sector of micro hydropower generation and biomass generation. In February 2007, an international seminar was held in Argentina with the participation of administrators in charge of measures against global warming from 12 Central and South American countries in an effort to widely disseminate the outcome of the project throughout Central and South America.

This project is being implemented in cooperation with Japanese CDM-related institutions including the Japan Bank for International Cooperation (JBIC).

CDM target sectors or sectors con-

sidered to be effective in implementing mitigation measures are not limited to the renewable energy sector as described above. Effective cooperation to address global warming can be implemented in the sectors of energy saving, air pollution control, waste, transportation, and rural and agricultural development while contributing to sustainable development in developing countries. For example, it is possible to implement cooperation for easing traffic congestion in developing countries, which contributes to the reduction of greenhouse gas emitted from automobiles. In these sectors, promotion of further cooperation is expected utilizing Japan's experience and JICA's accumulated knowledge.

### Cooperation for adaptation measures

On the other hand, there are increasing needs for adaptation measures to deal with the negative impacts caused by global warming in developing countries.

At present, individual countries throughout the world are making efforts to reduce greenhouse gas; however, global warming to some extent and the accompanying climate change are expected to be unavoidable. The progress of global warming generates concerns for serious effects on water resources, ecosystems, agriculture, coastal areas, and people's health in developing countries. In order for developing countries to solve these problems on their own, their capacity to deal with problems in each sector is essential. As efforts to contribute to such capacity development, JICA implements cooperation for water resources conservation, ecosystem conservation and management, improvement of breeding skills, enhancement of disaster prevention systems, and support for infectious disease control.

Global warming is an issue common to all mankind. At the same time, it is a sector where Japan can effectively utilize its comprehensive capability (knowledge, institution, skills, and awareness) accumulated in the public and private sectors based on experience in the sectors of environmental pol-



An international seminar attended by approximately 190 CDM related persons from 12 countries, mainly in Central and South America (Argentina)

lution, energy saving, afforestation, and disaster prevention. It is important to provide support in cooperation with partners inside and outside Japan by exploiting all possible know-how on development assistance that JICA has accumulated. One good example of such cooperation is the Japan-China Cooperation Science and Technology Center for Forest Tree Improvement Project.

Ratio of forest (portion of national land covered by forests) in China is 21.2%, which is very small when compared to the world average of 30.3%<sup>\*4</sup> and Japan's, which is 68.2%. China is making attempts to increase the ratio of forest by protecting natural forests and expanding afforestation activities. To that end, effective afforestation using seeds that are suitable to soil and meteorological conditions of the forests is indispensable in parallel to the preservation of genetic forest resources.

In response to such a situation, JICA commenced the Japan-China Cooperation Science and Technology Center for Forest Tree Improvement Project in October 2001. For the purpose of enhancing the center's capability of implementing forest tree breeding programs, the project assists in selecting trees with superior characteristics and

establishing conservation forests of genetic resources such as rare tree species. Various negative influences such as destruction of trees and deterioration of forest environment caused by increasing number of pests due to global warming are anticipated; this project is expected to mitigate such negative influences caused by global warming by promoting the development and dissemination of technology related to resistant cultivars. In addition, by planting selected trees with superior characteristics this project assumes more effective stabilization of CO<sub>2</sub>.

\*1 Intergovernmental Panel on Climate Change (IPCC): This international institution was established in 1988 as a venue to discuss global warming issues on the governmental level.

\*2 United Nations Framework Convention on Climate Change (UNFCCC): With the ultimate objective of stabilizing the concentration of greenhouse gas in the air, this agreement provides an international framework to prevent negative influences caused by global warming. It was adopted at the UN



Pest resistance test to select seeds resistant to environmental changes caused by global warming.

Conference on Environment and Development (Earth Summit) in 1992 and became effective in 1994.

\*3 Clean Development Mechanism (CDM): When input countries (mainly developed countries) with an obligation to reduce greenhouse gas implement projects contributing to the reduction of greenhouse gas in host countries (mainly developing countries) without the obligation, this mechanism allows input countries to use all or part of the reduced emission amount to achieve their own goals for emission reduction. It is stipulated in the Kyoto Protocol adopted at the Third Conference of Parties to the UN Framework Convention on Climate Change (COP3) held in Kyoto in 1997.

\*4 Based on statistics compiled by the Food and Agriculture Organization of the United Nations (FAO) in 2007.

## Infectious Diseases Spreading Beyond National Borders

### Collective Efforts by the International Community

Infectious diseases threaten lives and livelihoods, and exacerbate the suffering brought on by poverty. As globalization has progressed and promoted the movement of people and materials across national borders, the risk of spread of infectious diseases worldwide increases.

Infectious diseases is no longer an issue that can be solved by a single country and it calls for a collective effort by the international community. The epidemics of severe acute respiratory syndrome (SARS) and avian influenza are symbolic phenomena.

The three major infectious diseases (HIV/AIDS, tuberculosis, and malaria), which claim more than six million lives annually worldwide, are becoming a serious threat, especially in developing countries. Infectious diseases, which have negative impacts on social and economic development, become a direct threat to

human lives and livelihood in the first place. Therefore they have to be immediately addressed from the perspective of human security.

Also introduced are JICA's efforts to combat avian influenza that spreads beyond national borders and HIV/AIDS whose spread of infection is seriously affecting developing countries.

### Avian Influenza .....

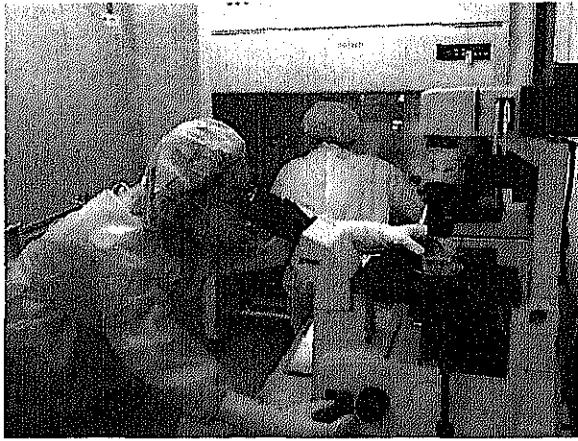
The H5N1 type avian influenza epidemic has spread to Asia, the Middle East, Europe, and Africa, seriously damaging the societies and economies of many developing countries. This disease is expected to become communicable from human to human as well as from bird to bird and from bird to human, and therefore its containment is an urgent international priority. Accordingly, developed countries and international organizations are implementing various types of cooperation centered on emergency relief

(provision of materials and equipment for prevention of disease and medicines). Among them, from a medium to long-term perspective, JICA promotes technical transfer and human resources development so that developing countries will be able to contain the epidemic on their own. Cooperation focusing both on birds, including hygiene management of birds that are the source and diagnosis, and on humans, such as examination and diagnosis of virus and in-hospital infection control, is being implemented.

### Prevent infection to birds

From the perspective of birds, cooperation is mainly implemented in the ASEAN region where the occurrence and influence of avian influenza are especially severe.

In Indochina, organizational and technical structures to respond to livestock infection have not been fully established. Nevertheless, recent vital distribution



NIHE testing staff receive training in treatment of highly hazardous pathogens.

mobilizes more and more livestock across national borders. As a result, the hygiene condition of livestock in bordering countries has gotten worse, and thus has a negative impact on livestock and the trade of animal products in addition to livestock productivity.

Against this background, JICA has implemented the Japan-Thailand Technical Cooperation Project on Animal Disease Control in Thailand and Neighboring Countries since 2001 in Indochina. In 2004, avian influenza was added to target diseases and cooperation aiming mainly at improving diagnosis skills, including dispatch of Japanese experts and in-country training, has been implemented. In March 2006, specifically, when the occurrence of avian influenza was confirmed in Myanmar, Thai experts who were trained in the project were dispatched immediately after the outbreak and worked in collaboration with the Food and Agriculture Organization of the United Nations (FAO), thus contributing a great deal to proper early response to contain increasing infection.

In Indonesia, where infection started to spread in 2005, grant aid cooperation commenced in February 2007 to improve diagnostic skills. Training in Japan and third-country training in Malaysia are also conducted to promote the development of human resources such as administrators and diagnosis technicians in charge of veterinary and pastoral sector in various Asian countries mainly in the ASEAN region (see p.39).

### Prepare for infection to humans

From the perspective of humans, JICA focuses on establishing a virus examination system mainly in the ASEAN

region where the epidemic is prominent based on the master plan for combating avian influenza formulated with the initiative of World Health Organization (WHO). When the virus mutates and makes possible human-to-human communicability, a pandemic is anticipated. In order to prevent delayed implementation of countermeasures to be the

cause for spreading damage, it is necessary to detect the virus mutation at an early stage so as to prevent a pandemic and administer early care.

In Viet Nam, more than 40 deaths by avian influenza have been confirmed so far. However, as there were no testing facilities in the country to deal with highly hazardous pathogens such as the avian influenza virus, specimens were sent to overseas institutions designated by WHO for testing. In response, JICA has provided grant aid to establish laboratories so that safe testing can be conducted locally and quickly. JICA has also implemented technical cooperation called the Project for Capacity Development for NIHE (National Institute for Hygiene and Epidemiology) to Control Emerging and Re-emerging Infectious Diseases, whose pillars will establish a system for safe testing and the capacity building of technicians dealing with testing high risk viruses. In order to establish a system to safely and appropriately treat avian influenza patients, JICA has provided guidance to people engaged in medical care at Bach Mai Hospital in Hanoi. The outcomes of these efforts will not remain in the country but are expected to expand as Viet Nam leads neighboring countries in this sector.

Other JICA cooperation includes training in Singapore for countering avian influenza targeting Asian countries so that those countries can collaborate and take quick action. Training in Japan in the establishment of a safe testing system targeting Asian countries is being planned, too.

### HIV/AIDS .....

HIV/AIDS, which nullifies developing countries' efforts for economic develop-

ment and dampens hope for the future among the members of younger generations, is a serious cross-border threat. Today, approximately 40 million people are infected with HIV, and approximately 30 million lives have been lost to AIDS so far. It is said that, in the epidemic area, the average life expectancy has been shortened by 15 years.

JICA, as a member of the international community, provides support for countering HIV/AIDS in line with the national strategy and framework of each country. A comprehensive approach is taken based on the human-centered perspectives of administrative enhancement and community empowerment in cooperation with international organizations and other donor countries with an emphasis on enhancing a system to equally provide quality services to people in need of such assistance as prevention, treatment, care, and support.

### Regionwide cooperation

In Zambia, which shares borders with eight countries, JICA has implemented technical cooperation such as the Cross Border Initiative Project since 2000 together with the United States Agency for International Development (USAID). This project targets people working in the sex industry, whose risk of HIV infection is high, and long-distance truck drivers who often cross borders. Through consistent activities that help sex workers share their knowledge with their peers and encourage one another to change their actions, awareness regarding AIDS and sexually transmitted infections has been raised



A peer educator (person who has received special education to consider problems with his/her peers) talks to a truck driver about AIDS.



and the rate of condom use has improved.

In 2006, JICA started an HIV/AIDS prevention program focusing on the transport corridor in the northern part of East Africa stretching across Kenya, Uganda, Tanzania, and other countries jointly with USAID. This project, which targets multiple countries and works with not only truck drivers but also communities that have grown around truck depots, aims to build a society where the communities can live in harmony with HIV/AIDS. Therefore, multilateral approaches are taken in not only the health sector but also gender and promotion of youth activities in order to achieve comprehensive empowerment. Japan Overseas Cooperation Volunteers (JOCVs) will be dispatched to NPOs supported by USAID and communities targeted in the JICA cooperation to promote activities in which all these approaches generate a synergy effect (see p.83).

### Share experiences inside and outside the region

In promoting the HIV/AIDS measures, when neighboring countries share a common issue, sharing one country's experience with others can lead to better measures.

JICA implements capacity building cooperation that allows developing countries to learn about the experiences of neighboring countries that are more advanced in HIV/AIDS control (such as Thailand, Brazil and Kenya) so that they can implement measures suitable to their own situations. For example, the Project for HIV/AIDS Regional Coordination Center in Thailand provides country-specific training in line with the needs of each of the countries, namely, Cambodia, Laos, Viet Nam, and Myanmar, as well as training that addresses issues common to these countries. This project focuses on not only training participants' acquisition

of knowledge but also on how to apply and utilize Thailand's experience in each of the countries through touring HIV/AIDS projects in Thailand, information sharing with working-level officials, and participating workshops.

The training in AIDS care and treatment held in Thailand was also attended by people engaged in HIV/AIDS control from Ghana and Zambia. Since the backgrounds are different in terms of health systems and infection routes, Thailand's experience can not be applied to African countries as they are. However, there is much to learn from the process of trial and error that took place in Thailand, which has seriously tackled the AIDS issue, and interaction between Asia and Africa has been a great inspiration for the people concerned.

## From Conflict to Reconstruction Development

### Impact of Conflict

According to a report, 109 of the 116 conflicts that occurred in the world during the 14 years that fell between the end of the cold war and 2003 were domestic conflicts\*1. Furthermore, many of the conflicts took place in the poorest countries or regions in the developing world\*2. Moreover, the conflicts that occurred in the 1990s victimized more civilians and at the same time broke down the boundary between soldiers and civilians, involving more civilians.

There were cases where a conflict affected its neighboring countries as well as the involved country with an outflow of arms, illegal combatants, and refugees, or cases where a conflict expanded to the entire region.

One example of a conflict that affected neighboring countries is the case of Palestine refugees residing in other Middle Eastern countries such as Lebanon, Jordan and Syria for a long period of time. The conflict in former Yugoslavia is a case where a conflict expanded. As a result of independence achieved simultaneously by Slovenia and Croatia, the most economically advanced regions in former Yugoslavia, domestic conflicts broke out in both regions, generating chaos, where independence of both regions was

approved in the end. Subsequently, Muslims (Bosniaks) and Croats in Bosnia-Herzegovina declared unilateral independence out of enmity for the progressing Serbian movement in Yugoslavia, thus resulting in a spin-off of the conflict to these areas.

In view of the recent conflict trend described above, development assistance has been highlighted recently as a means to prevent and solve conflicts and consolidate peace, in addition to other militaristic and political methods. Development assistance is expected to play a major role in peacebuilding efforts as a measure to remove or minimize the underlying factors of conflicts (such as inadequate governance and poverty), and to establish a system of preventing the creation of violence that leads to mid- and long-term stability and development.

### JICA's Efforts

Peacebuilding is specified as a priority issue in Japan's Official Development Assistance Charter (ODA Charter), announced in 2003, and Japan's Medium-Term Policy on Official Development Assistance (Mid-Term Policy on ODA), announced in 2005. According to these policies, JICA provides peacebuilding assistance primarily

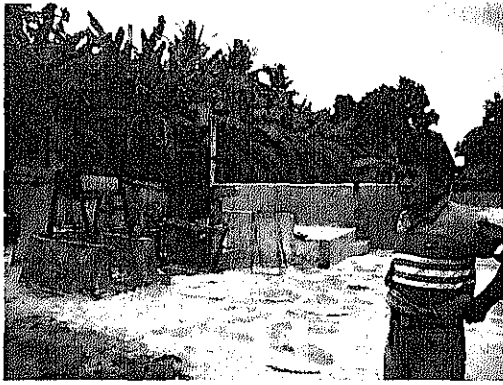
in the sectors of reconstruction of social capital and economic activities, recovery of the governance function of government, and enhancement of security.

In the process of implementing peacebuilding assistance, attention is paid to five points: (1) speedy and seamless assistance; (2) support for the socially vulnerable; (3) assistance for both the government and local communities and people; (4) assistance to neighboring countries and areas; and (5) consideration given to the possibility of occurrence or recurrence of conflicts (see p.76).

### Preventing the recurrence of conflicts —Bosnia-Herzegovina

JICA has been implementing cooperation since 1996 in Bosnia-Herzegovina, where three ethnic groups experienced a three-way struggle between 1992 and 1995. In recognition that reconciliation among the ethnic groups is crucial in preventing the recurrence of conflicts, a community development project in which opposing ethnic groups (Serbs and Muslims/Bosniaks) work together is ongoing in Srebrenica, where a massacre once took place.

At a high school in Mostar, one of the grueling battlefields, different ethnic



A milling factory that burned down during a conflict (Mindanao, the Philippines)

groups are currently adopting different educational curriculums. JICA is implementing support for IT education with the idea that those curriculums will be integrated in the future, providing opportunities for students in different ethnic groups involved in the conflicts (Croats and Muslims) to learn together and promote mutual understanding.

### Contributing to the promotion of peace

#### —Mindanao, the Philippines

Mindanao Island is the poorest area in the Philippines. In Southwest and Central Mindanao in particular, the immigration policy implemented during the colonial area caused conflicts between the group of native inhabitants comprising Islamic (Muslims) and minority ethnic people, and the group of emigrants comprising mostly Christians. These conflicts not only worsened the regional poverty problem but also encouraged an international terrorist organization active throughout Southeast Asia to set up a base in West Mindanao, where Philippine military forces deployed a sweeping operation.

A Muslim rebel group, Moro National Liberation Front (MNLF), and the government of the Philippines signed a peace agreement in 1996 and MNLF joined the Muslim Mindanao autonomy government in 2001. Armed conflicts still repeatedly occurred between the Moro Islamic Liberation Front (MILF) that branched off from MNLF and the government until 2003 when they reached a ceasefire agreement. Peace talks are continuing.

In September 2006, following a meeting between the MILF leader and President Arroyo of the Philippines, JICA pledged to actively support the peace process. In October 2006, Japan dispatched a senior advisor in charge of

reconstruction and development of Mindanao (who is loaned to the Ministry of Foreign Affairs from JICA) to the International Monitoring Team (IMT), which was first sent in 2004.

JICA launched the Study for Socio-Economic Reconstruction and Development of Conflict-affected Areas in Mindanao in February 2007 to support the formulation of a reconstruction and development plan for conflict-affected areas in Mindanao.

A comprehensive reconstruction and development plan will be formulated while implementing community reconstruction assistance on a trial basis, such as rehabilitation of community facilities that were destroyed in the conflicts and constructing a simplified water supply facility.

As JICA's assistance responds to people's urgent needs and embarks on the formulation of future reconstruction and development plans prior to a peace agreement, contribution to the promotion of peace process is expected.

### Realizing the concept of a Corridor for Peace and Prosperity in the Middle East

#### —Palestine

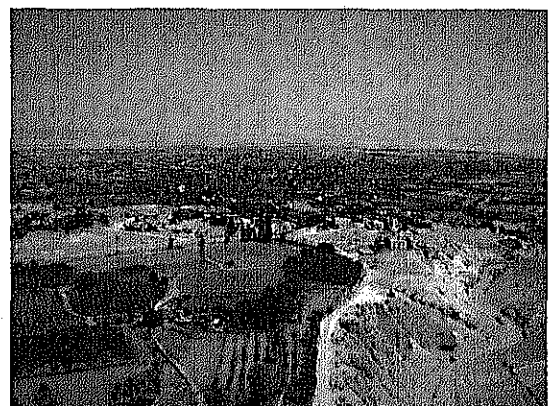
The policy of blocking a Palestinian autonomous region, which the Israeli government has intermittently adopted for the last 10 years, has exhausted the Palestinian economy. It is said that approximately half of the population is forced to live on less than US\$ 2 a day. Under these circumstances, then Prime Minister Junichiro Koizumi proposed the concept of a Corridor for Peace and Prosperity in the Middle East in July 2006. This concept aims to promote economic development in the Jordan Valley area (the valley that extends along the Jordan River between Jordan and Israel) through cooperation among the four countries of Japan, Israel, Palestine, and Jordan utilizing Japan's ODA in a strategic and agile manner.

As part of the plan to realize this concept, JICA worked to identify and formulate cooperation projects starting in 2006 and commenced program cooperation

in the sectors of agricultural development, agricultural product processing, and distribution in the Jordan Valley at the end of March 2007.

The Jordan Valley is the only flat area on the west bank of the Jordan River. It is blessed with arable soil and has a high potential for agricultural development. However, limited water resources, the low technical standards of farmers, the delayed establishment of research and dissemination system, etc., remain problems that prevent the promotion of agricultural development. In order to solve these problems, JICA has conducted the Feasibility Study on Water Resource Development and Management in Jordan Valley, in which a pilot project is being implemented to improve repair and management methods for existing wells and waterways and explore ways to effectively use agricultural water and efficiently manage water. Strengthening Support System Focusing on Sustainable Agriculture in Jericho and Jordan River Rift Valley is also being implemented to establish an effective system for promoting agriculture that combines research and dissemination of technologies (such as cyclical agriculture and water-saving agriculture).

In addition, Feasibility Study on Agro-Industrial Park Development in Jordan River Rift Valley in Palestine has started. In this study, plans will be formulated, including a construction plan for an industrial park that takes into consideration an external market where processed agricultural products and other industrial products are traded and a plan for the promotion of regional trade and the establishment of a distribution infrastructure. By consistently supporting the promotion of agriculture and the production and distribution of processed agricultural



Jericho, located in the southern part of the Jordan Valley: fertile land suitable for agriculture

products this way, JICA aims to grow agriculture into the primary industry in the Jordan Valley as well as realize the concept of a Corridor for Peace and Prosperity (see p. 49).

### Implementing assistance for constituent assembly election —Nepal

Following the armed uprising of the anti-government Communist Party of Nepal (Maoist) in 1996, conflicts with the government of Nepal continued until November 2006, when both parties concluded a comprehensive peace agreement, thus finally putting an end to the eleven-year conflict. Nepal is a multi-linguistic and multi-cultural nation located between India and China, major Asian powers enjoying continuing economic growth. The stability of Nepal is therefore important from the perspective of peace in Asia as a whole.

In response to the peace agreement, the United Nations Mission in Nepal (UNMIN) was established to monitor the management of arms and armed per-

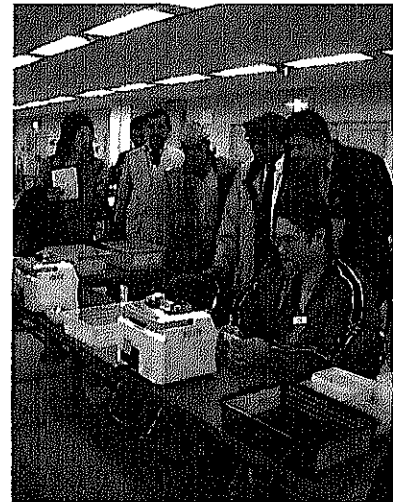
sonnel on both the Maoist side and the government forces side, and to assist with the realization of a constituent assembly election. Currently, assistance has been extended in various areas, such as the dispatch of arms monitors to the headquarters, camps, and barracks from many countries, including Japan. As part of assistance for the election, JICA has brought members of the election board over to Japan for training in election systems and democratization. In addition, experts have been dispatched to Nepal to educate voters and enlighten the public in elections and democratization, as well as implement assistance for fair media coverage. The Japanese government also has provided equipment and materials necessary to operate elections (such as ballot boxes) (see p. 75).

Factors for the expansion of Maoist power include poverty and domestic socio-economical disparities. In the future, assistance for correcting the socio-economical disparities will be implemented through support in the education and health sectors, rehabilitation of

community infrastructure such as roads, and agricultural development.

\*1 Source: "Armed Conflict 1989-2003, Journal of Peace Research" by International Peace Research Institute

\*2 According to the Armed Conflict Report published by Project Ploughshares in Canada, 45% of the countries ranked in the lowest half and 51% of the countries ranked in the lowest one third in the human development index (HDI) experienced conflicts between



Staff members of the election board learn about vote counting in training in Japan.

## Response to Diversifying Asia

### Current Status and Issues for the Realization of an East Asian Community .....

The ASEAN Summit held in the Philippines in January 2007 proposed the achievement of ASEAN integration\*1 by 2015 and pledged to faithfully carry out action plans for the integration. However, large disparities among ASEAN member countries are a problem that has to be solved before the integration. Gross national incomes (GNI) in the ASEAN region differ by more than 120 times at their maximum, from US\$26,869 in Singapore to US\$217 in Myanmar\*2. These gaps are prominent even when compared to those in the European Union (EU). Therefore, ASEAN has established a mechanism to narrow the development gaps with assistance from senior ASEAN countries such as Singapore and Malaysia to Cambodia, Laos, Myanmar, and Viet Nam (CLMV), as well as assistance from international organizations and bilateral aid agencies (see p. 36-38).

Externally, ASEAN either has concluded or is negotiating free trade agreements (FTA) or economic partnership

agreements (EPA) with Japan, China, India, the Republic of Korea, Australia, and New Zealand, and has been steadily moving towards the promotion of market integration with neighboring countries, including Japan, and the establishment of an East Asian Community\*3 at large.

In December 2005, the East Asia Summit (EAS) was held with the participation of 16 countries: ASEAN members, Japan, China, the Republic of Korea, India, Australia, and New Zealand. Every leader positioned EAS as a venue to comprehensively and strategically discuss future and regional cooperation in East Asia. At the second EAS in January 2007, the summit was regarded as a venue to make specific achievements for priority regional issues, and discussions were held regarding future cooperation, as they were at the first EAS.

Japan has been working on the conclusion of an EPA with every ASEAN country, and as of August 2007 agreements are in effect with Singapore and Malaysia, and have been signed with the Philippines, Thailand, Brunei Darussalam,

and Indonesia. In addition, the negotiation for a comprehensive economic partnership with ASEAN is underway, aiming for the conclusion of an agreement by the end of 2007. An investment agreement was signed in June 2007 with Cambodia, and it was agreed in December 2006 that negotiations for an investment agreement with Laos would begin. Negotiations for an economic partnership agreement started with Viet Nam in January 2007.

China adopted a joint statement confirming the enhancement of bilateral relationships in various areas including regional development and economic cooperation at the China-ASEAN Special Summit in October 2006. Previously in November 2004, China signed an FTA regarding goods with ASEAN. The total trade amount between China and ASEAN in 2005 reached US\$130.3 billion, a 23% increase compared to that of the previous year. In addition, China vigorously extends economic cooperation such as contributions to the ASEAN Secretariat and bilateral aid.

India is also getting close to ASEAN. In addition to establishing a communica-



tion channel through the India-ASEAN Summit, India became an EAS member.

## JICA's Efforts .....

Asia, especially East Asia, achieved rapid economic growth, to which Japan's ODA also contributed. However, the Asian financial crisis of 1997 and 1998, which caused economic damage to a wide area of East Asia and created an additional poverty group, highlighted the difficulty of securing sustainable growth in the progress of economic globalization. A new type of pneumonia, SARS, which spread throughout East Asia in 2003, revealed that the outbreak of an infectious disease can cause an economic crisis.

JICA not only addresses cross-border issues such as infectious disease control, as described already in this feature section, but also implements cooperation to support sustainable and self-reliant growth in a region that is gradually being integrated as globalization progresses. For example, establishment on the 'hardware' side, such as roads connecting multiple countries and other infrastructure, is addressed so that many countries can benefit from economic growth, and technical cooperation is provided for the standardization and simplification of border crossing procedures that are necessary to facilitate expanding trade. In addition to the finance sector, the establishment of legal and economic systems helps not only to prevent financial crises but also contributes to the creation of a better investment environment.

Asia accommodates many types of countries that vary in terms of development stages and social structures. In order for them to be able to participate in and benefit from globalization and regional economic growth, JICA provides support both in the hardware and software areas by taking into consideration the differences of individual countries and provides cooperation that enhances the relationship between cross-border regions. In ASEAN, which is on the path to regional integration, JICA facilitates the circulation of humans, goods, and capital within the region and assists countries concerned in controlling cross-border crimes such as piracy, terrorism, and narcotics smuggling. In China, which is called an emerging country, cooperation for human

resources development to support its participation in international society, such as entry to the WTO, is provided. In India, another emerging country, the enhancement of an economic partnership between Japan and India is supported.

## Establishment of regional networks

### —Greater Mekong Sub-region

As international cooperation for Cambodia, Laos, Viet Nam, and Myanmar became full-fledged in the 1990s, the framework of the Greater Mekong Sub-region (GMS) started under the initiative of the Asian Development Bank (ADB), which proposed the establishment of a regional network comprising the East-West Corridor, the southern East-West corridor (Second East-West Corridor), and the North-South Corridor<sup>\*4</sup>. In response, JICA studied and planned the construction of Laos National Road Route 9 connecting Thailand and Viet Nam; Cambodia National Road Route 1, a trunk road between Cambodia and Viet Nam; and a second Mekong bridge. As well as providing grant aid assistance based on this study and plan, JICA has continuously dispatched experts and conducted technical transfer to the counterparts.

In addition to the facility construction, JICA will implement cooperation for simpler border-crossing procedures aimed at the realization of the smooth flow of humans and goods in collaboration with ADB and other development partners.

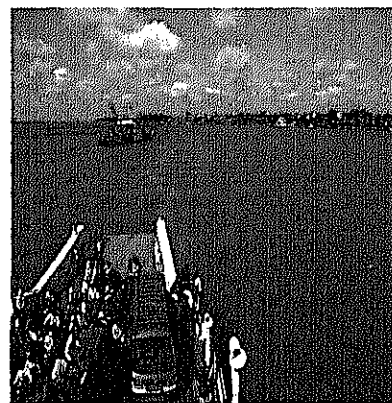
## Project for upgrading economic and corporate laws

### —China

As the transition to a market economy progresses, establishment of corporate laws and the anti-monopoly laws became an urgent task in China. With regard to these laws, JICA comprehensively has introduced Japan's systems, from legislation to enactment of laws, to promote understanding of relations between corporate laws, anti-monopoly laws, and other related laws. By examining and advising on specific issues, JICA also has facilitated an improvement in China's understanding of legal interpretation, such as the actual significance and function of these laws. This cooperation



Near the border of Cambodia with Viet Nam, where humans and goods travel: Daily necessities stacked on a bicycle enter Cambodia, while timber leaves for Viet Nam.



Ferry transportation at the crossing point on the Mekong River (Cambodian side): A maximum of three ferries operate between 5:30 a.m. and 9:30 p.m. every day.

aims to promote harmony with international rules by establishing transparent economic and corporate law systems that incorporate Japan's knowledge and experience. The cooperation, which started in November 2004, had already achieved an outcome by October 2005, when corporate laws were revised at the Standing Committee of the National People's Congress.

- \*1 ASEAN integration: Establishment of an ASEAN Community comprising the three communities in terms of their human security, economic, social and cultural sectors is envisioned.
- \*2 Source: National Accounts Main Aggregates Database 2005 by United Nations Statistics Division
- \*3 Establishment of East Asian Community: The aim is economic integration of East Asian countries as a regional synthetic community similar to the European Union (EU).
- \*4 East-West Corridor: Traversing Viet Nam, Laos, Thailand, and Myanmar. Southern East-West corridor (Second East-West Corridor): Traversing Bangkok in Thailand, Cambodia, and Ho Chi Minh City in Viet Nam. North-South Corridor: Longitudinally traversing Yunnan Province in China, Laos, and Bangkok in Thailand.



A woman holds a basket of freshly pressed peanut oil in front of a processing factory for local products in Malawi where JICA's One Village One Product project is underway. (Photo by Katsumi Yoshida)

# 2 Support for Accelerating Growth in Africa

## TICAD IV and Support for Africa

Considering it important to be more attentive to the voices of developing countries in the discussion of various issues concerning the international community, Japan invited representatives of developing countries to the G8 Kyushu/Okinawa Summit 2000. The summit was attended by the leader of Thailand, then ASEAN Chair and former UNCTAD10 (10th United Nations Conference on Trade and Development) Chair, in addition to the leaders of Nigeria, South Africa, and Algeria, all of whom exchanged opinions with G8 leaders. It was the first summit that provided an opportunity for dialogue between the leaders of G8 and developing countries, and the contribution of Japan was highly appreciated by the participating leaders. With this event providing momentum, support for Africa gained further attention in the international community. African countries launched the New Partnership for Africa's Development (NEPAD) for themselves in 2001 and have continued self-help efforts toward development.

Previously, Japan co-hosted the Tokyo International Conference on African Development (TICAD) with the United Nations Development Programme (UNDP) in 1993. This meeting, which directed the attention of the international community to support for Africa, has been held every five years since the first meeting. The fourth meeting (TICAD IV) is

scheduled for 2008.

### Current Trends of Economies in Africa

While economies in Africa have been in long-term recession since the latter half of the 1970s, East Asia, including the Republic of Korea and Singapore (NIES), Thailand and Malaysia (ASEAN), and China, have achieved unprecedented economic growth, resulting in a large economic gap among developing countries. Recent years also witnessed remarkable economic growth in South Asia, including India. Afro-pessimism prevailed until the 1990s, since the continent was mired in armed conflicts, contained failed nation states, and was further marginalized in the world economy.

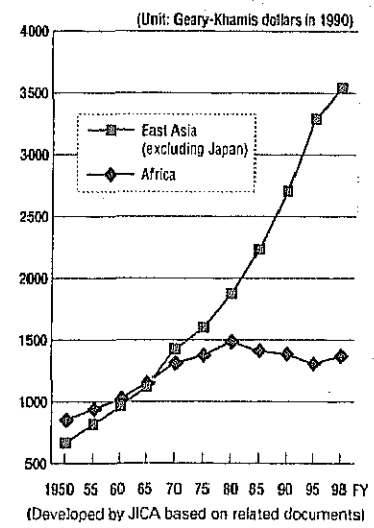
However, the macro economy in Africa has been stabilized since the end of the 1990s, showing signs of improvements in social services, such as basic education, health, and water supply. At the same time, peace and security have steadily progressed even in conflict-ridden areas such as the Great Lakes Region\*1, Sudan, and Liberia. Along with this trend, African countries have taken initiatives towards peacebuilding and development through the African Union (AU) and NEPAD, regarding development issues as challenges to be addressed by themselves.

Nevertheless, the economic struc-

tures of many countries remain dependent on primary products and have yet to develop a sustainable economic growth mechanism entailing reforms. Since economic growth does not lead to poverty reduction based on appropriate distribution, further efforts are necessary for the protection of the socially vulnerable (correction of income distribution between urban and rural areas and among different social classes).

Thus, in light of the fact that African countries are addressing their own issues, such as resolving regional conflicts, democratization, liberalization of economy, and administrative and financial reforms through poverty reduction plans,

Figure a. Trends of GDP Per Capita in East Asia and Africa



the international community, including Japan, is expected to be involved in development issues in Africa in a concerted manner and to provide support for the ownership of African countries. The TICAD IV is a perfect opportunity for Japan to exercise its initiative.

## Asia's Experience .....

The development experiences in Asia indicate that structural factors for economic growth are summarized into three points: (1) a sufficient supply of diligent and low-cost labor; (2) development-oriented government and the presence of an effective administrative mechanism; and (3) a relatively high domestic savings rate and development of private financial sector. Four political factors can also be listed: (1) an export-oriented trade system converted from the import substitution policy of 1950s-1960s (policy to promote domestic production of imported goods); (2) an open economy system to promote foreign direct investment; (3) proactive government interventions, including policy-based finance, infrastructure development, and introduction of industrial policy; and (4) stable food supply through the

expansion of agricultural production, accumulation of domestic assets, expansion of domestic market, and redistribution of wealth.

Japan has input about 60% of the bilateral ODA that has gone into Asia, and most of it was directed at development of economic infrastructure, thus contributing to the development of investment environment in recipient countries and drawing out the vitality of the private sector. The following Japanese efforts have also been highly praised: (1) timely implementation of assistance in areas suitable for direct investment and trade promotion; (2) provision of large-scale assistance towards improvement of agricultural productivity; (3) contribution to human resources development, which is regarded as one of the basic factors to bolster the economic development of Asia, through active cooperation in the education sector, such as technical training.

In the light of active approaches to Africa from China in recent years and the rapid economic growth of India, with which Africa has had traditionally strong economic relations, African countries are more inclined to accelerate their growth

and advocate the importance of applying the Asian experience to Africa. For example, at the Davos Forum in January 2007, President Kaberuka of the African Development Bank talked about "turning the Asian miracle into an African miracle." Zenawi Meles, prime minister of Ethiopia, wrote a paper on the revitalization of Africa based on Asia's experience, too.

Needless to say, Asia and Africa have different histories as well as natural, social, and economic environments, and the Asian experience cannot be transferred to Africa directly. However, JICA thinks it is effective to review the Asian experience and devise specific development projects, while paying attention to the differences, in the area of African development, which has previously focused on the application of Western experience and theory.

\*1 Great Lakes Region: The region lies across Rwanda, Brundi, and Uganda in the center, including the eastern part of the Democratic Republic of the Congo, the western part of Kenya, and the north-western part of Tanzania. This name has been given to the region because it includes a series of large lakes, such as Lake Victoria, Lake Albert, and Lake Tanganyika.

## Efforts towards TICAD IV

At the TICAD IV scheduled for May 2008, discussions will be held on future measures for support for Africa in the contexts of acceleration of growth, human security, and environment and climate change. The sustainability and acceleration of growth in Africa, which has just exhibited signs of incipient improvement, is the major task of Africa and it is important to learn from the Asian experience to that end. Providing support to protect people from threats such as poverty and conflict and empower them to be independent—in other words, providing support for human security—is indispensable for the development of Africa. Furthermore, environmental issues such as preventing climate change and desertification need to be addressed by the entire international community. JICA is actively committed to these issues through the following efforts.

### Support for Accelerating Growth .....

Given the recent trends surrounding

Africa described thus far, JICA is determined to address agricultural and rural village development, development of the trade and investment environment, and basic infrastructure development and support for human resources development, as part of its support for accelerating growth, in preparation for TICAD IV in 2008 (see p.53-54).

### Promotion of agricultural and rural development

It is said that about 80% of the population of Africa live in rural areas, and agricultural and rural development is essential to ensure the sustainability of development in Africa. Thus, it is necessary to actively provide support for improving agricultural productivity and developing a distribution system for agricultural products.

JICA provides support to develop and disseminate NERICA\*<sup>2</sup> rice mainly in Uganda and Guinea, as the eastern and western centers, respectively, aiming to ensure food security in Africa, and plans

to extend these achievements to neighboring countries.



Guidance on cultivation of NERICA rice by a JICA expert (Uganda)

### Development of trade/investment environment as an engine for growth

Sustainable development in Africa requires revitalization of the private sector through promotion of trade and investment, and resulting economic growth. African countries experiencing favorable economic growth are required to create an environment to vitalize economic activities by means of private capital, including small and medium-sized enterprises, in order to make the growth sustainable.

JICA works on system-building necessary for developing an investment environment in Africa, while utilizing its experience supporting Asian countries. Support will be provided for the expansion of the One Village One Product Movement throughout Africa to vitalize communities, which are the foundation of economic activities (see p.134).

### Development of basic infrastructure

Since many countries in Africa are inland countries, underdevelopment of cross-border infrastructure and the delay in streamlining customs procedures impede the integration of regional economies, the expansion of market size, and economic vitalization of rural areas. Under such circumstances, the development of basic social infrastructure is indispensable as a premise for ensuring economic growth. With this recognition in mind, JICA will strengthen the development assistance in Africa by implementing infrastructure development plans (transportation, electricity, etc.) set forth by the NEPAD.

### Support for human resources development for growth

In today's society, advances in technological innovation are centered on information and communication technology (ICT). In Africa, which needs enhancement of basic education, in order to achieve economic growth in today's world, it is also necessary to develop human resources focusing on secondary science and mathematics and higher technological education, in addition to basic education. To meet these diversified needs for human resources development, JICA is actively committed to the capacity development of each individual, recognizing that human resources is one of the most important factors in proceeding with the development of a country.

### Support for Achieving Human Security

Approximately 40% of the people in Africa live in absolute poverty on less than US\$1 a day. The concept of human security, which comprehensively addresses the issues of "freedom from want of basic living needs (education and health services and access to safe water,

etc.)" and "freedom from fear (conflict and terrorism, etc.)" is extremely important for Africa in pursuing the Millennium Development Goals (MDGs).

### Health and medical care

Infectious diseases such as HIV/AIDS, malaria, tuberculosis, and polio continue to threaten the lives of people living in Africa. The high mortality rate of pregnant women and infants is another serious issue. To address these issues, JICA will continue with cooperation for the prevention of infectious diseases and the health maintenance of pregnant women and infants, in partnership with local medical institutions. The cooperation in this area is based on the Action Plan in Combating Infectious Diseases in Africa introduced by then Prime Minister Junichiro Koizumi in May 2006.

### Education

Human resources development is central to a country's development, and enhancing education is therefore essential. Universal education is spelled out as one of the MDGs, but primary enrollment is still low in many of African countries. JICA will implement and strengthen various types of educational support, including support that combines the construction of primary and secondary school buildings with know-how of school management.



Support for participatory primary school management is provided for the purpose of eliminating lack of understanding about schools among local communities and parents and increasing enrollment. (Niger)

### Safe water

Many people in Africa are forced to use unsanitary water. Unsanitary water carries hazardous implications with regard to health, and can be potentially fatal in some cases. In order to improve the situation, JICA provides support for securing safe water through the construction of water supply facilities. Support is also provided for maintenance

and management of water supply facilities by organizing community groups, thus contributing to capacity development of the community.

### Consolidation of peace

The issue of how to consolidate peace and link peace to reconstruction assistance carries significant weight in Africa. JICA has pledged to enhance support for peacebuilding and is actively involved in reconstruction assistance in the immediate post-conflict countries; for instance, community support for refugee camps (Sudan) and social reintegration of children (Sierra Leone).

### Efforts for Environment and Climate Change

Since the Kyoto Protocol expires in 2012, active talks are being held regarding the post-Kyoto Protocol framework in the international arena. Climate change was the main theme of the discussions at the AU General Assembly in January 2007. At the TICAD ministerial-level meeting in March 2007, it was emphasized that the African continent was particularly vulnerable to global-scale climate change and methods for addressing climate change were important for sustainable development in Africa.

In the past, then Minister of Foreign Affairs Shinzo Abe announced a Green Revolution in Africa in the 1980s, and the Japan Overseas Cooperation Volunteers played a leading role in implementing Green Promotion Cooperation Projects in Senegal, Tanzania, Niger, and Ethiopia. In May 2007, former Prime Minister Shinzo Abe announced his own initiative, "Invitation to Cool Earth 50," and enhanced projects for environmental conservation in Africa are expected.

Based on the recognition that global-scale efforts are necessary for long-term measures against global warming, JICA will support the dissemination of clean energy in Africa, such as solar power generation, and at the same time will proactively address green issues (global environment issues) such as prevention of desertification.

\*2 NERICA (New Rice for Africa): an upland rice variety developed by crossbreeding a high-yielding Asian rice variety with a cold- and disease-resistant African rice variety.



# 3

## Towards Creation of New JICA

### Change in Environment Surrounding JICA

With the government's administrative reform, the ODA budget of Japan (general account) has been gradually decreasing. The fiscal 2007 budget is 38% less than it was at its peak in fiscal 1997. The budget allocated to JICA has also been substantially reduced, resulting in a 13% decrease over the past 10 years, which amounts to approximately ¥24 billion.

Under such severe budgetary constraints, JICA was reorganized into an independent administrative institution in October 2003. This section provides a review of JICA's efforts during the period of the first mid-term objectives and plan (three-and-a-half years until the end of March 2007) and the achievements of the reforms implemented during this period. It also provides an overview of the preparations for integration with the Japan Bank for International Cooperation (JBIC) scheduled for October 2008.

Implementation of field based management through JICA reform: A survey of recovery and reconstruction assistance was swiftly conducted the month after the Great Sumatra Earthquake and Indian Ocean Tsunami Disaster, and a fishing boat was built in cooperation with a local NGO in Banda Ache, Indonesia. (Photo by Katsumi Yoshida)

### Efforts for the First Mid-term Objectives and Plan (Transition to Independent Administrative Institution)

The basis of operation and management for an independent administrative institution such as JICA consists of the management of mid-term objectives and evaluation of performance in accordance with mid-term objectives (for a period of three to five years) specified in an order by the competent minister and a mid-term plan compiled by the institution to achieve the objectives.

JICA formulated the first mid-term plan in October 2003 under the mid-term objectives set forth by the Ministry of Foreign Affairs, at the time it became an independent administrative institution, and the term was completed at the end of March 2007. Subsequent operations are being undertaken in accordance with the new objectives and plan from April 2007.

The Independent Administration Institution law stipulates that the mid-term objectives and plan shall set forth two targets: (1) streamlining of the entire

operation and management; and (2) improved quality of operations. JICA's first mid-term objectives and plan set forth 34 items and the progress for each item is annually reported to and evaluated by an external advisory committee (the Independent Administrative Institution Evaluation Committee of the Ministry of Foreign Affairs). The result of evaluation shows that JICA has sufficiently achieved the first mid-term plan.

#### Streamlining of the Entire Operation and Management

Under the independent administrative institution system, it is required to include measures to achieve the objectives concerning the promotion of efficiency in operations in the mid-term objectives and plan for the purpose of improving the effectiveness of the operations.

In specific terms, it is stipulated that budgets (management grant) shall be streamlined to some extent every year.

Accordingly, JICA set and achieved its objective of cutting down 5 to 10% on average on the expenditures for the dispatch of experts, acceptance of training participants, provision of equipment and materials, and the dispatch of study teams, while maintaining and improving the quality of operations during the term. With respect to management expenditures, new personnel and payment systems have been introduced, achieving more than a 10% reduction compared to fiscal 2002. For these savings, the time spent on procedures and the amount of paper work were reduced.

#### Improvement of the Quality of Operations

The objectives in relation to improving the quality of operations include appropriate measures for information disclosure and protection of personal data, enhancement of public relations activities, consideration for environment and soci-



ety, promotion of gender equality, and systematic and effective project evaluation. JICA has been committed to attaining these objectives.

JICA has also set different objectives for different programs (technical cooper-

ation, public participation in international cooperation, promotion of implementation of grant aid, overseas emigration, disaster relief, etc.). For instance, in the Volunteer Program, JICA worked to facilitate participation, for example, by intro-

ducing a short-term dispatch system, in order to meet the expectations of those who are willing to volunteer. As a result, the number of participants at the end of fiscal 2006 increased by more than 10% compared to fiscal 2002.

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## Changes Brought by JICA's Reform Efforts

In addition, JICA formulated a self-reform plan comprehensively covering organizations and operations, and has been devoted to implementing the plan. To begin with, the JICA Reform Plan was announced in March 2004, carrying out reforms of operation and management and organizational systems from three perspectives: field based management, human security, and effectiveness, efficiency and speed.

### Penetration of Reform .....

In order to operate in a strategic and flexible manner, the regional and issue-based department system was first introduced at the headquarters, with the aim of utilizing knowledge and experience in development issues and localize them by using expertise in regions. JICA has expedited the decision-making by flattening the organizational structure. In terms of relations between the headquarters and overseas offices, field based management was introduced as our principle of operation by utilizing local initiative to the maximum extent possible, and toward this aim the functions of overseas offices were strengthened. Specifically, personnel and authority were substantially transferred from the headquarters to overseas offices, enabling operations under the initiatives of overseas offices. In order to support this system, international communications networks and operation and

management support systems were developed, creating an environment where the field and headquarters can share information in real time. These efforts have realized proper and speedy project implementation in line with the needs of the field and fostered a climate of trust with the partner's government due to the enhanced communication. It is acknowledged that JICA's operation and management worked more effectively and efficiently as a result.

Furthermore, various efforts have been undertaken in order to carry out more effective operation meeting the needs of developing countries, in accordance with development assistance policies of the government. Support for formulation of promising projects, enhancement of international aid coordination and cooperation, promotion of programs that comprehensively resolve issues related to development, and efforts to link the concept of human security to practical actions are some examples.

In March 2005, the second phase of the JICA Reform Plan was announced, which introduced the reform of domestic operations (training programs in Japan for personnel of developing countries and citizen participatory cooperation, etc.) and reorganization of domestic offices, in order to meet the needs of



A JOCV member working at an NGO that supports women in the Program for Improving Health Status in Upper West Region (Ghana). This program, which is carried out as a combination of dispatch of experts, grant aid, technical cooperation, and dispatch of JOCV, is an example of undertaking multiple projects in order to effectively address mid-term development issues. (Photo by Katsumi Yoshida)

developing countries even more accurately. Thus, JICA has been working on relieving the functions of domestic offices, strengthening networks to link the functions to the needs of the field, improving access from people to JICA's activities, and enhancing the communication function of JICA itself. An example of such efforts is the reorganization of JICA Hiroo in April 2006 (a.k.a. Global Plaza), which serves as a control tower for citizen participatory cooperation.

### Towards Completion of Reforms .....

Meanwhile, additional challenges have come to surface. For example, the issue of how the headquarters provides appropriate support for overseas offices, which have a limitation in expertise, as well as how to improve strategy and the predictability of projects managed by overseas offices. In order to respond to these issues, JICA has been committed to addressing the following as final adjustment toward reforms: specifically, establishment of partnerships between the headquarters and overseas offices, enforcement of the strategic nature of projects through the promotion of program based approach, and improve-



Exhibition entitled "I Want to Go to School" held at the Exhibition Space, JICA Global Plaza (Photo by Kenshiro Imamura)

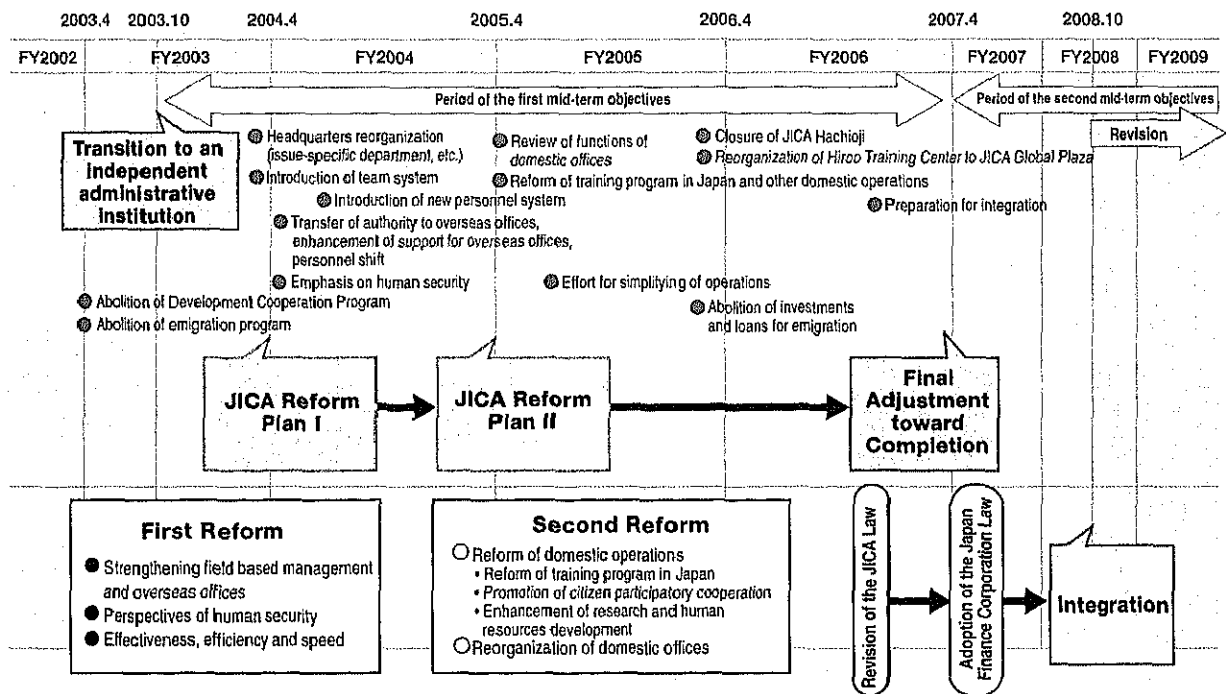
ments in the predictability of projects by introducing a new budget management system.

Since becoming an independent administrative institution, JICA has been proceeding with self-reform plans and

working on the establishment of systems to implement high-quality, field-based operations. JICA has also raised awareness of JICA staff on result-oriented management, with emphasis on performance and cost. It is considered necessary to

further develop the capacity of staff and to bring about development quality results that are appreciated by the people in developing countries and can further improve the understanding of Japanese tax payers.

**Figure b JICA's Reform Efforts during the Period of First Mid-term Objectives**



## Preparation for Integration

### Creation of New JICA

In light of the movement of ODA reforms promoted by the government, the Administrative Reform Promotion Law (June 2006) stipulates that the Japan Bank for International Cooperation's (JBIC) overseas economic cooperation operations will be taken over by JICA by amending the Law Concerning the Independent Administrative Institution Japan International Cooperation Agency (JAIC Law). Consequently, the creation of new JICA on October 1, 2008 was officially approved following the passage of an amendment to the Japan International Cooperation Agency Law on November 8, 2006 and the passage of the Japan Finance Corporation Law on May 18, 2007.

### Expectations for New JICA

New JICA is expected to materialize the synergy effect of integration, strengthen public relations, and increase the presence of Japan, by serving as an organization that coordinates technical cooper-

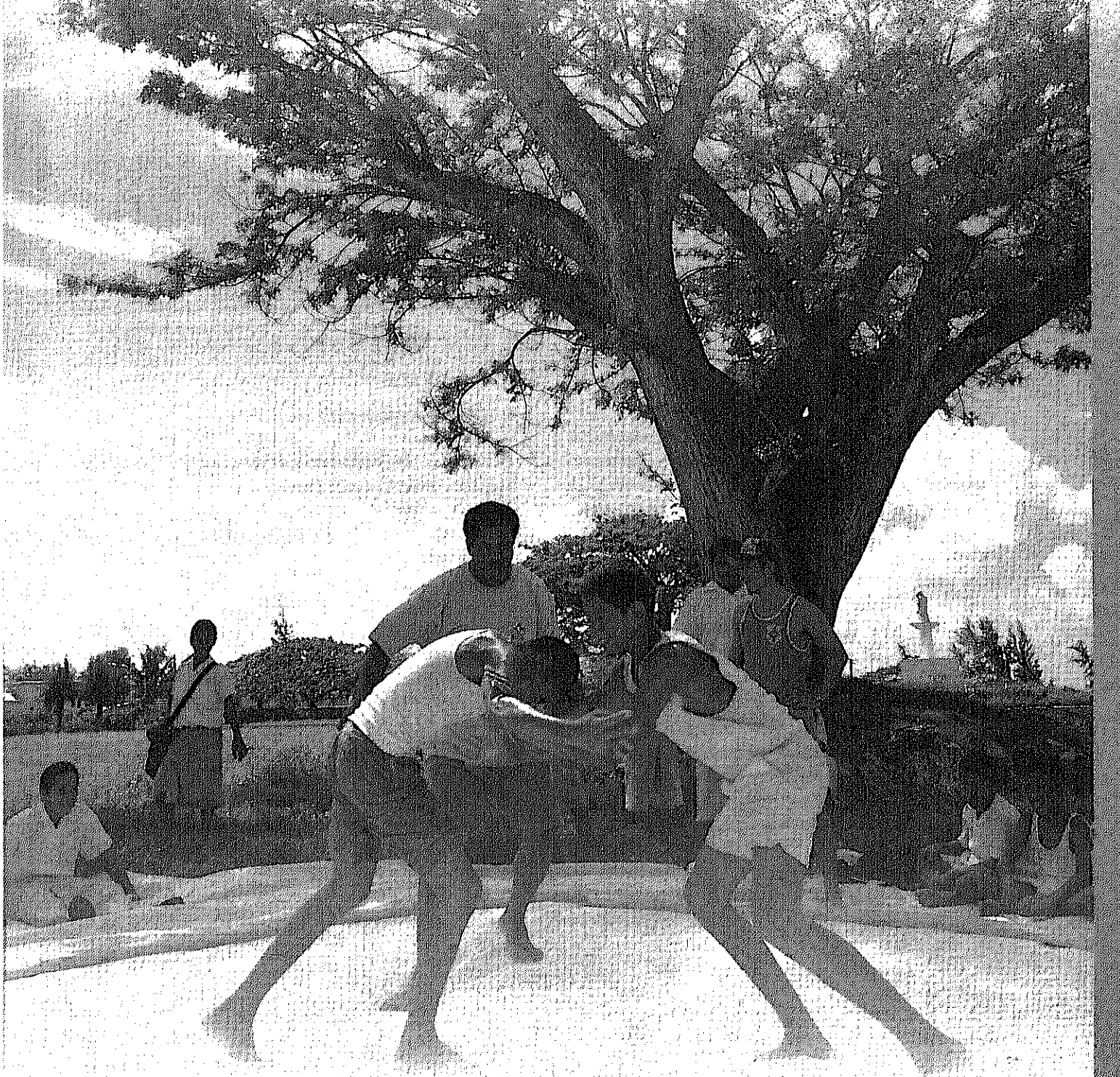
ation, loans, and grant aid in an integrated manner. To that end, it is necessary for JICA to implement assistance swiftly and flexibly in line with strategies and policies formulated by the government, while exercising its initiative as an independent administrative institution. JICA therefore takes the responsibility of the new JICA seriously and aims to respond by introducing a comprehensive and unified flow of operations, covering all aspects from planning to implementation of the three schemes, namely, technical cooperation, loans, and grant aid while maintaining close dialogue with developing countries. Moreover, JICA is determined to further promote the current reforms, such as thorough implementation of field based management, and at the same time, carry out assistance that is unique to Japan, utilizing its past experience.

New JICA will be equipped with new provisions for research activities, and it is imperative to further strengthen its communication so as to contribute to international community by way of strategic

ideas and findings obtained from study and research activities concerning effective approaches to assistance.

Creating a new organization is the greatest challenge for us. Maintaining close coordination with the Ministry of Foreign Affairs and JBIC, JICA has set up a department and task force in preparation for integration to conduct discussions about issues related to organization, personnel, and operations. Similar efforts are already under way at overseas offices, the field of assistance: for instance, co-formulations of Policies on Implementing Country-specific Assistance (tentative).

The year 2008, when New JICA is scheduled to be launched, is the year in which Japan exhibits its leadership on such occasions as TICAD IV and the G8 Summit at Lake Toya, Hokkaido. JICA will proceed with preparations so that it can materialize the synergy effect of the integration and meet the expectations of the international community as well as those of Japan's constituency.



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## Part I • ODA and JICA Programs

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### Chapter 1 Japan's ODA and an Overview of JICA Programs

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The Project for Improving Official Statistics in Cambodia where technical support in survey implementation is conducted

## Outline of Japan's ODA

### What is ODA?

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

ODA is classified into three types: (1) bilateral grants, (2) bilateral loans, and (3) financial contributions to international organizations (multilateral aid). Each type of ODA is outlined below.

### Bilateral Grants

Bilateral grants include technical cooperation that transfers technology to developing countries and grant aid that provides funds with no obligation for repayment.

#### 1. Technical Cooperation

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

More specifically, technical cooperation includes: (1) the implementation of technical training that provides training opportunities for technicians and administrators from developing countries, (2) the dispatch of experts and volunteers with specialized skills and knowledge, (3) development studies to assist with the formulation of a variety of development plans such as urban, rural, transport, resource development, etc., and (4) relief for disaster victims and assistance with disaster reconstruction.

#### 2. Grant Aid

Grant aid involves the provision of funds for the construction of buildings such as schools and hospitals; for the procurement of materials and equipment for education, training, and medical care; and for post-disaster reconstruction.

It can be divided into nine categories according to content. These are: (1) general grant aid, (2) grant aid for cooperation on counter-terrorism and security enhancement, (3) grant aid for disaster prevention and reconstruction, (4) grant aid for community empowerment, (5) grant aid for fishery, (6) cultural grant aid, (7) emergency grant aid (including reconstruction and development), (8) food aid (KR), and (9) grant assistance for underprivileged farmers (2KR).

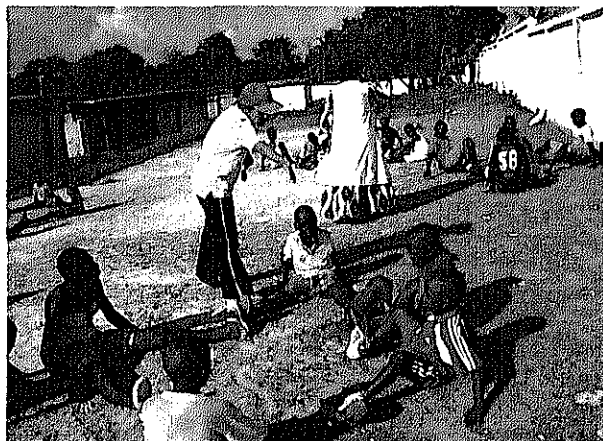
Of these forms of grant aid, JICA supervises basic design studies that conduct the basic planning needed for building facilities and procuring equipment and materials in eight categories. These are general grant aid projects and grant aid for human resource development in category (1), grant aid for cooperation on counter-terrorism and security enhancement in (2), grant aid for disaster prevention and reconstruction in (3), grant aid for community empowerment in (4), grant aid for fishery in (5), cultural grant aid in (6), food aid in (8), and grant assistance for underprivileged farmers in (9), respectively. JICA is also charged with implementing work that includes surveys and intermediary and liaison work.

In fiscal 2007, grant aid for poverty reduction strategy assistance has been added.

### Bilateral Loans

Bilateral loans are loans that provide the funds needed for development under long-term, low interest conditions. They can be classified into: (1) ODA loans under which funds needed for development are provided directly to the government or a government agency in a developing country, and (2) private-sector financing and investment under which funds are provided to Japanese companies or local companies operating in developing countries.

ODA loans are generally known as "yen loans." Yen loans previously focused on project loans for economic infrastructure and social infrastructure such as roads, dams, communication facilities, and agricultural development, but in recent years the proportion of commodity loans aimed at improving the international balance of payments (financial cooperation that enables



Physical education class taught by a Japan Overseas Cooperation Volunteer (Cameroon)



countries short of foreign currency to purchase goods) and loans for intellectual support, such as in education, has increased.

### Contributions to International Organizations (Multilateral Aid)

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

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

## The ODA Budget and the Implementation System

### Breakdown of the Budget

The breakdown of Japan's ODA budget (general account) calculated on the basis of the classifications described previously is shown in Table 1-2.

The budget is allocated to 13 government ministries and agencies as shown in Table 1-3. The Ministry of Foreign Affairs, which is Japan's largest ODA implementation institution, takes the largest allocation of the ODA budget. In addition to the technical cooperation budget supervised by JICA, the budget for grant aid and contributions to UN-related organizations such as UNDP are included in this portion.

The expenses for the acceptance of technical training participants and for various studies conducted overseas (carried out through related organizations) are included in the allocation of the Ministry of Economy, Trade and Industry (METI). JICA receives and implements part of the study costs contained in the METI budget allocation. The Ministry of Finance allocates the budget for the financing of bilateral government loans overseen by the Japan Bank for International Cooperation (JBIC) and contributions to MDBs such as the World Bank.

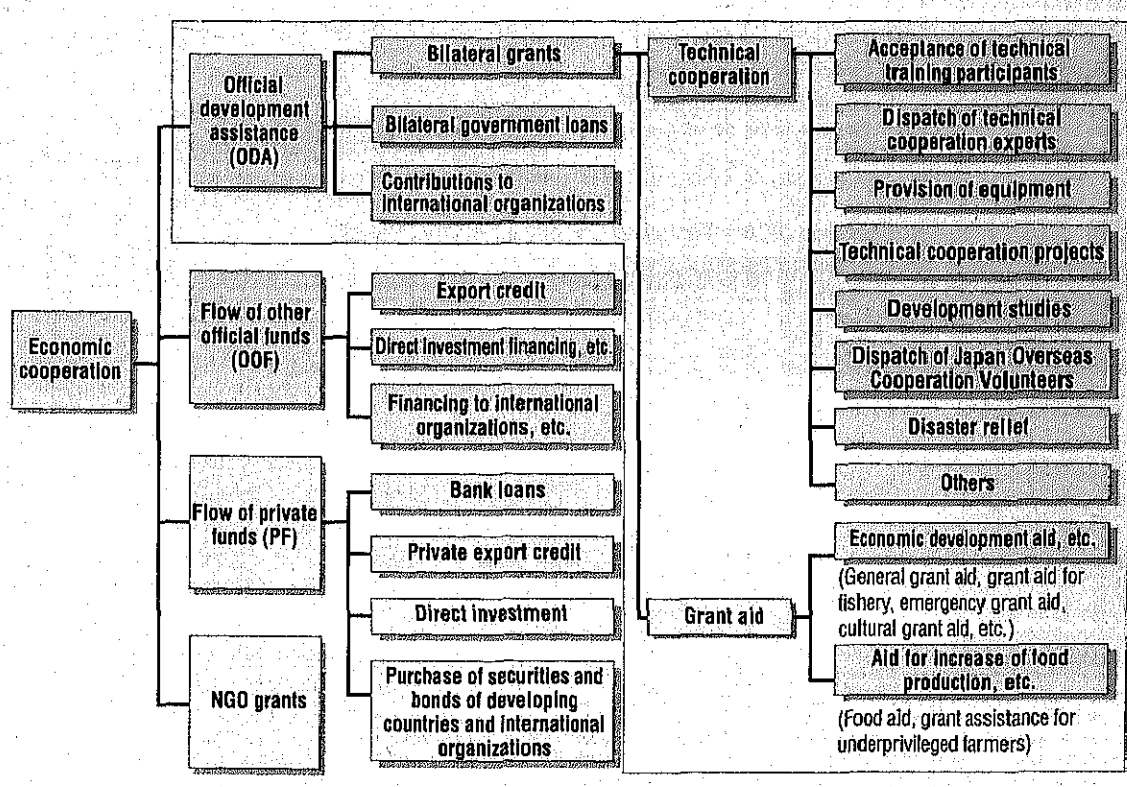
### ODA-providing Agencies Other than JICA (Technical Cooperation)

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

JF was founded in 1972 as a special public institution to enhance international understanding and promote international friendship. It became an independent administrative institution in October 2003, and receives part of its project budget from the Ministry of Foreign Affairs' budget. The foundation implements projects for both developed and developing countries. Of these, the ODA budget is primarily used for projects involving personnel exchanges with developing countries, dissemination of Japanese language education, and presentation of Japanese culture.

JETRO was founded as a special public institution in 1958 to implement Japan's trade promotion projects comprehensively.

Figure 1-1 Economic Cooperation and Official Development Assistance





Since the late 1960s it has worked mainly toward encouraging imports from developing countries. It has brought officials responsible for trade policy and executives of private companies (that export to Japan) in developing countries to Japan, has given its support to the promotion of economic reform, has encouraged developing countries to export to Japan, and has sent its own experts to developing countries to help in the dissemination of technology appropriate to these countries. JETRO merged with the Institute of Developing Economics (IDE) in July 1998, became an independent administrative institution in October 2003, and is now engaged also in basic and comprehensive studies and research on economic and other conditions in developing

countries.

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

## The Roles of JICA in ODA

JICA plays a key role in technical cooperation implemented

**Table 1-2** Total Government ODA Budget (General Account)  
(Unit: ¥100 million, %)

Type	FY 2006		FY 2007	
	Budget	Budget	Budget	Percentage Increase
<b>I. Grants</b>	<b>5,939</b>	<b>5,703</b>		<b>-4.0</b>
1. Bilateral grants	5,030	4,831		-4.0
1) Economic development assistance, etc.	1,682	1,636		-2.7
2) Grant aid for increase of food production, etc.	—	—		—
3) Transfer to Trade Reinsurance Special Account	48	25		-47.9
4) Budget for JBIC	300	200		-33.3
5) Technical cooperation, etc.	3,000	2,970		-1.0
(Technical cooperation implemented by JICA)	(1,575)	(1,556)		-1.2
2. Contribution and donation to multilateral institutions	909	872		-4.1
1) International organizations including UN, etc.	648	626		-3.3
2) MDBs	261	246		-5.8
<b>II. Loans</b>	<b>1,659</b>	<b>1,591</b>		<b>-4.1</b>
JBIC	1,659	1,591		-4.1
<b>III. Total</b>	<b>7,597</b>	<b>7,293</b>		<b>-4.0</b>

Note: Individual totals may not be equal to the sums of the individual parts because some numbers have been rounded off.

**Table 1-3** The ODA Budget of Ministries and Agencies (General Account)  
(Unit: ¥1 million, %)

Type	FY 2006		FY 2007	
	Budget	Budget	Budget	Percentage Increase
Cabinet Office	38	37		-2.6
National Police Agency	23	30		30.8
Financial Services Agency	103	94		-9.4
Ministry of Internal Affairs and Communications	954	963		0.9
Ministry of Justice	361	342		-5.3
Ministry of Foreign Affairs	473,291	454,359		-4.0
(JICA Allocation)	(157,516)	(155,626)		-1.2
Ministry of Finance	193,225	185,292		-4.1
Ministry of Education, Culture, Sports, Science and Technology	43,228	42,688		-1.2
Ministry of Health, Labour and Welfare	9,945	10,348		4.1
Ministry of Agriculture, Forestry and Fisheries	4,975	4,753		-4.5
Ministry of Economy, Trade and Industry	32,255	29,182		-9.5
Ministry of Land, Infrastructure and Transport	929	834		-10.3
Ministry of the Environment	400	417		4.3
<b>Total</b>	<b>759,726</b>	<b>729,339</b>		<b>-4.0</b>

Note: Individual totals may not be equal to the sums of the individual parts because some numbers have been rounded off.

**Table 1-4** Japan's ODA Budget and JICA's Technical Cooperation (DAC Base)

	Project Budget for FY 2007 (General Account)	2006 Calendar Year				
		Expenses	Persons Involved			
			Technical training participants	Experts and study teams	JOCVs	Overseas students
Japan's ODA as a whole	¥729.3 billion	US\$ 11,795 million (¥1,316.3 billion)	/	/	/	/
Japan's technical cooperation	¥297.0 billion	US\$ 2,800 million (¥312.5 billion)	44,058 people †	13,879 people †	5,212 people †	113,140 people †
JICA's technical cooperation	¥160.9 billion	US\$ 1,352 million (¥150.9 billion)	21,891 people	10,952 people	5,122 people	0 people
Portion of technical cooperation as a whole implemented by JICA	54.2%	48.3%	/	/	/	/

Note: 1. 2006 DAC designated exchange rate: \$1.00 = ¥111.6  
 2. Including disbursements for Eastern European countries  
 3. JICA's technical cooperation includes results based on trust funds from METI and other ministries.  
 4. Figures for Japan's results in 2006 are provisional.  
 5. The numbers of persons involved are totals of new and carried-over persons in 2006 calendar year. JOCVs include other volunteers.  
 † Results of persons involved in Japan's technical cooperation are those from 2005.

by the Japanese government.

The budget for technical cooperation in fiscal 2007 amounted to ¥297.0 billion, a figure that accounts for 40.7% of the total ODA budget (refer to Table 1-4). Of this, JICA is responsible for ¥160.9 billion, or 54.2% of the technical cooperation budget.

JICA's operations feature aid with "a clearly visible profile" through human activities, and position the human resources contributions that Japan is expected to make at the center of its programs. By the end of March 2007, JICA had sent as many as 319,986 technical cooperation experts, study team members, Japan Overseas Cooperation Volunteers (JOCVs), and Senior Volunteers to developing countries and had received as many as 350,380 technicians and administrators from those countries in Japan, developing countries, or neighboring third countries for training in support for human resources development.

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

In addition, while JICA's technical cooperation has previ-

ously been primarily composed of human resources development cooperation, in recent years it has also been focusing its efforts on policy-making and institution-building to strengthen the foundations of developing countries.

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

### Revision of ODA Charter

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

However, the ODA Charter was reviewed due to changes in the situation surrounding ODA in the 10 years following its formation, and the revised ODA Charter was approved by the Cabinet on August 29, 2003.

**Table 1-5** Japan's ODA in Calendar Year 2006 (According to Aid Type, Provisional Values)

Type of Assistance		Dollar base (US\$1 million)		Yen base (¥100 million)		Proportion of total (%)		
		Disbursements	Change from the Previous Year (%)	Disbursements	Change from the Previous Year (%)			
ODA	Bilateral ODA	<b>Aid Disbursements</b>						
		Grants	<b>Grant Aid</b>	4,889.37	-25.1	5,456.54	-24.1	41.5
			(Excluding disbursements for Eastern European and graduate countries)	4,886.40	-25.1	5,453.23	-24.1	42.1
			<b>Technical Cooperation</b>	2,799.95	1.8	3,124.74	3.2	23.7
		(Excluding disbursements for Eastern European and graduate countries)	2,726.18	2.1	3,042.41	3.5	23.5	
		<b>Total</b>	7,689.32	-17.1	8,581.28	-16.0	65.2	
		(Excluding disbursements for Eastern European and graduate countries)	7,612.58	-17.2	8,495.64	-16.1	65.6	
		Loan aid and other ODA credits	(Value of loans provided)	-346.21	-128.6	-386.37	-129.0	-2.9
			(Value of loans repaid)	5,905.20	-13.45	6,590.20	-12.28	
			(Excluding disbursements for Eastern European and graduate countries)	6,251.41	11.36	6,976.58	12.88	
		<b>Total</b>	-452.27	-137.4	-505.07	-137.9	-3.9	
		<b>Total</b>	7,343.11	-30.0	8,194.91	-29.0	62.3	
(Excluding disbursements for Eastern European and graduate countries)	7,160.01	-31.2	7,990.57	-30.3	61.7			
<b>Contributions and financing to multilateral organizations</b>		4,451.98	59.1	4,968.41	61.2	37.7		
(Excluding contributions to the EBRD)		4,447.91	62.3	4,963.86	64.5	38.3		
<b>Total</b>		11,795.09	-11.2	13,163.32	-10.0	100.0		
(Including Eastern European countries, graduate countries, and the EBRD)		11,607.91	-11.7	12,954.43	-10.5	100.0		
<b>Nominal Gross National Income (GNI) figures for each category</b>								
(US\$1 billion, ¥1 billion)		4,678.98	0.1	522,174.00	1.4			
<b>Proportion of GNI (%)</b>								
(Including Eastern European countries, graduate countries, and the EBRD)		0.25		0.25				
(Excluding Eastern European countries, graduate countries, and the EBRD)		0.25		0.25				

Note: 1. The following 12 countries and regions are graduate countries that have received ODA: Brunei Darussalam, Kuwait, Singapore, United Arab Emirates, Israel, Hong Kong, Cyprus, Republic of Korea, Macao, Malta, Slovenia, Bahrain.  
 2. 2006 DAC designated exchange rate: \$1.00 = ¥111.6 (an appreciation of ¥1.5 compared to 2005)  
 3. Individual totals may not be equal to the sums of the individual parts because some numbers have been rounded off.  
 4. EBRD: European Bank for Reconstruction and Development

# Results of Japan's ODA

## ODA Results

The total value of Japan's ODA in 2006 was US\$11,608.00 million (excluding aid to Eastern Europe, graduate nations, and contributions to the European Bank for Reconstruction and Development [EBRD]), making Japan the world's third largest donor (refer to Table 1- 6) after the US and the UK. This represents 11.2% of the total value of ODA provided by the 22 Development Assistance Committee (DAC) member states, which amounted to US\$103,940.00 million. Meanwhile, Japan's

ODA accounted for 0.25% of its gross national income (GNI), placing it in 18th position among the DAC countries.

The grant element and the grant ratio are considered to be two of the main indices of the quality of aid. The figures for Japan remain low among the DAC countries as a whole and must be improved. JICA deems that an expansion of bilateral grants mainly involving technical cooperation is an essential requirement for increasing the grant ratio of Japan's ODA.

**Table 1-6** ODA of DAC Countries in 2005 and 2006

(Net Disbursement)

Country	2006				2005			
	Position	Total (\$m)	Share (%)	Change from the Previous Year (%)	Position	Total (\$m)	Share (%)	Change from the Previous Year (%)
USA	1	22,739	21.9	-17.7	1	27,622	25.9	40.2
UK	2	12,607	12.1	17.1	3	10,767	10.1	36.6
Japan	3	11,608	11.2	-11.7	2	13,147	12.3	47.4
France	4	10,448	10.1	4.2	5	10,026	9.4	18.3
Germany	5	10,351	10.0	2.7	4	10,082	9.4	33.8
Netherlands	6	5,452	5.2	6.6	6	5,115	4.8	21.7
Sweden	7	3,967	3.8	18.0	9	3,362	3.1	23.5
Spain	8	3,801	3.7	25.9	10	3,018	2.8	23.8
Canada	9	3,713	3.6	-1.1	8	3,756	3.5	44.5
Italy	10	3,672	3.5	-27.9	7	5,091	4.8	106.8
Norway	11	2,946	2.8	5.7	11	2,786	2.6	26.7
Denmark	12	2,234	2.1	5.9	12	2,109	2.0	3.5
Australia	13	2,128	2.0	26.7	15	1,680	1.6	15.1
Belgium	14	1,968	1.9	0.3	13	1,963	1.8	34.2
Switzerland	15	1,647	1.6	-6.8	14	1,767	1.7	14.4
Austria	16	1,513	1.5	-3.8	16	1,573	1.5	132.0
Ireland	17	997	1.0	38.7	18	719	0.7	18.5
Finland	18	826	0.8	-8.4	17	902	0.8	32.6
Portugal	19	391	0.4	3.7	20	377	0.4	-63.4
Greece	20	384	0.4	0.0	19	384	0.4	-17.4
Luxembourg	21	291	0.3	13.7	22	256	0.2	8.5
New Zealand	22	257	0.2	-6.2	21	274	0.3	29.2
<b>Total</b>		<b>103,940</b>	<b>100.0</b>	<b>-2.7</b>		<b>106,777</b>	<b>100.0</b>	<b>34.2</b>

Note: 1. Countries are listed in the order of total ODA disbursements.  
2. This table excludes aid to Eastern European and graduate countries.  
3. Figures for 2006 are provisional.

Resource: 2007 DAC Press Release

# Statistical Overview of JICA Activities



Japanese expert providing guidance about the protection of seaweed beds (The Project for Coastal Fisheries Resource Management in Tunisia)

## FY 2006 Overview of JICA Activities

### ODA Results for 2006

Japan's ODA in calendar year 2006 totaled US\$11,795.09 million, including figures for Eastern Europe, graduate nations, and contributions to the European Bank for Reconstruction and Development (EBRD), of which technical cooperation accounted for US\$2,799.95 million, or 23.7% of Japan's total ODA. Of this technical cooperation, JICA's activities amounted to US\$1,352.00 million, or 48.3% of technical cooperation as a whole. Compared with the previous year, these figures represent a 1.8% increase in technical cooperation as a whole and a 2.0% increase for JICA activities. A breakdown of technical cooperation expenditure is shown in Table 1-7.

JICA's initial budget for fiscal 2006 was ¥161.9 billion, a 4.1% decrease from the previous year, of which grants accounted for ¥157.5 billion and funds in trust ¥3.1 billion. JICA budgets since fiscal 1975 are shown in Figure 1-8. Activities executed by JICA accounted for ¥110.4 billion (65.6%) of the grant aid budget of ¥168.2 billion entrusted to the Ministry of Foreign Affairs.

### Composition of Activities by Region

Looking at costs by region in connection with technical coop-

eration implemented by JICA in fiscal 2006, distribution was as follows: Asia 43.7%, Middle East 11.1%, Africa 21.0%, North and Latin America 17.5%, Oceania 4.2%, and Europe 2.5%. Figure 1-9 shows composition by region including a year-on-year comparison.

### Proportions of Activities by Sector

Looking at costs by sector in connection with technical cooperation implemented by JICA in fiscal 2006, distribution was as follows: planning and administration 14.1%; public works and utilities 14.1%; agriculture, forestry and fisheries 12.9%; mining and industry 3.1%; energy 1.9%; business and tourism 2.2%; human resources 14.4%; health and medical care 9.8%; and welfare 1.3%.

As for JICA's portion of grant aid, the figures were as follows: living conditions and the environment 20.9%; transport and communications 25.7%; health and medical care 11.9%; agriculture, forestry and fisheries 17.5%; education and research 16.4%.

Proportions by sector and comparisons with the previous year can be seen in Figure 1-10.

**Table 1-7** Japan's ODA and JICA Activities

(Unit: US\$1 million)

Type	Calendar Year	2006	2005
Official Development Assistance		11,795	13,283
Technical cooperation expenses (proportion of ODA)		2,800 (23.7%)	2,749 (20.7%)
JICA proportion (proportion of technical cooperation expenses)		1,352 (48.3%)	1,325 (48.2%)
Breakdown of JICA technical cooperation expenses	Technical training participants	202	207
	Experts	248	323
	Study teams	268	281
	JOCVs	132	142
	Provision of equipment	51	71
	Other volunteers	44	59
	Others	408	241

Note: 1. Including disbursements for Eastern European and graduate countries

2. Figures for Japan's results in 2006 are provisional. 2006 DAC designated exchange rate: \$1.00 = ¥111.6 (provisional)

## Personnel Numbers by Type of Cooperation and Trend

Taking a look at JICA's activities in fiscal 2006 in terms of the numbers of people involved, there were 30,334 new participants in training programs, while 4,541 experts, 5,747 members of study teams, 1,529 Japan Overseas Cooperation Volunteers, and 395 other volunteers were newly sent overseas.

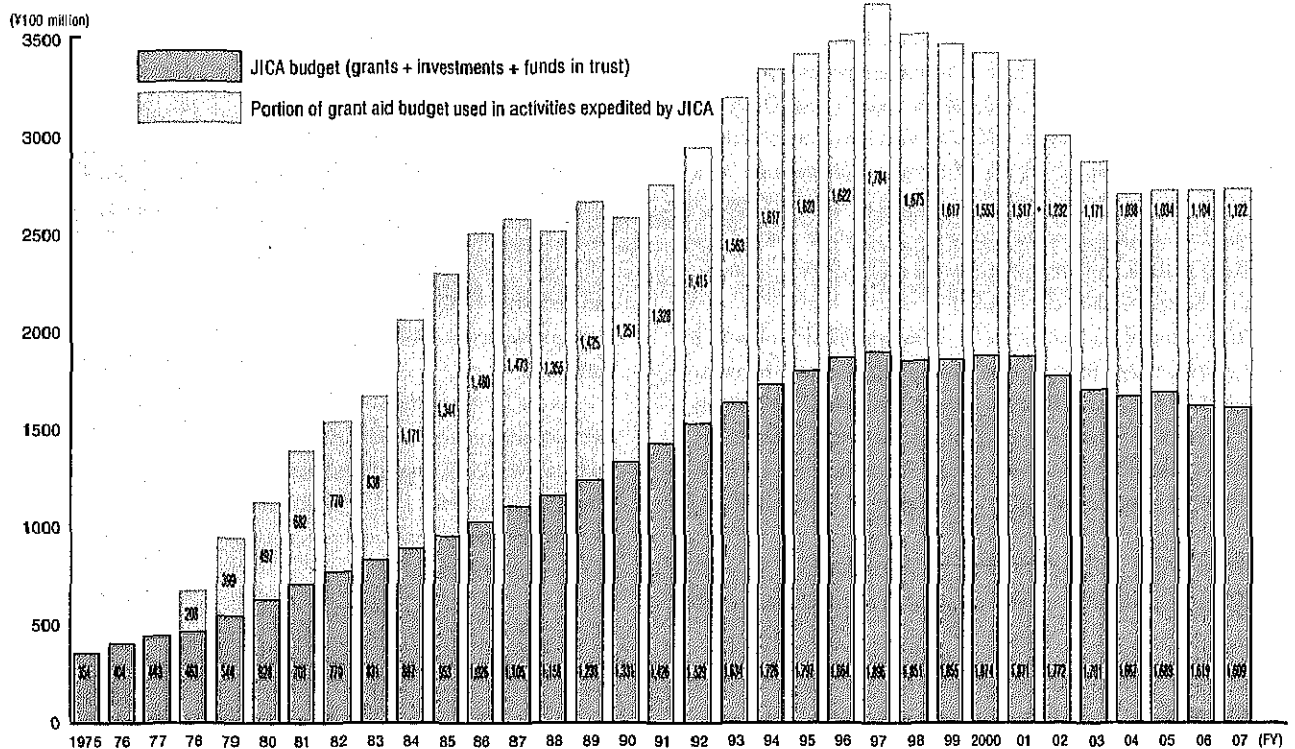
Figure 1-11 shows the number of people involved by type of cooperation since 1984.

## Program Expenses and Ratios

Figures for expenses of JICA programs according to type in fiscal 2006 show that technical cooperation projects accounted for the major portion (¥85.8 billion). This was followed by public participation cooperation and overseas offices, as can be seen in Figure 1-12.

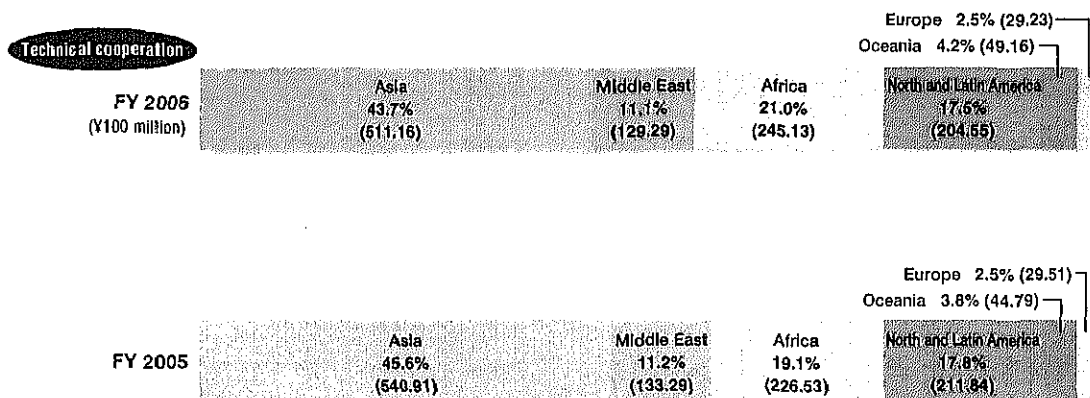
Cumulative total expenses from fiscal 1954 through fiscal 2006 are shown in Figure 1-13.

**Table 1-8** Changes in JICA's Budget



\*The budgets for fiscal 2006 and 2007 underwent reclassification, including the integration of non-personnel expenses for domestic offices and overseas offices into administrative expenses.

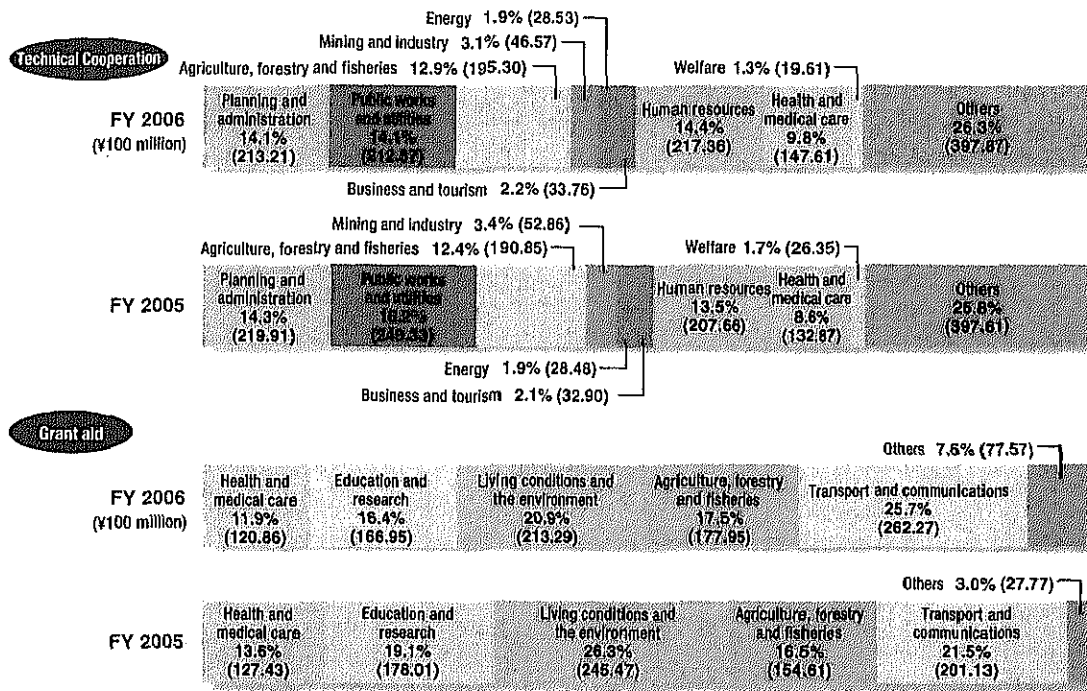
**Table 1-9** Expenditure by Region



\*For both FY 2005 and 2006, total expenditures less figures in the unclassifiable and international organizations categories were assumed as 100% in calculating ratios by region.

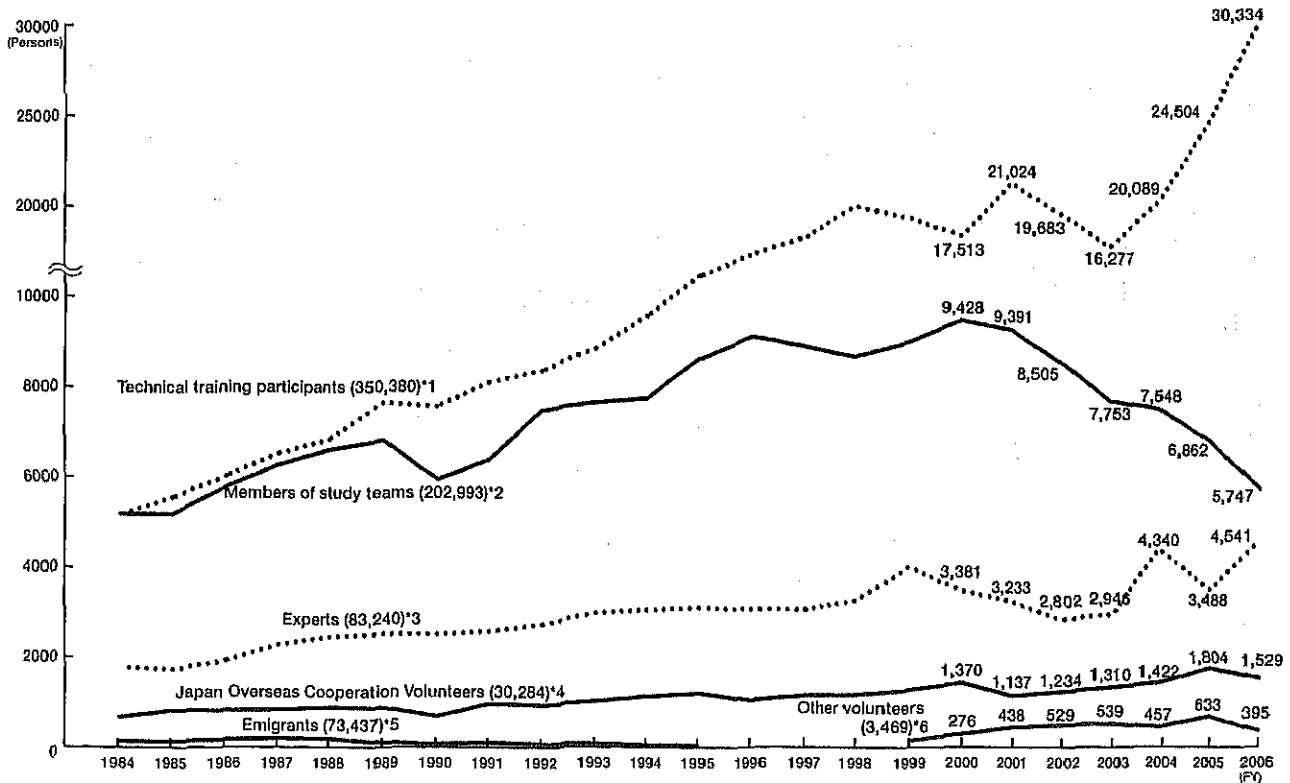


**Table 1-10 Expenditure by Sector**



**Note:** 1. Provision results of grant aid (general grant aid projects, grant aid for fishery, food aid, and grant assistance for underprivileged farmers) expedited by JICA for fiscal 2005 and 2006  
 2. JICA was charged in terms of basic design studies and implementation of grant aid within these results.

**Table 1-11 Changes in the Number of Personnel by Type of Cooperation**

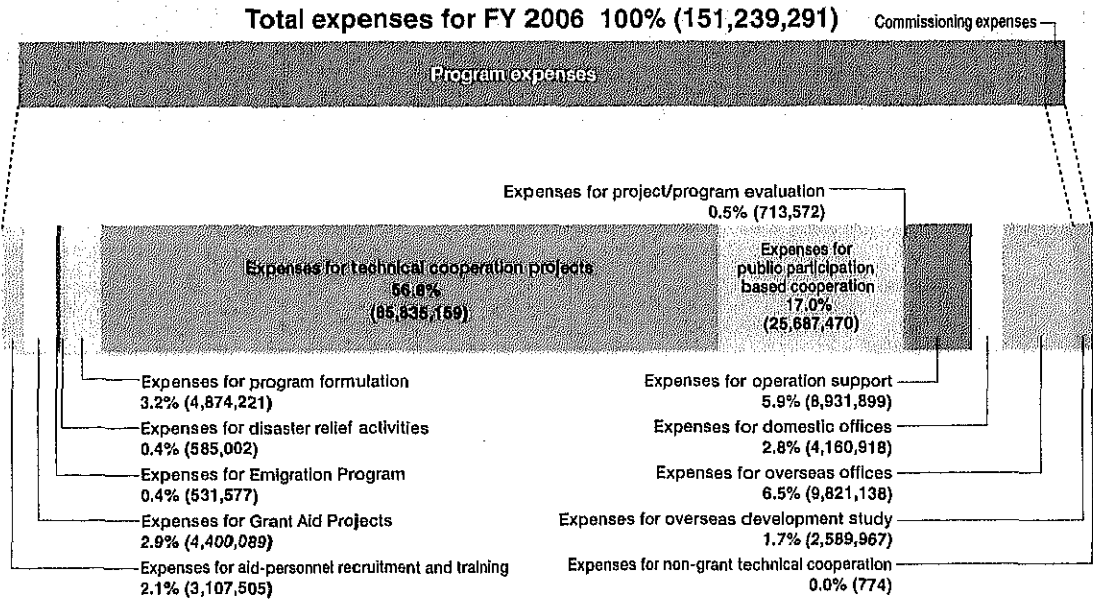


**Notes:** 1. Cumulative total 1954-2006  
 2. Cumulative total 1957-2006  
 3. Cumulative total 1955-2006  
 4. Cumulative total 1965-2006  
 5. Cumulative total 1952-1995  
 6. Cumulative total 1999-2006 (includes senior volunteers, senior volunteers for overseas Japanese communities, UN volunteers, and Japan overseas development youth volunteers. Until fiscal 1998, these numbers had been included in other totals.)

Feature Part 1 Part 2 Part 3 Part 4 Reference Section Chapter 1 Japan's ODA and an Overview of JICA Programs 2 Statistical Overview of JICA Activities

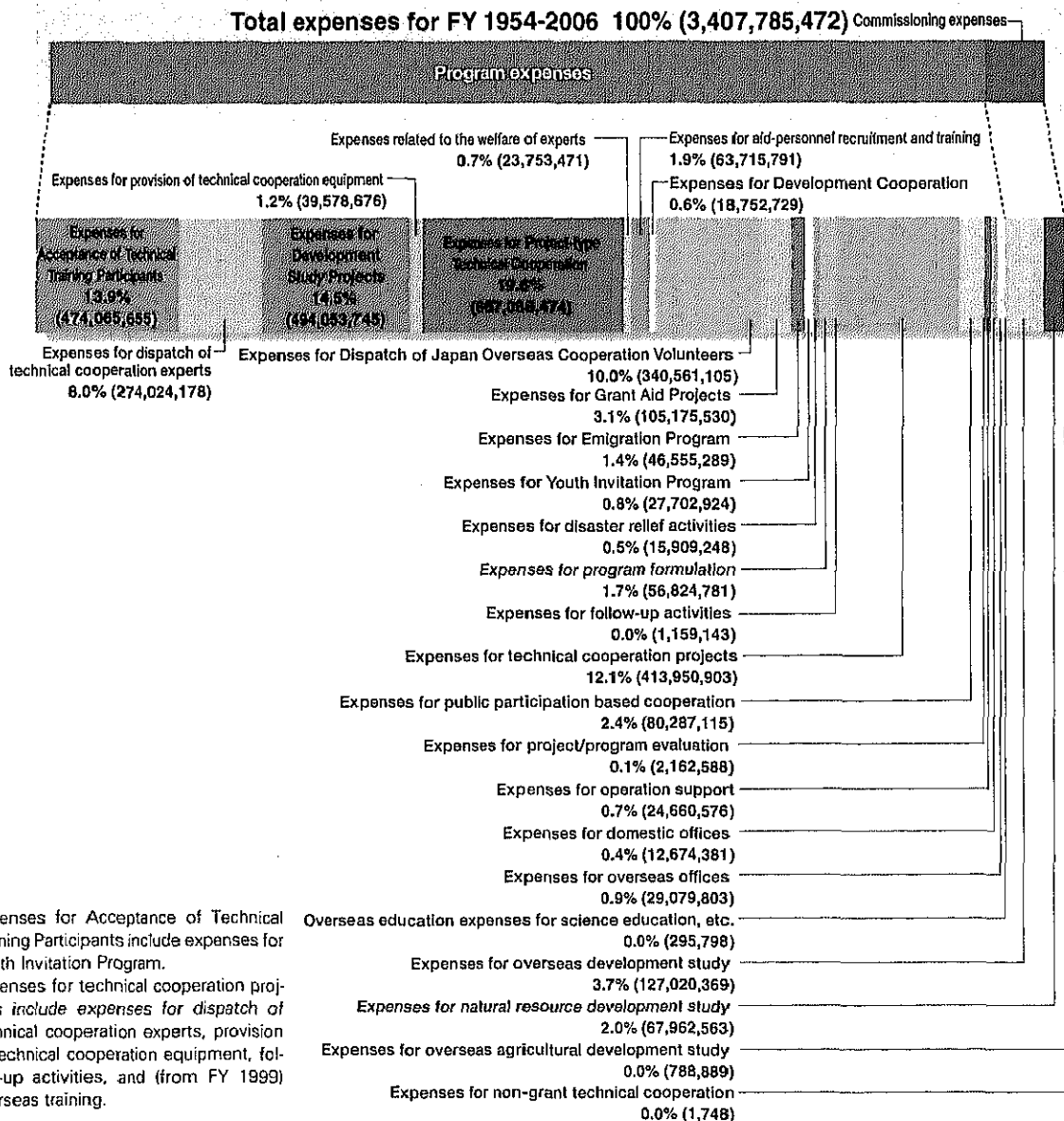
**Table 1-12** Program Expenses and Ratios (FY 2006)

(Unit: ¥1,000)



**Table 1-13** Total Program Expenses and Ratios

(Unit: ¥1,000)



**Notes:** 1. Expenses for Acceptance of Technical Training Participants include expenses for Youth Invitation Program.  
 2. Expenses for technical cooperation projects include expenses for dispatch of technical cooperation experts, provision of technical cooperation equipment, follow-up activities, and (from FY 1999) overseas training.