



Part III

JICA's Regional Activities

Chapter 1 Asia

- 1 Southeast Asia 36
- 2 East Asia 40
- 3 Central Asia and the Caucasus 42
- 4 Southwest Asia 45

Chapter 2 Middle East 48

Chapter 3 Africa 52

Chapter 4 Latin America

- 1 Central America and the Caribbean 57
- 2 South America 60

Chapter 5 Oceania 63

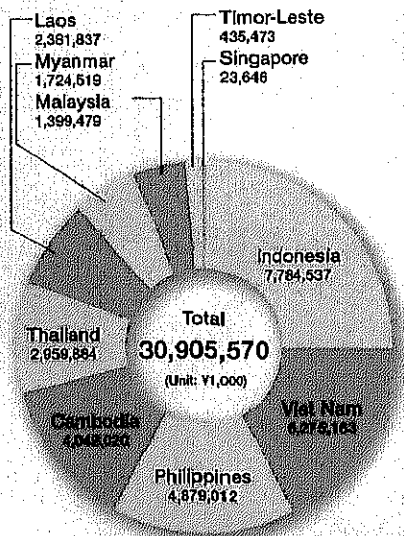
Chapter 6 Europe 66

Southeast Asia



Pillars of Aid Promote Comprehensive Cooperation toward ASEAN Integration

■ Cooperation results by country in Southeast Asia (FY2006)



* This is the total amount of bilateral cooperation. The amount of cooperation provided to Asia including cooperation that covers a group of countries is 51,115,695 thousands of yen.

The Southeast Asian region consists of 11 countries: 10 member states of the Association of Southeast Asian Nations (ASEAN) and Timor-Leste, which achieved independence in 2002. ASEAN, which was formed in 1967 with the aims of achieving economic growth and regional peace, is made up of six original members—Indonesia, the Philippines, Malaysia, Singapore, and Thailand, which are the founding signatories, and Brunei Darussalam, which joined in 1986—and four new members—Viet Nam, Cambodia, Laos, and Myanmar, which joined later.

ASEAN promotes regional market integration based on the ASEAN Free Trade Area (AFTA) signed in 1992. At the 12th ASEAN Summit in January 2007, in addition to the establishment of an ASEAN Community in 2015, five years earlier than the original plan, the drafting of an ASEAN charter was approved, showing accelerated movement toward regional integration.

While the original members of ASEAN

have reached a certain level of development, the new members are behind in development. Thus, the correction of regional disparities and the development of regional economies are important tasks.

Japan specifies a focus on Asia as one of the pillars of its postwar diplomacy. Southeast Asia has a close relationship with Japan in various aspects. In terms of economy, in particular, Southeast Asia is one of Japan's most important interdependent partners. In recent years, the importance of the region has been increasing in the politics and security area, including sea lanes such as the Malacca Strait. Japan has provided ¥12.7 trillion (accumulated value until fiscal 2005) in support since 1956, placing Southeast Asia as the most priority region in its ODA. JICA's technical cooperation provided for the region accounts for 28% of its total budget*1 and has contributed to the development of individual countries as well as the whole region.

*1 Source: Ministry of Foreign Affairs ODA website, Japan's ODA data by country 2006

Current State of Development

Southeast Asia exceeds other regional economic communities including the European Union (EU) and the North American Free Trade Agreement (NAFTA) in terms of population size (approximately 550 million). However, the size of its economy does not even reach 10% of the levels of either EU or NAFTA (GDP in fiscal 2005 was approximately US\$780 billion)*2. In order to eradicate poverty in Southeast Asia, it is important to sustain strong economic growth accompanied by an expansion of job opportunities while paying attention to the problem of disparity expansion.

In recent years, the intraregional trade ratio accounted for more than 50% of all trade in East Asia including Southeast Asia, and a regional production and distribution network has been formed. In order to promote this trend and enhance international competitiveness in the region, laws and structures in each country must be upgraded and a system must be built in which humans, goods, money, and information are smoothly distributed at low cost.

However, situations surrounding ASEAN vary drastically by country. There are income disparities between the original and the

new ASEAN members as well as between urban and rural areas. Areas with religious or political conflicts, and poverty problems are scattered throughout the region. Also, economic and administrative systems are uncertain and weak in many countries, which is a factor that prevents investment from the private sector.

In order to support the integration of the ASEAN region, JICA has set up three pillars of aid.

The first pillar enhances the international competitiveness of ASEAN to continuously support its growth. While continuously focusing on cooperation for the economic and social infrastructure that supports economic growth, cooperation based on Japan's experience in development will be enhanced in sectors such as policy-making, which is the bedrock of a country, and the establishment of laws. Cooperation for human resources development in these sectors enhances the foundation for economic and administrative systems and is thus promoted as part of cooperation leading to economic partnerships. Also, in order to establish an investment environment, government-private coordination is underway through the establishment of a system that directly hears requests from the private sector.

The second pillar is to actively tackle poverty issues that are preventing growth and resolution of conflicts occurring in many areas. With regard to the new ASEAN members, JICA focuses on social development in the health, education, and agriculture sectors that directly affect people's lives. For the purpose of correcting disparities between urban and rural areas, comprehensive efforts for eradicating poverty in rural areas are being promoted. In terms of peacebuilding, JICA considers assistance in

Mindanao, the Philippines, as the basis for resolving problems in other areas.

As the third pillar, JICA actively addresses cross-border issues and issues common to ASEAN.

*2 Population size: EU approximately 460 million; NAFTA approximately 430 million. Economy size: EU approximately US\$12.9 trillion; NAFTA approximately US\$13.4 trillion.

Addressing Priority Issues in JICA Programs

Cooperation for Strengthening International Competitiveness and Supporting Growth

Southeast Asia is critical for Japan's security and prosperity. The promotion of regional integration that leads to security and sustainable growth in Southeast Asia is also significant for Japan.

Despite Japan's assistance for infrastructure-building to support economic growth, needs for assistance for infrastructure-building in the region are still high, except in Thailand and Malaysia, which have become more developed countries.

JICA has backed up effective development of Southeast Asia by assisting in the formulation of various development plans. For example, in the Study on the Comprehensive Urban Development Programme in Hanoi City, Viet Nam, a master plan for comprehensive urban development including urban transportation, water supply, and living environment was completed. Along with economic growth in Viet Nam, the population of Hanoi City is anticipated to increase drastically in the future, and this plan is thus expected to be a guideline for orderly development. As another example, in the Study on Master Plan for Maritime and Port Sector in Cambodia, a master plan including a long-term strategy and a short-term action plan are being formulated jointly with the government of Cambodia in order to promote the development of international maritime transportation and the effective use of ports. Advice will also be given in terms of policies and institutions.

Realization of smooth circulation of humans, goods, and capital requires balance among systems and improved administrative capabilities in addition to free trade and investment. Technical cooperation projects are implemented to support the protection of intellectual properties in Indonesia, Malaysia, and Viet Nam, and to support the promotion of mutual recognition to eliminate trade barriers in Thailand and the Philippines.

In Viet Nam, Cambodia, and Laos, all of which are promoting transition to market economies, major tasks are to establish laws that become foundations for economic activities and to develop legal professionals. JICA implements technical cooperation projects in these countries, steadily achieving the amendment of laws.

In addition, in the Project for ASEAN University Network/Southeast Asia Engineering Education Development Network, universities in ASEAN countries excelling in various fields accept students from the region with the support of Japanese universities. This project is expected to contribute to the enhancement of a regional network among the most advanced researchers in the ASEAN region as well as improve the capabilities of students.

It is also important to hear opinions from the private sector in achieving sustainable growth in Southeast Asia. In Viet Nam, in order to further improve the investment environment, a Japan-Viet Nam Joint Initiative was announced in 2003 based on a mutual agreement between the Prime Ministers of both countries. Under this initiative, 44 improvement items were identified, taking into consideration concerns of Japanese companies in the country. Over a period of two years 85% of the items were improved, contributing greatly to the promotion of investment. JICA assisted in the identification process of the improvement items, and further implemented technical cooperation to address some of the improvement items in support of efforts of the Vietnamese government.

Cooperation for Poverty Reduction

Southeast Asia's economy has recovered to a certain level as a whole and has continued to grow since the Asian economic crisis in 1997. On the other hand, disparities within the region or each country have become pronounced. The new ASEAN members have many poverty issues related to the socially vulnerable and minority ethnic groups and those issues sometimes expand in the course of development and urbanization. Even among founding ASEAN members like Indonesia, internal disparities is a big issue.

Without resolving poverty issues and correcting disparities, the countries in Southeast Asia cannot achieve regional integration and push forward sustainable development in the entire region. JICA identifies cooperation for poverty reduction as a priority issue in the region, and addresses (1) rural development and community development (agriculture and rural development, regional health, good governance, and local infrastructure) and (2) support for the socially vulnerable (promotion of employment, establishment of social safety net, disaster reconstruction, and post-conflict peace consolidation).

When looking at regional disparities, for example, the gross national income (GNI) per capita of new ASEAN members and Timor-Leste ranges between US\$300 and 500 (2004), showing a drastic difference when compared to that of other ASEAN countries (mostly between US\$1,000 and 4,000 excluding Singapore). In Laos, Cambodia, and Myanmar, infant mortality is between 65 and 100 out of 1,000 births (20 to 30 on average in other ASEAN countries) and the adult literacy rate is low. Improvement of health and sanitation and enhancement of primary education are necessary. In these countries, JICA provides various types of assistance focusing on the fulfillment of basic human needs. Cooperation for maternal and child health, infectious disease control, quality and access improvement of primary education, and improvement of



This waste collection activity began as a pilot project for waste management. (The Study on Implementation of Integrated Spatial Plan in Mamminasata in Indonesia)

livelihood of the poverty group through agricultural and community development are examples.

Meanwhile, JICA assists Indonesia with comprehensive development of its eastern areas in order to correct domestic disparities among various areas. In particular, support for the development of South Sulawesi is prioritized on a mid- and long-term basis for the development of the eastern areas. The regional development program including the following three points was formulated and assistance started: (1) development of urban areas that leads regional development; (2) promotion of local industries; and (3) improvement of health and medical services and primary education. This development plan involves the integration of technical cooperation and loan/grant assistance; collaboration and synergy effects among projects are expected.

As described above, JICA continues to steadily tackle the correction of disparities among countries in the region as well as between urban and rural areas.

In the peacebuilding sector, assistance is given to support efforts to solve problems in the western areas of Mindanao, the Philippines. Armed conflict between the Muslim anti-government organization and the government of the Philippines continued in this area for many years starting in the 1970s. Due to this conflict,

a shortage of basic social services in the area was prominent and local residents were forced to live in extreme poverty. The long armed conflict finally ended in 2003 when the Moro Islamic Liberation Front (MILF) branched off from the Moro National Liberation Front (MNLF) in 1984 and the government reached a cease-fire agreement, following the peace agreement concluded in 1996 between MNLF and the government. Peace negotiations are currently underway. Based on the Support Package for Peace and Stability in Mindanao that Japan announced in 2002, projects have been implemented mainly in support of medical, agricultural and health sectors, as well as the capacity development of Autonomous Region in Muslim Mindanao (ARMM). Taking the visit of President Ogata to the Philippines in September 2006 as an opportunity, JICA started assistance to areas where MILF exercises great influence in order to contribute to the conclusion process of a peace agreement. JICA dispatched personnel to the International Monitoring Team (IMT) in October 2006, and commenced an emergency reconstruction project at the community level in conflict-affected areas as well as the formulation of mid- and long-term development plans in the areas in February 2007 (see p. 16).

Experiences gained through these efforts are expected to be utilized for the solution of Islamic conflicts that take place in the southern area of Thailand and the Maluku region of Indonesia.

Response to Cross-border Issues.....

The third pillar is response to cross-border issues. Specifically, JICA addresses various issues that extend through-

Front Line Philippines Maternal and Child Health Project

Aiming for Safe Births

Enhance the obstetrical emergency system

Every minute, one woman dies from complications of pregnancy or during delivery somewhere in the world, and 90% of these women live in developing countries. Their lives would not be lost if adequate health services were available. According to statistics compiled by the United Nations Population Fund in 2006, the death rate for pregnant women per 100,000 births is 200 in the Philippines as compared to 10 in Japan.

Japan has implemented technical cooperation projects for immunization and family planning in the Philippines since the 1960s, continuously supporting human resources development in maternal and child health services and providing materials and equipment. Since March 2006, a Maternal and Child Health Project has been implemented jointly with the Ministry of Health of the Philippines.

In the Philippines, more than 60% of deliveries occur at home in the presence of traditional midwives. Therefore, emergency response tends to be late, which is a factor in the deaths of many

women. The project supports activities mainly to enhance the obstetrical emergency system so that every woman can have a safe delivery at a facility.

Supports community system building as well

The project targets three remote cities in the province of Ifugao on the northern island of Luzon (total population is approximately 52,000) and eight cities in the province of Biliran on the central island of Leyte (total population is approximately 155,000). The mountainous Ifugao has a high poverty rate and the rate of deliveries in the presence of traditional midwives is 10 times that of the national average. The province of Biliran has the highest death rate for pregnant women in the country. In order to give as many women as possible opportunities for safe deliveries and parenting, JICA conducts technical training in emergency obstetrics and provides materials and equipment targeting health facilities and their personnel in collaboration with the administrative bodies of each province.

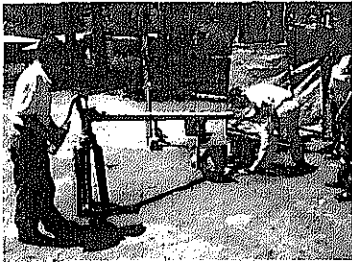
In addition to an established child-

bearing facility and the presence of medical professionals who can respond effectively in emergency situations, what's important is the presence of a community that supports a woman before, during, and after a delivery. Accordingly, a Women's Health Team, which are led by village maternity nurses and include midwives and health volunteers, was formed to promote community system building. The aim is to build a system in which women can go to a facility quickly when they find something wrong no matter how small the problem, so that even women who live in villages far from the facility can have safe births.

(JICA Philippines Office)



Training is conducted for the Women's Health Team at a remote mountainous area in the province of Ifugao.



A water quality survey is conducted at the construction site of a water supply facility accompanying the counterpart. (The Study for Socio-Economic Reconstruction and Development of Conflict-affected Areas in Mindanao, the Philippines)

out ASEAN or areas across borders, such as (1) infectious disease control (newly emerged influenza and HIV/AIDS); (2) international crime control (drug control and human trafficking); (3) cross-border regional development (Mekong region development); (4) environmental conservation (acid rain control), and (5) disaster prevention (recovery and reconstruction of areas affected by earthquakes and tsunami and other natural disaster control).

In the area of infectious disease control, avian influenza is a serious disease that infects humans as well as livestock. The virus spreads beyond national borders, carried by migratory birds and others. JICA implements cooperation centered on human resources development while collaborating in stockpiling vaccines and other activities carried out by other international organizations such as the Food and Agriculture Organization of the United Nations (FAO) and World Health Organization (WHO) and ASEAN. JICA has supported the development of human resources for the diagnosis and containment of infectious diseases, including the avian influenza, and the system building for regional cooperation in Thailand, Cambodia, Laos, Myanmar, Viet

Nam. In addition, JICA held a Regional Workshop for Avian Influenza Control targeting 12 countries including the eight ASEAN countries in September 2006 in Japan, in order to support the formation of a regionwide network and the development of human resources (see p. 13-14).

Human trafficking is an international crime that spreads beyond national borders, and not only in the ASEAN region. Japan, for instance, is the biggest destination for victims. Solutions to this problem are not limited to crime investigation and control but also involve a wide range of activities including prevention and educational activities, protection, and support for social reintegration of the victims. To assist in human trafficking control, JICA started fact-finding surveys and the formation of networks among related organizations mainly in Cambodia, Laos, and Myanmar, where the risk of becoming victims is high. In the future, JICA will set out comprehensive cooperation policies before starting cooperation.

Japan also announced a policy to actively support the Initiative for Mekong Region Development targeting the five countries in the basin of the Mekong River (Thailand, Laos, Myanmar, Viet Nam, and Cambodia) and Yunnan Province in China. In the future, in order to utilize the established infrastructure to achieve regional development JICA plans to actively assist system-building and human resources development to promote trade and investment as well as smooth distribution while consulting the countries concerned (see p.18).

Front Line Malaysia

The Project for Capacity Building on Social Welfare Programmes for the Disabled

Aiming for Social Participation and Independence of Persons with Disabilities

The dispatch of persons with disabilities begins

In Malaysia, a technical cooperation project for persons with disabilities started in June 2005. This project comprehensively supports the independence of persons with disabilities, which allows persons with disabilities to accept themselves for what they are, establish their rights in the society, and participate in the society. In this project, a severely disabled person was dispatched from Japan as a short-term expert to introduce self-support programs to Malaysians with disabilities, NGOs, and related personnel from the governmental organizations involved and consult with them on their problems. The first self-support center in Malaysia has already been established by Malaysians themselves, and preparation for extending it to rural areas is underway.

In the volunteer program as well, the dispatch of persons with disabilities was started in addition to conventional assistance centered on CBR* projects. Between November and December

2006, a sports meet for persons with disabilities, the 9th Far East and South Pacific Games (FESPIC), was held in Kuala Lumpur with the participation of 47 Asian and Pacific countries and regions. At the games, 19 events, such as wheelchair basketball, swimming, sailing, and wheelchair tennis, were played. JICA dispatched former professional wheelchair basketball players and coaches for blind swimming, tennis, and track and field as volunteers to support the progress and performance of the Malaysian players. For Malaysian players, coaching from professional athletes with disabilities was very inspiring and a valuable experience in raising awareness for self-support and social participation.

Support the nurturing of sign language trainers as well

In addition, in order to develop human resources for sign language interpreters, which are scarce in Malaysia, a deaf trainer of sign language interpreters was dispatched to the Malaysian Deaf Association as a



Malaysian national team members receiving guidance from a former Paralympics swimmer

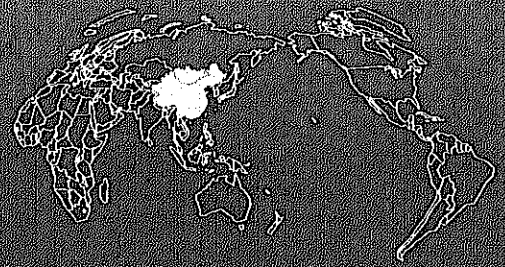
Japan Overseas Cooperation Volunteer. His/her one-month activity was followed-up via teleconference by sign language. The support will continue to establish a system for developing sign language trainers.

Persons with disabilities are far more persuasive than experts and volunteers with no disabilities. It was recognized again that they can play an important role in awareness-raising and development education.

(JICA Malaysia Office)

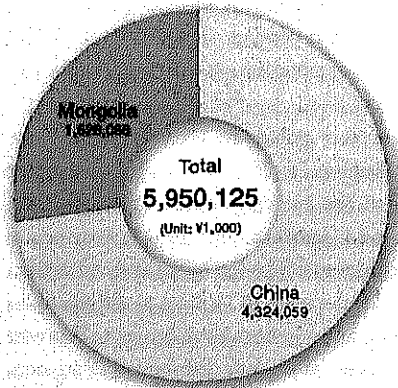
*CBR: community-based rehabilitation

East Asia



Pillars of Aid Human Resources Development and Institution-building through Human Relations

■ Cooperation results by country in East Asia (FY2006)



* This is the total amount of bilateral cooperation. The amount of cooperation provided to Asia including cooperation that covers a group of countries is 51,115,695 thousands of yen.

Japan has supported China in promoting its open and reform policy for over 20 years since the launch of the policy at the end of the 1970s, greatly contributing to the realization of remarkable economic development. However, China's aid needs have changed due to its rapid development and changes in socioeconomic structure while effective and efficient aid is warranted under Japan's severe economic and financial conditions. In light of these drastic changes in the situation surrounding ODA to China, the Japanese Ministry of Foreign Affairs (MOFA) issued the China Economic Cooperation Plan in October 2001.

In March 2006, the Chinese government formulated another five-year plan aiming at a balanced society. JICA works to understand fully China's aid needs based on the five-year plan and implements technical cooperation in line with the China Economic Cooperation Plan. JICA's technical cooperation in China is implemented in the following four priority areas, while paying attention to Japan's support for activities carried out by the private sector and the progress of multilateral cooperation.

- 1) Cooperation towards resolving environmental and other global issues
- 2) Assistance for open and reform policy
- 3) Promotion of mutual understanding
- 4) Assistance for poverty alleviation

Mongolia's economy fell into chaos due to the breakdown of the COMECON system in 1991. However, the economy has stabilized gradually since 1995 by means of rigid economic stabilization policies and aid from other countries, including Japan. Support for Mongolia, which is in the process of promoting its transition to a market economy, is based on Japan's Country Assistance Program for Mongolia issued by the MOFA in November 2004. JICA's cooperation is conducted in line with this Program, which identifies the following four priority areas.

- 1) Support for institution-building and human resources development necessary for promoting a market economy
- 2) Support for rural development
- 3) Support for environmental protection
- 4) Support for the development of infrastructure to promote economic activity

Current State of Development

China—Aiming at Balanced Society

China has successfully maintained high economic growth over a long period of time, with an average rate of real economic growth of over 9% per year for the last two decades. Real GDP per capita, which was US\$225 in 1978, reached US\$1,740 in 2005. Since China joined the World Trade Organization (WTO) in December 2001, it has increasingly more impact on the world economy. The total volume of China's trade reached US\$ 1.7 trillion (more than twice that at its entry into WTO) in 2006, which makes it the third in the world. In its relation with Japan, China is the largest trade partner.

On the other hand, the activity report of the government of China issued in March 2007 pointed out that many contradictions and problems must be solved in order to build a balanced society. Such problems include environmental contamination, mass consumption of resources and energy, expanded disparities between

urban and rural areas or among regions.

Mongolia

Though the average rate of GDP growth of Mongolia was 2.7% per year between 1995 and 2002, it increased to 5.5% in 2003, jumped to 10.6% in 2004, and remained high at 6.2% in 2005. All international organizations and donor countries recognize that the reform groundwork toward transition to a market economy has been completed.

However, while the macro economy is in good shape, GNI per capita is US\$690 (2005) and nearly 36% of the population, most of which comprises people living in rural areas and Ger inhabitants in the capital who have moved from rural areas, are in the poverty group. The unemployment rate is 14.2% and expanding disparities are of concern.

Addressing Priority Issues in JICA Programs



Nomads collecting seeds from planted trees (Seeds Collection for Prevention of Desertification Project in China)

China

1) Environmental issues and infectious disease control

Environmental issues and infectious diseases are still very serious in China. These issues can affect Japan beyond national borders, requiring response through international cooperation. In addition to measures against acid rain and yellow sand storms, JICA supports measures to prevent global warming and provides policy and technical support to promote a circular economy. JICA also supports the conservation and recovery of a natural environment, the development of human resources who will contribute to sustainable usage of water resources, planning, and technology development.

In order to address infectious diseases, using its experience in contributing to the eradication of polio in China, JICA cooperates in combating HIV/AIDS and the SARS epidemic in cooperation with the World Health Organization (WHO).

2) Establishment of a market economy system

Efforts to establish a market economy system in compliance with international rules are important from the perspective of supporting activities carried out by Japan's private sector, too. Specifically, JICA supports the development of economic laws and corporate-related laws and implements human resources development. In developing human resources, Japan's experience and current situations are introduced to establish and disseminate tax systems, intellectual property rights, and technical and compliance standards in accordance with international rules (see p.18).

3) Promoting mutual understanding between the peoples of Japan and China

Promoting mutual understanding between the peoples of Japan and China forms a basis for a sound, long-term relationship. Through the dispatch of volunteers, promotion of exchange between local governments, the Youth Invitation Program, training of young and middle-level executives in Japan, and assistance to NGO activities, etc., JICA expands opportunities for the peoples of both countries to interact directly and assists with enhancing mutual understanding of culture and society from various aspects.

In addition, in order to alleviate economic disparities between urban and rural areas, JICA supports the Chinese government in

developing policies and institutions. Specifically, improving local governance through human resources development is sought and rural reforms are supported through the establishment of social safety nets.

Mongolia

1) Education and human resources development in the private sector

Now that Mongolia has completed the process of building a foundation for reform toward a market economy, stable economic growth is essential for the future. JICA provides assistance in educational areas, particularly with an emphasis on basic education, primarily to develop human resources who are involved in administration, including strengthening taxation functions, and who will play a leading role in the future of Mongolia. With an aim to further activate the private sector, which accounts for 80% of GDP, JICA also places importance on the development of a law enforcement environment to facilitate economic activities, as well as the development of human resources related to the private sector with the help of the Mongolia-Japan Center for Human Resources Development.

2) Rural development

In the rural development area, JICA promotes cooperation for reducing disparities between rural areas and the capital primarily by strengthening and supporting the livestock and agriculture sector, which is a key industry.

3) Environmental protection

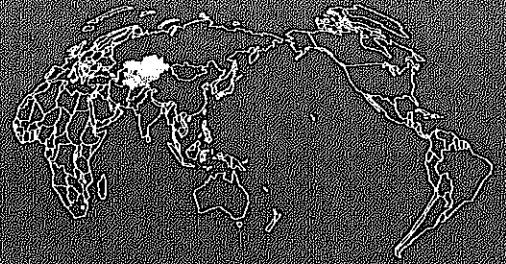
Cooperation associated with environmental protection is also supported, including measures to manage solid wastes in urban areas and yellow sand storms that adversely affect northeastern Asia across national borders.

Furthermore, since the development of infrastructure forms the basis of Mongolia's economic growth, JICA also cooperates in urban planning to solve urban problems, including improvement of basic infrastructure in the suburb of Ulaanbaatar (Ger District), which is experiencing a rapid population concentration.



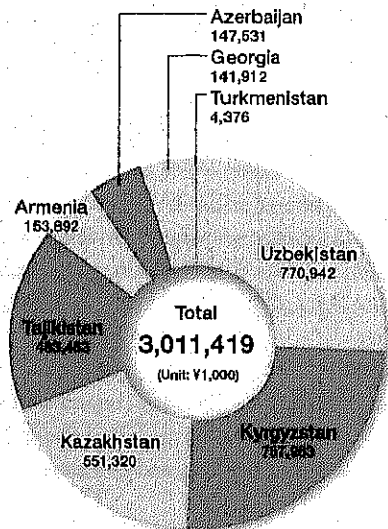
Ger District in the suburb of Ulaanbaatar: The living infrastructure is undeveloped. (The Study on City Master Plan and Urban Development Program of Ulaanbaatar City in Mongolia)

Central Asia and the Caucasus



Pillars of Aid Support Transition to Market Economy, Democratization, and Rebuilding of Social Sectors

■ Cooperation results by country in Central Asia and the Caucasus (FY2006)



* This is the total amount of bilateral cooperation. The amount of cooperation provided to Asia including cooperation that covers a group of countries is 51,115,695 thousands of yen.

Central Asia and the Caucasus was a strategic location on the Silk Road that linked Asia and Europe, where people moved and goods were traded since time immemorial. Currently, there are eight countries in this region. More than 15 years have passed since the region achieved independence following the collapse of Soviet Union, and some countries are rather advanced in their transition to a market economy. On the other hand, some countries still remain impoverished and maintain closed political and economic systems, and some have experienced regime changes due to democratic revolutions. Thus, the speed and direction of development vary.

This region has an abundance of natural resources including petroleum and gas produced along the Caspian Sea and rare metals such as uranium. Accordingly, the attention of international society has become increasingly directed toward the region; construction of new pipelines and reconstruction of roads and railroads have begun.

However, except for urban areas, people's

lives in rural areas are harsh and poverty alleviation and creation of job opportunities remain as serious issues. While each country is in the process of nation-building as an independent country, it is more necessary to promote regional cooperation for resolving the issues common to the region (establishment of systems for democracy and transition to a market economy, etc.), as well as issues transcending national borders (development of traffic and transportation network, etc.).

In line with the development levels of individual countries, JICA is providing support for the policy and human resources development for the transition to a market economy, support for developing basic infrastructure such as roads, support for rebuilding social sectors including health and development of rural and impoverished areas. JICA is also carrying out activities to promote industrial development and regional cooperation, which was specified in the "Central Asia plus Japan" dialogue, a cooperation framework between the region and Japan.

Current State of Development

The Dynamic Silk Road Area

Central Asia, which consists of the five countries of Uzbekistan, Kazakhstan, Kyrgyzstan, Tajikistan, and Turkmenistan, is located in the heart of the Eurasian continent, bordering Russia to the north, China to the east, and Afghanistan, Pakistan, etc., to the south. The Caucasus stands on the other side of the Caspian Sea, which is situated in the western part of Central Asia, comprising the three countries of Azerbaijan, Armenia, and Georgia.

The countries in these areas were integrated into the Soviet Union in the 1920s, but they gained their independence when the Soviet Union disintegrated in 1991. This is a strategic location on the Silk Road that has historically linked east and west. The two areas combined cover an area of 4.2 million km² and have a population of around 75 million.

In terms of religion, although the five countries of Central Asia and Azerbaijan have been reverting to Islam in terms of everyday culture, each country has adopted a principle of separating politics and religion; thus Islamic rules are not strictly

imposed. In contrast, christianity is traditionally widespread in Armenia and Georgia, and both countries have their own cultures with their own languages and characteristics. This region has a complex ethnic mix including Turks, Slavs, and Persians.

The area stretching from East Asia, Central Asia to the Middle East is referred to as the "arc of instability." Achievement of stability and economic and social development of Central Asia and the Caucasus, located in the heart of the arc, will greatly contribute to the peace and prosperity of the international community. To that end, Japan has actively provided assistance to these countries following their independence.

Diversifying Politics and Economy

Since independence, each country has advanced in its transition to a market economy. However, disparities in economic development are becoming great depending on the presence of natural resources or differences in the speed of reforms. Kazakhstan, Kyrgyzstan, and the three countries of the Caucasus are moving firmly in the direction of trade liberalization, dereg-

ulation, privatization of state enterprises, and other types of structural reform. Kazakhstan and Azerbaijan have achieved economic growth thanks to oil development in the Caspian Sea.

The economy of Georgia, located in the middle of the route of the BTC pipeline (from Baku in Azerbaijan to Ceyhan in Turkey), which transports crude oil produced in the Caspian Basin, is expected to benefit from pipeline transportation income as the BTC pipeline was completed in 2006. Despite its efforts in economic liberalization, Kyrgyzstan suffers from large debts and has to address financial and economic reconstruction. On the other hand, Uzbekistan and Turkmenistan are distancing themselves from these radical reform programs and following their own slow paths. Tajikistan overcame difficulties of years of civil war, achieving a peace agreement in 1997 and implementation of congressional elections in 2000. It is now pushing forward economic reform after formulating a Poverty Reduction Strategic Paper (PRSP) in 2002.

The major industries in this region, except for natural resources, are agriculture and livestock and food processing using the agricultural and livestock products. The agriculture in Central Asia is represented by rain-fed upland farming (wheat and barley) and livestock in the steppe centered in Kazakhstan and the monoculture of cotton production employing large-scale irrigation centered in Uzbekistan and Turkmenistan. Most of the Caucasus region enjoys a Mediterranean climate, and each country is engaged in agriculture suitable for the regional climate and conditions, as represented by Armenian cognac and Georgian wine, which were already renowned during the Soviet era.

In the agriculture and livestock sector, collective farms that were called kolkhoz or sovkhos during the Soviet era were dissolved as the transition to market economies in individual countries progressed. Though efforts differ from country to country, the establishment of new systems appropriate for production, processing, distribution, and sales in their replacement remains a critical issue in agriculture and livestock.

Democratization and International Relations

In most countries that were part of the Soviet Union, leaders from the Soviet era continued to hold the reins of governments even after independence. The situation is the same in Central Asia and the Caucasus, but the Rose Revolution broke out in Georgia in November 2003 and the Tulip Revolution in March 2005 in Kyrgyzstan (though slightly different in nature), thus resulting in



Study team member observing harrow farming for millet seeding (Project Formulation Study for Rural Development in Tajikistan)

regime shifts. In Turkmenistan, the former president passed away and a new president was inaugurated in February 2007. In these countries, the change of leaders who hold strong authority, in particular, has been observed with great interest, as it is likely to mark a turning point in domestic reform efforts.

The international situation surrounding this region is changing dynamically. Recently, China has been increasing its political and economic involvement in Central Asia through the Shanghai Cooperation Organization (SCO). Russia has been advancing the restructuring of the Eurasian Economic Community (EEC), increasing its power on the region. With the subsequent air strikes in Afghanistan following the terrorist attacks in the US on September 11, 2001, Uzbekistan, Tajikistan, and Kyrgyzstan offered military bases to US and European forces, which temporarily boosted the presence of the US in Central Asia. However, due to increased influence from China and Russia, the relation with western nations declined, resulting in the withdrawal of the US military from the air base in Uzbekistan in November 2005.

In the Caucasus, Azerbaijan and Georgia are strengthening their links with the West, particularly in connection with petroleum and petroleum pipeline development. In Georgia, domestic reforms following the Rose Revolution of November 2003 are rapidly pushing forward democratization and economic liberalization, which are receiving high praise from international society. In the Caucasus, the trend of democratization led by Georgia is expected to continue and expand, while the change in its relationship with Russia, which is critical for such a movement, should be closely monitored.

Addressing Priority Issues in JICA Programs

Embodying New Regional Strategies

In August 2004, then Foreign Minister Yoriko Kawaguchi visited countries in Central Asia and proposed a new cooperative framework of "Central Asia plus Japan" dialogue and agreed with every country. It was decided that under this framework, in addition to strengthening bilateral relationships, which was promoted in the conventional "Silk Road Diplomacy," Japan assists in the promotion of intra-region cooperation related to common issues in the region (terrorism, drugs, transportation, water and energy recourses, trade, environmental conservation, etc.) as well as the promotion of coordination with neighboring countries outside of

the region such as Afghanistan.

Cooperation for Central Asia

While promoting intra-regional cooperation for "Central Asia plus Japan," JICA provides cooperation in four priority areas with the aim of supporting self-sufficient development in Central Asia, namely: (1) support for transition to a market economy; (2) support for rebuilding social sectors; (3) economic infrastructure development; and (4) conservation of the environment.

Support for transition to a market economy includes the promotion of small and medium-sized enterprises, support for WTO



Discussing nursing education at a local seminar (Nursing Education Improvement Project in Uzbekistan)

accession, support for establishing legal systems, institution-building, and human resources development in relation to reforms of financial systems. Specifically, in Uzbekistan, Kyrgyzstan, and Kazakhstan, JICA has opened the Japan Center for Human Development to provide aid that is open to the public with a clear profile, such as business courses aimed at developing practical human resources that will push forward the transition to a market economy, as well as activities for promoting mutual understanding and Japanese language courses. In Uzbekistan, projects for establishing legal systems such as the Project for Legal Assistance for Improvement of the Conditions for Development of Private

Enterprises and the Project for Commentary of Bankruptcy Law are ongoing. In Kyrgyzstan, following the opening of the National IT Center, the Project for IT Human Resource Development (National IT Center) is being implemented.

Support for rebuilding social sectors includes policy support and upgrading equipment with respect to health and education reforms. In Uzbekistan, Nursing Education Improvement Project has been implemented to support curriculum improvement. Furthermore, Japan Overseas Cooperation Volunteers, some of whom are nurses, are making strenuous efforts to improve nursing care services.

In the area of economic infrastructure development, cooperation centered on upgrading roads that reach the outside of the region has begun. In the environmental area, cooperation in relation to water monitoring and flood control has been implemented.

Cooperation for Three Caucasus Countries

In order to support efforts for poverty reduction and improvements in livelihood in the three Caucasus countries, JICA has designated two priority areas: (1) income improvement and promotion of employment, and (2) enhancement of the quality of and access to public services. As such, support for training business owners of small and medium-sized enterprises and cooperation in the area of water have commenced.

Front Line Tajikistan

Dusti-Nijino Pyanji Road Rehabilitation Project

Aiming for a North-South Corridor for Peace and Stability

Road rehabilitation from the Afghan border to the capital city

In Tajikistan, which is located in innermost Central Asia, civil wars broke out starting in 1992 between the former Communist Party forces and Muslim elements, resulting in many deaths and a prostrated economy and social systems. Since the conclusion of the final peace treaty in 1997, the country has been tackling the issues of poverty eradication and socioeconomic development with support from the international community.

On May 22, 2007, a ground-breaking ceremony to kick off road rehabilitation work with Japan's grant aid was held in Dusti, a city in southern Tajikistan. In this project, approximately 24km of the main highway starting from the border bridge is scheduled to be completed in August over the Pyanji River at the border of Afghanistan and leading to the capital city, Dushanbe. This stretch is designated as part of the regional main highway in the Asian Highway Project, which will provide access from Central Asia to the Indian Ocean. It is a critical road that will contribute not only to eco-

nom activities but also to the transportation of supplies, including humanitarian assistance, to northern Afghanistan.

Major economic benefits expected

The public has great hopes for this modern Silk Road, the north-south corridor for peace and stability. The road is expected to bring further major economic benefits to Tajikistan, where economic recovery has been rapidly progressing since the end of the civil war. For example, there will be chances to export fresh agricultural products that are currently consumed only in the domestic market due to stagnated development of roads and transportation systems, in particular, local lemons and pomegranates that are especially popular in former Soviet Union countries and Arabic countries. It could possibly have a positive effect on the local economy, which currently relies on the income that migrating workers in Russia send home. Also, there is a possibility that Tajikistan will become a transportation hub to other countries in Central Asia, raising its national pres-

ence as an inland free trade port.

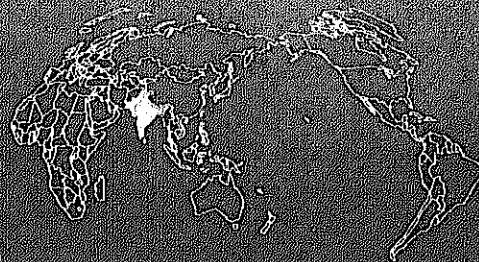
Although it is a critical road, the repair work is not easy. The work is a test case to prove Japan's comprehensive abilities, including its road repair technology, as the road surface was damaged by civil war and time. The road bed is caving in because of the infiltration of irrigation water. Procurement of equipment and materials is limited, and the conservation of roadside trees should be considered. This project aims to not only construct a road with Japanese technology but also serve as a 'human-building' project through the course of road construction. The road is scheduled to open in two years.

(JICA/JOCV Tajikistan Office)



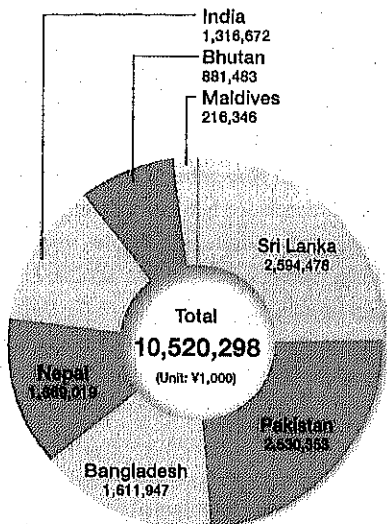
Japanese Ambassador to Tajikistan chats with local people who attended the ground-breaking ceremony

Southwest Asia



Pillars of Aid Priority Placed on Cooperation for Poverty Reduction and Economic Development

■ Cooperation results by country in Southwest Asia (FY2006)



* This is the total amount of bilateral cooperation. The amount of cooperation provided to Asia including cooperation that covers a group of countries is 51,115,895 thousands of yen.

Southwest Asia has about 40% of the world's poor population. Development in health and education lags behind the rest of the world, and gender disparities still exist. Also, the region, where ethnicity, religion, and language are mixed, is politically and socially unstable and has conflict-ridden areas.

Given the fact that the tense relationship between India and Pakistan has eased since 2003, it is expected that economic activities in each country in the region will be activated and contribute to political stability in the region. Though the economy in the region has been comparatively good, as exemplified by India, which has achieved remarkable economic growth in recent years, the region is undermined by a vulnerable economic structure and both the trade balance and fiscal balances chronically show deficits.

Accordingly, JICA's cooperation will focus on poverty reduction and economic growth as two pillars of aid for Southwest Asia. Specifically, underlining the perspectives of human security and gender consideration in the area of poverty reduction, JICA provides support for the improvement of living conditions such as health/population, education and supply of safe water, community development, and human resources development.

As political and social stability is closely related to poverty, JICA's cooperation will proceed to that end, too.

In terms of economy, cooperation will be provided to develop economic infrastructure and promote investment and trade in the private sector with the aim of stable growth of the economy. In order to develop an economic infrastructure, JICA will further strengthen coordination with financial assistance projects. Support for economic development in Southwest Asia is also effective for promoting economic partnerships between Japan and the region, which are getting stronger particularly with India, and at the same time, is essential for facilitating reduction of the poor population of more than 400 million.

Support for peacebuilding and conflict prevention will also continue, mainly in Nepal where long-standing conflicts have almost come to an end, and in Sri Lanka where the impact of conflicts continues to be felt. In addition, JICA will continue medium- and long-term support for disaster prevention and reconstruction in response to the damage caused by the earthquakes that struck Pakistan in October 2005.

Current State of Development

Southwest Asia has a population of approximately 1.3 billion and over 400 million people in the region are classified as poor. A development policy is being promoted for poverty reduction by each country and improvements have been made in areas such as education and health; however, development is still behind. In the region, various factors such as ethnicity, religion, language, and climate are complexly related to politics and society, contributing to social and cultural diversity and depth as well as instability of society.

For the past several years, the economic growth of Southwest Asia has progressed at a rate of about 5% annually and growth seems comparatively good. The recent economic development in India is especially outstanding and achieved 6% annual economic growth on average throughout the 1990s. After that, the service sector (IT business), which maintains steady growth, became a

leading force, and the gross domestic product (GDP) growth rate in fiscal 2005 reached 8.4% (anticipated value for fiscal 2006: 9.2%), placing it third in terms of GDP scale in Asia after Japan and China. As a result of such economic development, the middle class is swelling, whereas the poverty group still accounts for about 35% of the population. The present Manmohan Singh administration addresses rural development, employment measures, etc., as priority issues while aiming to maintain economic growth. Many countries other than India depend on exports of specific products, such as clothing and agricultural products. Given the fact that the tense relationship between India and Pakistan is gradually easing, the full-scale start-up of a South Asia free trade zone will stimulate economic activities in each country in the region and contribute to regional stability.

Addressing Priority Issues in JICA Programs

Perspective of Human Security

In Southwest Asia, with its enormous poverty group, JICA will underline poverty control as a common priority issue, as well as formulate and implement projects by proactively incorporating the perspective of human security.

Specifically, support directly reaching the people and areas difficult to secure basic living conditions, including securing safe water, health and sanitation, is provided. One example is a project which focuses on rehabilitation of basic infrastructure and empowerment of community groups in Sri Lanka.

The poverty group is vulnerable to widespread infectious diseases and environmental contamination. JICA is supporting infectious disease control targeting filaria and tuberculosis in Bangladesh, and tuberculosis control and an expanded program for immunization (EPI)/polio control in Pakistan. Since contamination of rivers and underground water due to various factors such as population growth is developing into a serious problem, countermeasures against contamination of rivers, lakes, and ponds are supported in India, and arsenic contamination control in Bangladesh.

In Bangladesh, in particular, direct support for the residents who are under serious threat of contamination of vital drinking water is combined with support for the development of capacity of the central and local governments, with an aim to extend support to as many people as possible. JICA thus provides comprehensive support to extend and consolidate county-level outcomes at a prefectural level by combining various forms of schemes, including partnership with NGOs.

Economic Development

In the area of economic development, infrastructure development and promotion of investment and trade are common issues among the countries in the region. Infrastructure supports economic growth of the country or region, and is a factor that induces investment in the private sector. In addition to economic infrastructure, improving governance, which is a prerequisite for sustainable development, will lead to the improvement of an investment environment, investment promotion, and improvement of productivity, and thus to economic growth.

In particular, the transportation and traffic sector is the core of the development of economic infrastructure. However, an underdeveloped road network constitutes the largest common concern in Southwest Asia. Thus, JICA promotes technical cooperation to develop roads, including bridges, in combination with yen loans and grant aid assistance.

In India, which maintains rapid economic growth, infrastructure development cannot keep up with the speed of economic development. Japan is supporting infrastructure development in the country mainly with yen loans. Since India has vast land areas with regional disparities, support for development and enhancement of arterial freight railway has been implemented. The purpose of this assistance is to contribute to the promotion of economic and social activities and the development of an investment environment by improving the efficiency of domestic distribution systems. In more concrete terms, a development study has been

implemented for high speed freight railway project on two routes, one between Delhi and Mumbai and the other between Delhi and Howrah (near Kolkata), which form in the north two sides of the "Golden Quadrilateral" connecting the four major cities (Delhi, Mumbai, Kolkata and Chennai), which are the growing bases of the country. Assistance in a project formulation with yen loans based on the study results has been requested (see p.77).

Demand for development of economic infrastructure that will facilitate economic growth is expected to increase further in the future, and JICA will thereby promote cooperation in collaboration with yen loans.

Peacebuilding and Support for Democratization

In Nepal, a rebel conflict has continued for the past 10 years, claiming about 14,000 lives, causing massive internal displacement, and destroying facilities. In November 2006, however, a historic peace agreement was concluded between the antigovernment force and the government, and Nepal took the first step toward new nation-building. Subsequently, in January 2007, the interim parliament was set up with the participation of the former antigovernment force, and in April, an interim government was inaugurated. Now preparations for the implementation of a constituent assembly election that will determine the new shape of the country are taking place. For the people to build a new nation with hope and confidence, realization of a fair and free election is vital. JICA is thus providing assistance that is required for the implementation of the constituent assembly election, such as strengthening the capacities of the Election Commission and support for voter education. With the aim of reducing disparities between urban and rural areas, which is considered to have been a structural factor of the conflict, JICA will provide assistance specifically focusing on improvement of livelihood of the people in the area more affected by the conflict (see p.17 and p.75).

As far as conflicts in Sri Lanka are concerned, an indefinite cease-fire agreement was reached between Sri Lanka's government and the ethnic Tamil rebels called the Liberation Tigers of Tamil Eelam (LTTE) in February 2002. Five years after the conflict was suspended, the peace talks between the government and the LTTE are in a static state. Since the conflict was suspended, JICA has continued to support war-affected people and refugees. JICA makes the utmost efforts in the projects that empower communities in the areas affected by the conflict. Together with direct



A seminar related to democracy and election systems in Pokhara, a city in western Nepal

support for residents, JICA provides training for administrators who deal with residents' groups to empower communities and municipalities so that they can resolve various problems and issues that they face through their own wisdom and power.

In recent years, the trend for democratization is accelerating in this region as well, and delegation of authority from the central to local governments is in progress. In support for governance improvement, JICA is implementing the Decentralization Support Program with citizen participation in Pakistan and Bhutan for the purpose of capacity building in local governments.

Post-disaster Reconstruction and Disaster Prevention

At 8:50 A.M. on October 8, 2005, an earthquake of magnitude 7.6 on the Richter scale centered about 20km north-northeast of Muzaffarabad struck northern Pakistan. The number of people killed by the earthquake in the entire country was reported to be

about 73,000 and the Muzaffarabad area received the most damage. In response, JICA has provided seamless support from emergency relief to reconstruction using Japan's experience.

For the catastrophic damage in Sri Lanka and Maldives caused by the Major Earthquake off the Coast of Sumatra and Tsunami in the Indian Ocean in December 2004, Japan has continuously provided support for model building for reconstruction assistance through communities, and cooperation through personal contacts including advice in relation to disaster prevention.

In the area of disaster prevention, JICA is addressing flood and cyclone control in collaboration with financial assistance in Bangladesh and is supporting landslide disaster mitigation and road disaster prevention planning in Nepal. JICA will continue to provide integrated measures making use of technologies in Japan as an advanced nation in disaster prevention, and promote support focusing on strengthening the disaster response capacity of the local community.

Front Line Pakistan

Rehabilitation and Reconstruction Assistance for the Pakistan Earthquake (Oct. 8, 2005)

Assistance Utilizing Japan's Experience as an Earthquake-prone Country

Continuous support from emergency relief to rehabilitation and reconstruction assistance

For the Pakistan Earthquake, which occurred on October 8, 2005 (the death toll was about 73,000), the JICA Pakistan Office is providing continuous seamless support, from emergency relief immediately after the earthquake to rehabilitation and reconstruction in collaboration with various organizations, including the government of Pakistan.

For example, in the Batagram District in a province on the northwestern frontier, where rescue and medical teams of the Japan Disaster Relief Team worked, a needs assessment study and an outline design study for reconstruction of health and medical facilities and educational facilities were swiftly implemented. The results were utilized in the decision to implement Non-project grant aid (¥4 billion provided) by the Japanese government (the Ministry of Foreign Affairs) three months after the earthquake. Reconstruction of more than 100 schools and about 20 medical facilities have been scheduled, and JICA is thereby providing various types of support for smooth implementation.

Town planning for disaster mitigation utilizing Japan's experience

Based on a project formulation study implemented immediately after the earthquake (October to November

2005), JICA is working on various kinds of assistance utilizing Japan's experiences as an earthquake-prone country.

Specific projects that have been implemented include support for orphan children and persons with disabilities affected by the earthquake, taking advantage of Japan Overseas Cooperation Volunteers; technical instruction in standard design and construction techniques for building health and medical facilities utilizing a new concept of earthquake-resistant design and barrier-free construction; and demonstration of low-cost earthquake-resistant construction technology for general housing, etc.

At the epicenter, Muzaffarabad, the Urgent Development Study on Rehabilitation and Reconstruction in Muzaffarabad City was implemented with the basic policy of building a town resistant to disasters. Activities related to disaster prevention from the standpoint of affected citizens are being widely implemented, such as (1) formulation of a rehabilitation and reconstruction master plan including a hazard map and land use plan, (2) proposal of an urgent reconstruction project for the west bank bypass road, etc., which shall serve as an evacuation route in the wake of a disaster and a relief supply route, as well as implementation of related studies, (3) rubble removal with the participation of

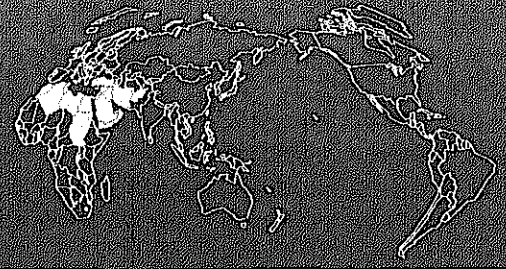
citizens, introduction of advance alarm system for landslide and execution of evacuation drill, construction of the Sathi Bagh Government Girls High School (the first permanent educational facility built inside the city after the earthquake) as a model school for earthquake-resistant design construction technology and disaster prevention education, development of disaster prevention education texts and teachers manuals, etc. Furthermore, on the Jehlum Valley Road connecting Muzaffarabad to India, JICA is implementing a pilot project for the purpose of technology transfer in bridge rehabilitation in a landslide hazard area as part of the National Transport Plan Study. These efforts have been highly praised by the government of Pakistan.

(JICA Pakistan Office)



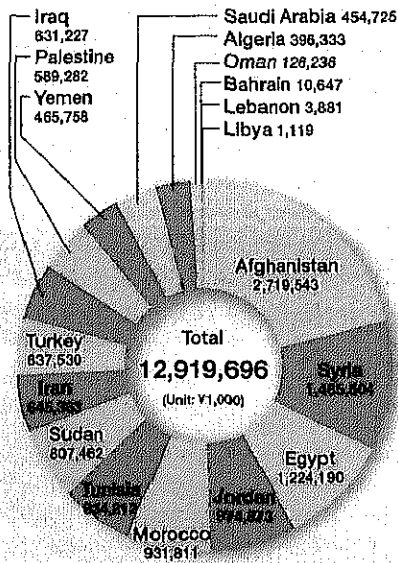
Students looking at photos of the construction process, after the handover ceremony of the Sathi Bagh Government Girls High School

Middle East



Pillars of Aid Assistance for Regional Peace and Stability and Response to Common Needs

■ Cooperation results by country in the Middle East (FY2006)



* This is the total amount of bilateral cooperation. The amount of cooperation provided to the Middle East including cooperation that covers a group of countries is 12,928,898 thousands of yen.

The Middle East not only is a region where ancient civilizations such as Mesopotamia and Egypt flourished but it also has played a geopolitically important role in connecting eastern and western civilizations, which is why it is called the Crossroads of Civilizations. The Middle East, which holds approximately 60% of the world's crude oil deposits, is also an indispensable region for future development and stability of the world economy. On the other hand, as represented by the Palestinian issue, this region has conflicts owing to various factors, including ethnicity, religion, and politics, which has had great impact on world politics and economies.

The stability of this region is very important for the energy security of Japan, which receives approximately 90% of its oil from the Middle East. Unlike European societies, Japan occupies a neutral position with regard to the Middle East, both historically and politically. Therefore Japan can play an important role as a member of the international community in building a good relationship with

countries in the Middle East and contributing to the stability and development of the region.

For the purpose of program implementation, JICA defines the Middle East as the region stretching from Morocco in the west, through the countries of North Africa, and on to Afghanistan in the east and Turkey in the north. This region includes various countries who have different relationships with the neighboring world as well as different political and economic situations. Therefore, there is a wide range of aid needs depending on the situation in each country.

Among these, JICA places the utmost priority on peacebuilding and reconstruction assistance for Afghanistan, Iraq, and Palestine as the key to stability of the Middle East.

In addition, in the fields of water resource management, industrial promotion, human resources development, and environmental protection, all of which are vital needs common to the region, JICA implements cooperation in line with these needs, including the Volunteer Program.

Current State of Development

The Middle East accommodates high-income countries, most of which produce oil, as well as less developed countries, most of which do not produce oil. Each country has diverse ethnicities and cultures comprising a complex social structure. Therefore, detailed cooperation in line with the actual conditions of each country is necessary. It is an unstable region that has seen much conflict since World War II, including four Middle East wars, the Lebanese conflict, the Iran-Iraq War, the Persian Gulf Crisis, the Yemen conflict, and the Iraq war. Unstable political conditions continue in Palestine and Iraq. After the fall of the Taliban regime in Afghanistan, multi-layered and multi-faceted reconstruction assistance has been provided by the international community, including Japan. However, security conditions are still harsh, thus making the progress of development assistance difficult.

Recurrent terrorism and conflicts in the Middle East have a tremendous impact on the stability of the world economy. Therefore, support for reconciliations among different ethnic groups, religions, and social classes leading to the regional stability are called for.

In the oil producing countries where finance is relatively

adamant, infrastructure such as transportation and information network is developed at a high standard; however, human resources development in the public sector is a big task. On the other hand, in relatively low-income countries without the blessings of resources, the priority tasks are to address issues in health and education as well as poverty and the delay in rural development. There are also some cases where development assistance is greatly affected by political situations and security conditions such as in Palestine and Afghanistan. It is necessary to implement development assistance under appropriate policies based on accurate understanding of different situations from country to country.

As for reconstruction assistance for Iraq, JICA continues to support the development of human resources in the public sector based on Japanese government policy by collaborating with yen loans and grant aid. With regard to assistance in Palestine, based on the Corridor for Peace and Prosperity concept proposed by then Prime Minister Junichiro Koizumi in 2006, JICA started cooperation in the agricultural sector in March 2007 with an aim to promote regional development of the West Bank, mainly in Jericho

(see p.16-17). In Afghanistan, full-scale projects in such sectors as comprehensive rural development and health have begun and are planned to be continuously promoted.

As the international situation has drastically changed since the terrorist attacks in the US in September 2001, the attention of the international community has been drawn to assistance for modernization and democratization of the entire Middle East. While the progress of globalization calls for structural reform in the

economy, the international community has been paying greater attention to the role of development assistance for regional stability and peacebuilding. As described above, assistance in the Middle East is closely related to the international situation. Based on the trend of the international situation, JICA implements projects while closely coordinating with governmental policies and principles.

Addressing Priority Issues in JICA Programs

Efforts by Area

Palestine: Jericho Development

Following the Palestinian legislative election in January 2006, despite some obstacles such as interruption of direct assistance by the international community, a general strike by Palestinian Authority organizations, and confrontations between Fatah and Hamas, assistance partly restarted in June 2007 and hope for peace in the Middle East is rising.

Through technical cooperation projects in local administration, maternal and child health, and waste control, which started in fiscal 2005, JICA has enhanced various administrative services offered by the Palestinian Authority, for example, rehabilitation of local finance, distribution of maternal and child health hand-

books, and improvement of waste control services, and has supported the improvement of livelihood, especially in Jericho. In March 2007, based on the Corridor for Peace and Prosperity concept, technical cooperation for improving agricultural skills, a study for building an agro-industrial park in the future, and a study for comprehensive water management in Jordan Valley started. These projects aim to develop agriculture and other related industries as the primary industry in the regional economy of the Jordan valley, including Jericho, and have been implemented from the perspective of a program approach in which the cooperation is organically coordinated with assistance in various sectors such as governance, agriculture, and tourism to boost project effects.

Sustainable development of the Palestinian economy requires

Front Line Palestine Efforts for Peacebuilding

Aiming for Improved Livelihood and Vitalized Economy

Ethnic conflicts will not end unless the regional community changes itself. Though reasons for conflicts vary, such as territory, religion, and interests, the structure is universal: dissatisfaction and anger within the regional community create terrorist groups and militia organizations. In order to change the regional community, it is necessary to appropriately combine the bottom-up approach involving the regional community and residents and the top-down approach as a feasible policy to fundamentally improve the regional economy.

Integrating the top-down and the bottom-up approaches

In Jericho, Palestine, three technical cooperation projects were implemented targeting the regional community and residents: namely, the Project for Improving Reproductive Health with a Special Focus on Maternal and Child Health for regional health; the Project for Capacity Development on Solid Waste Management in Jericho and Jordan River Rift Valley directly related to the lives of the regional residents; and the Project for Improvement in Local Governance System to implement sound local administration. These

three projects were combined to facilitate larger impacts, thus promoting community participation. As many counterparts as possible were selected from the regional community and sent for training in Japan to become opinion leaders in JICA's strategy concepts. As a result, community awareness was raised and a trusting relationship with JICA was successfully developed.

At the same time, a master plan study was conducted to draw up a grand scenario for the vitalization of the regional economy. This plan-making gained participation from community members, and consequently, then Prime Minister Junichiro Koizumi announced the Corridor for Peace and Prosperity concept in July 2006 during his visit to Palestine. This concept involves four countries, including Israel and Jordan, for economic development of the Jordan valley, mainly in Jericho.

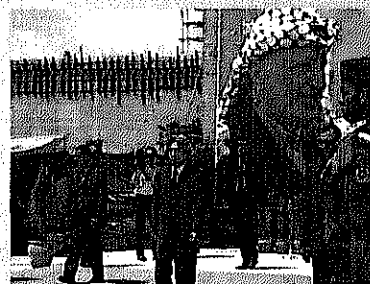
Promoting Middle East peace process

Despite the aftermath of the Lebanese conflict and the deteriorated state of security under the Hamas administration, the first technical-level meeting of the four-party consultative unit for the concept was held in Tokyo

in March 2007, and the concept was officially established. Then, Strengthening Support System Focusing on Sustainable Agriculture in Jericho and Jordan River Rift Valley, a development study for effective water use called the Feasibility Study on Water Resource Development and Management in Jordan Valley, and Feasibility Study on Agro-Industrial Park Development in Jordan River Rift Valley simultaneously started.

Through such a series of cooperation, JICA takes pride in offering various platforms for dialogue for the countries concerned. Progress of peace in the Middle East is expected through dialogue among these countries.

(JICA Palestine Office)



Then Prime Minister Junichiro Koizumi's visit to Palestine (2006)

evolution of its relationship with Israel and building an economic structure that benefits both sides. Therefore, JICA's cooperation considers confidence building between the two governments.

As for the Gaza Strip, where security conditions are unstable, because implementation of technical cooperation through the dispatch of Japanese experts is difficult, follow-up cooperation such as support for activities of the former training participants' alumni association (see p.116) is the core of the assistance.

Afghanistan: Mid- and Long-term Development

Approximately five years have passed since 2002 when the international community, including Japan, started to provide assistance to Afghanistan, whose situation deteriorated due to the long-lasting conflict following the fall of the Taliban regime. In the past five years, a democratic nation was built through establishment of a constitution, election of a president, and establishment of congress; and currently the gross domestic product (GDP) of the country is growing at a rate of over 10% per year (13.8% in fiscal 2006). The country also has seen outstanding reconstruction, for example, nationwide provision of basic health services, improved school enrollment rate for children, community development in approximately 15,000 villages (as of December 2006) through establishment of community infrastructure and support for livelihood improvement, social reintegration of approximately 55,000 ex-combatants (as of June 2006), and rehabilitation of major trunk roads.



Sayed Jamaludine Teacher Training College in Kabul: A model lesson for making science teaching aids using locally available materials such as PET bottles and straws (Afghanistan)

At the London Conference on Afghanistan held in January 2006, donor countries and international organizations pledged an additional US\$10.5 billion support for the Afghan government, who announced the Interim-Afghanistan National Development Strategy (I-ANDS) that specifies the direction of development over the next five years. Efforts for better outcomes through mid- and long-term development and aid coordination have started and JICA is thereby actively involved in the process.

However, the security condition in Afghanistan remains unstable, especially in the southern area, affecting reconstruction efforts and the livelihood of residents. In rural areas where 75% of the total population resides, improvement in livelihood through sustainable agricultural development has stalled and poppy farming is expanding mainly in some southern areas. Expansion of regional disparities is leading to a worsening urban environment caused by the influx of people to urban areas.

For the last five years, starting with emergency assistance such as rehabilitation of roads and restoration of schools and medical facilities in Kabul, Kandahar, and Mazar-e-sharif, JICA has provided various assistance aimed at mid- and long-term development; for example, development of medical human resources in tuberculosis control and reproductive health, training for primary school teachers, capacity rebuilding of agricultural experi-

ment stations, improvements in the livelihood and living capabilities of residents in rural areas, vocational training for the socially vulnerable including returnees and unemployed youth.

For the future, JICA will increase cooperation effects by strategically combining different projects in the priority areas, such as comprehensive agricultural and rural development and improvement of basic health services. In Jalalabad, a major urban city located east of Kabul, a new project focusing on support for development of rice farming is scheduled to start. As for infrastructure development, a project that aims to build a system in which the Afghan-related organizations can maintain and manage the major trunk roads rehabilitated with support of the international community while utilizing the private sector. In order to respond to Kabul's urban issues, JICA is examining ways to improve the power supply system in the city as well as embody cooperation plans for urban development.

Iraq: Peacebuilding

Four years have passed since the fall of the Hussein regime in 2003, and the political process for democratization is progressing as evidenced by the implementation of a national election in December 2005 and the inauguration of an official government in May 2006.

Similar to Afghanistan, a new cooperation framework between Iraq and the international community called Iraq Compact is also being formulated.

At the International Donors' Conference on the Reconstruction of Iraq held in October 2003, the Japanese government announced grant aid cooperation worth US\$1.5 billion and yen loans worth US\$3.5 billion as support for Iraq. JICA, which plays a role in technical cooperation and grant aid cooperation, is promoting institutional capacity implementation of Iraq-related organizations and development of human resources with an emphasis on synergy effects through combining grant aid cooperation and yen loans in the priority areas of democratization, water, health, electricity, and agriculture.

Specifically, a development study in preparation for yen loans regarding water supply in Baghdad and Basra was conducted and training courses in leakage control, water distribution network control, and enhancement of management were conducted in Jordan targeting the staff of the Baghdad waterworks department.

Training targeting pediatricians and pediatric nurses was also conducted in Egypt. The training participants are in turn conducting training for their colleagues and other medical personnel in neighboring areas after returning home.

National reconciliation is a major issue for national stability in Iraq. Accordingly, in March 2007, a group of congress members and related parties led by the minister for National



Iraqi archaeological experts practice archaeological surveys in Umm Qais, Jordan. (Third-country training for cultural heritage in Jordan)

Reconciliation were invited to Japan to attend an Iraqi National Reconciliation Seminar. At this seminar, the Truth and Reconciliation Commission of South Africa, the independence movement in Aceh, Indonesia, and Timor-Leste, and Japan's post-war reconstruction experience were discussed as case studies, and a visit to Hiroshima was conducted.

Water Resources Management and Environmental Protection

The Middle East, where most of the land is arid, has the scarcest water resources per capita in the world. In addition, population growth and industrialization exacerbates lack of water resources. Recent economic development, industrialization, and rapid urbanization have exacerbated environmental problems such as water pollution, solid waste, and air pollution.

JICA provides cooperation to improve technical levels in respective sectors, including water resources management, urban and rural water supply in the water resources sector as well as sewage management, waste control, and environmental management in the environment sector.

Regionwide Cooperation

In order to address issues common to the region, regionwide projects targeting a group of countries are formulated and implemented and workshops and region-specific training are held.

In the sectors of vocational training, environment, and water resources, regional experts and regionwide coordinators are in place at JICA Jordan Office. JICA also held workshops in the

vocational training sector in September 2005 and in the water sector and support for persons with disabilities in December 2006 to provide opportunities for information sharing for the formulation of regional cooperation projects. Region-specific training was additionally planned in the sectors of vocational training, water resources, support for persons with disabilities, disaster prevention, and reproductive health; and projects were formulated in the sectors of preschool education, environmental monitoring, and avian influenza.

South-South Cooperation

Countries in the Middle East are not only deeply connected politically and culturally but they also share many development issues within the region. Regionwide cooperation in which countries in the region capitalize on their strengths is effective for solving these issues, leading to stability for the whole region. Collaboration with Arab countries is critical for the Middle East peace process and support for Iraq as well. JICA conducts many training courses for Iraq and Palestine in Egypt, Jordan, Syria, and Tunisia (third-country training), promoting South-South cooperation as the embodiment of peacebuilding and regionwide cooperation.

As for South-South cooperation for Africa, based on the partnership agreements with Egypt, Tunisia, and Morocco, and along with the TICAD process, cooperation centered on third-country training is implemented. Outcomes of Japan's past cooperation and characteristics of the host country are utilized in line with the needs of countries in conducting third-country training.

Front Line Jordan

Capacity Development Project for Non-Revenue Water Reduction

For Effective Use of Valuable Water Resources

Non-revenue water means water that is lost during water distribution because it is stolen or leaked and thus does not become a source of revenue for the waterworks department. In Jordan, in addition to chronic water shortages, poverty, and water issues such as disorderly use of water by residents, the high rate of non-revenue water is a serious problem. Non-revenue water accounts for approximately half of all water distribution in this country. In this project, as well as training on necessary skills for leakage control (underground leakage survey, pipe repair, water meter improvement, distribution system improvement, etc.) through field practices, a program for awareness development has been formulated and implemented jointly with the waterworks department.

Educational activities for children

As measures for preventing water theft, a leaflet is widely distributed to residents and workshops for teachers

and students, and community hearings are also held. At the community hearings, seminars are given by religious leaders and opinions of the waterworks department and residents are exchanged to respond to the complaints and requests of the community. Also, in order to develop "water messengers" who communicate the importance of water, activities are carried out to help children understand and consider the scarcity of water resources in Jordan and the problems of water usage.

"Help Us Help You."

The project has devised a slogan, "Help Us Help You," meaning, "Please help the waterworks department who provides water. That in turn will help you."

The underground leakage surveys are usually conducted at night when there is not much human or vehicular traffic. The survey sometimes continues till midnight with no additional

allowances paid for technicians. Naturally, nobody is fond of this field work. However, the staff of the Jordan waterworks department is impressed with the Japanese experts who doggedly work in the field and has gradually started understanding the importance of steady effort. The staff of the waterworks department continues to work till midnight in rain and strong wind. Believing that such dedication will lead to a change in community awareness on water, JICA will continue to provide training.

(JICA Jordan Office)



A water awareness survey is conducted in school