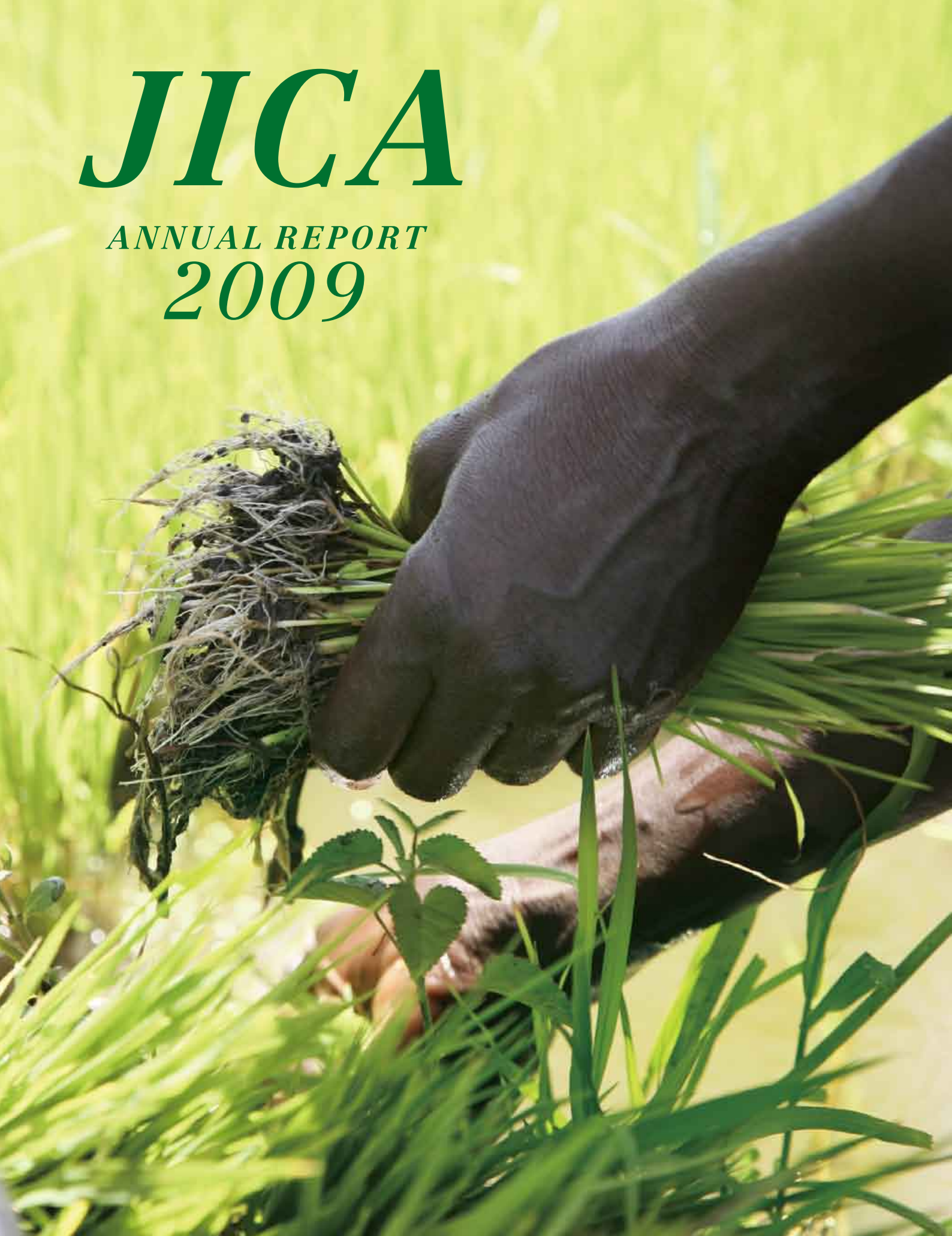


JICA

ANNUAL REPORT

2009



Japan International Cooperation Agency



JICA at a Glance

(Fiscal 2008)

151 Countries

JICA provided support to 151 developing countries in fiscal 2008.

The World's Largest Bilateral Development Aid Agency

The volume of operation budget (fiscal 2008) exceeded ¥1 trillion.

A Global Network

An overseas network of approximately 100 offices,
which enables JICA to respond to local needs and ideas

Promoting Participation by Japanese Citizens

JICA maintains 17 domestic offices located nationwide, from Hokkaido to Okinawa.

1,300 Current Cooperation Projects

JICA was engaged in 1,300 projects at the end of fiscal 2008, including ODA Loan, Grant Aid and
Technical Cooperation projects.

World's Largest Development Assistance Training Program

More than 37,000 persons have participated in Training courses in Japan and overseas each year,
and to date the cumulative total is more than 400,000.

More Than 10,000 People Dispatched Overseas

JICA dispatched 5,620 experts and 4,919 volunteers abroad during fiscal 2008.

A Message from the President

Fiscal 2008 was a turning point for Japan's official development assistance (ODA) as well as for the Japan International Cooperation Agency (JICA).

Japan hosted two major international conferences in 2008. The fourth Tokyo International Conference on African Development (TICAD IV) was held in May, with the core theme: "Towards a Vibrant Africa: A Continent of Hope and Opportunity." It focused on such issues as boosting economic growth in Africa, ensuring human security, climate change and environmental challenges. Building on the outcome of the TICAD IV, the G8 Hokkaido Toyako Summit in July discussed tangible measures to realize the goal of a "Vibrant Africa."

In October New JICA was launched to synthesize the implementation of Japan's ODA policies. Its new comprehensive mandate includes Technical Assistance, a carryover from its previous existing activities; concessionary loans (ODA loan), which were formerly managed by the overseas economic cooperation section of the Japan Bank for International Cooperation (JBIC); and a portion of the Grant Aid formerly provided by the Ministry of Foreign Affairs.

Another new development was the establishment of the JICA Research Institute (JICA-RI). JICA-RI applies a multi-disciplinary approach, ranging from economics to political science, history and cultural studies, toward a broad array of issues facing developing countries. Also JICA-RI draws on the experience and expertise of JICA's field activities in its research. Partnerships with international agencies and academic institutions will be strengthened.

Since the beginning of 2009, reconstruction of Afghanistan and assistance to neighboring Pakistan has attracted considerable global interest. With some 40–70 staff including technical experts in the field, JICA is actively working to support reconstruction efforts by the people of Afghanistan in such areas as urban infrastructure development and agriculture.

In March 2009, JICA opened an office in Iraq. While we must pay the greatest attention possible to security and safety issues, it is vital that we have our people on the ground as quickly as practicable to provide reconstruction assistance to the most vulnerable people.

In an increasingly interdependent world, peace and prosperity can only be assured by concerted efforts throughout the world. JICA's vision of "Inclusive and Dynamic Development" underlines that all people should enjoy the fruits of collaborative endeavors.

I trust that this Annual Report will increase your understanding of JICA and its activities and look forward to your support and encouragement under its new and enhanced organizational structure.



緒方 貞子

Sadako Ogata

President

Japan International Cooperation Agency
(JICA)

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New JICA's Message

The Launch of New JICA
and Its Vision



African Development

Why Is Support for African
Development So Important
Today?



Financial and Economic Crisis

Support for Developing
Countries in the Global
Financial Crisis



Peacebuilding and Reconstruction Assistance

Providing the Comprehen-
sive Support Needed to
Prevent the Outbreak and
Recurrence of Conflicts



Climate Change Measures

Climate Change: A Serious
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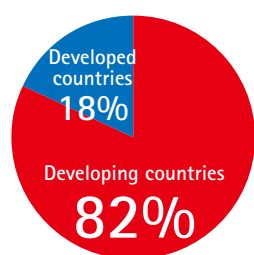
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Why is aid to developing countries so important right now?

Each year, the number of global issues requiring attention grows, from climate change, food security and security to infectious diseases and armed conflict. Unless countries work in concert to address such problems, the outlook for humanity is bleak. As a member of the global community, Japan has a vital role to play in addressing many of today's pressing issues for the sake of a better future for all of the world's people.



Population Ratio

Source: *World Population Prospects: The 2008 Revision Population Database*, United Nations

Issues Faced by Developing Countries Are Also Japan's Problems

Global issues—poverty, environmental degradation, HIV/AIDS and other infectious diseases, conflict and terrorism—which disproportionately affect the developing world, cannot be solved by countries acting alone. Such problems transcend borders and continents and pose a grave threat to the entire international community, including Japan. As a developed country, Japan must recognize such problems as its own rather than those of the developing world, and take action accordingly. Poverty, conflict and climate change should not be seen as problems happening in far away places and only glimpsed through the nightly news bulletin. When global stability is threatened, the lives of people in Japan are affected too.

Despite recent economic crises, virtually every person in Japan has access to clean drinking water. All major highways are paved and many stores open 24/7, providing an added sense of late-night security. This convenience and safety, which people in Japan tend to take for granted, is supported by precious energy resources that enable Japan to maintain its vast electrical grid.

Although Japan is one of the world's leading consumers of electric power, its self-sufficiency rate for power generation is only 20%. Furthermore, Japan imports 99.6% of the petroleum it consumes. Were international trading relationships to sour, leading to an era of protectionism across the developed and developing world, Japan would be unable to maintain its current standard of living. In light of these realities, Japan cannot simply focus on its own economic well-being while ignoring the plight of others. We must recognize that in today's highly interconnected world, attitudes that were common in Japan until quite recently are no longer tenable.

Developing Countries Are Repositories of Tremendous Potential

There are approximately 30 developed and 160 developing countries in the world today, with a huge economic disparity separating the two groups. For example, while more than 50% of young people in Japan pursue higher education, in West and Central Africa 45% of girls and 37% of boys (UNICEF: 2000–2005 statistics) do not even attend elementary school because they are needed to help at home or on the family farm.

Faced with such disparities, it is easy to forget the tremendous human potential of the developing world, which is so often obscured by the daily battle for survival. But from a global perspective, the future of humanity depends heavily on enabling the people of developing countries to realize their potential and contribute to their own development. Not only must Japan offer those people a helping hand in humanitarian support, it must back developing countries' own efforts to build human security, which JICA defines as "focusing on individual people and building societies in which everyone can live with dignity by protecting and empowering individuals and communities that are exposed to actual or potential threats."

In the Japanese media, although the potential of developing countries is often linked to deposits of natural resources or large areas of land that may be utilized for increased food production, such media coverage only provides a very narrow view of developing countries' true potential. According to Japan's Official Development Assistance Charter, the objectives of Japan's ODA are to contribute to the peace and development of the international community, and thereby help ensure Japan's own security and prosperity. Developing countries represent the future hope of humanity. Japan can play an important role in transforming this hope into reality by helping build mutually beneficial relationships that will create new opportunities and drive future prosperity for all people.

Japan as a Former Aid Recipient

Although Japan now has the world's second largest economy, in the wake of World War II it needed loans from the World Bank to finance major infrastructure projects, such as the first bullet train line (Tokaido Shinkansen) and the Tomei Expressway linking Tokyo with Nagoya. Japan finally completed the repayment of those loans in July 1990. Since Japan's experience of rebuilding its economy with the help of overseas partners is relatively recent, it is able to apply this knowledge to effectively support the efforts of developing countries that are building their own social and economic infrastructure.



The Tokaido Shinkansen commences service in 1964

Japan's Relationships with Developing Countries Continue to Flourish and Deepen

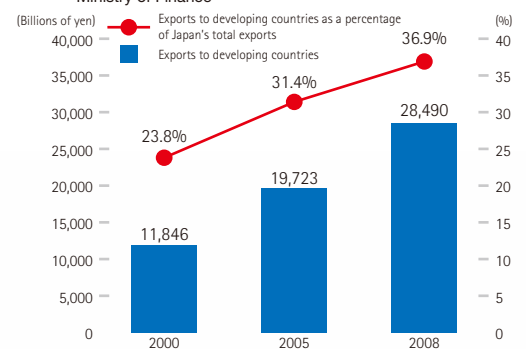
In the field of international cooperation, JICA has accumulated extensive experience and disseminates a broad array of information. In 2008, despite the holding of two major international meetings in Japan—the Fourth Tokyo International Conference on African Development (TICAD-IV) in May and the G8 Hokkaido Toyako Summit in July—and rising public interest in such global issues as food and energy security, public approval of Japan's international cooperation policy only showed a very slight increase. This was according to an opinion poll on foreign diplomacy conducted in October 2008 by the Japanese government's Cabinet Office. Subsequently, Japan's fiscal 2009 ODA budget was reduced for the 11th consecutive year.

It appears that a range of factors have contributed to a general tendency among the Japanese public to be inward looking. These factors include Japan's long period of low economic growth since the 1990s, uncertainty about the future and low empathy toward developing countries. Notwithstanding, the Japanese economy and individual citizens' lives are affected—directly and indirectly—by global conditions relating to food, natural resources, energy and finance. Hence, it is crucial for the Japanese public to clearly recognize why the stability and development of developing countries is crucial to Japan's survival and prosperity. It is also important for people to understand Japan's close interdependence with developing countries. By understanding Japan's true situation, Japanese citizens will be in a much better position to support Japan's role in promoting international cooperation.

In an increasingly globalized and interdependent world, Japan's relationships with developing countries continue to flourish and deepen. In such an era, the interests of one country, such as Japan, cannot be separated from the greater global good. We must each measure our own actions and attitudes based on this key principle.

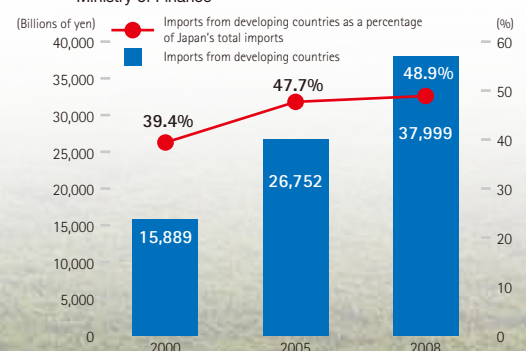
Japan's Exports to Developing Countries

Source: Prepared by JICA study team based on Trade Statistics, Ministry of Finance



Japan's Imports from Developing Countries

Source: Prepared by JICA study team based on Trade Statistics, Ministry of Finance



Workers at a tea plantation in Rwanda. Tea is the second most important agricultural product in Rwanda following coffee, and is recognized for its high quality throughout the world.



May 2008 Going Forward

Aid for Large-Scale Disasters 2008 Sichuan Earthquake

JICA promptly dispatched disaster relief and medical teams to Sichuan, China, in May 2008 after this massive earthquake and provided ongoing aid that also covered mental and emotional care for the residents of devastated areas.
(Related articles: Pages 40 and 143)

May 2008

Strengthening Support for Africa Sponsorship of the Fourth Tokyo International Confer- ence on African Develop- ment (TICAD IV)

As an aid implementation agency, JICA played an active part at the Fourth Tokyo International Conference on African Development held in Yokohama in May 2008. JICA also formulated a concrete Support Expansion Plan following the adoption of the Yokohama Action Plan (under the Yokohama Declaration), which aims to realize a “vibrant Africa.”
(Related articles: Pages 18 and 54)



May and October 2008

Support for Expansion of Food Production Launch of the Coalition for Afri- can Rice Development (CARD)

In Africa, rice production has not kept pace with demand, and nearly 40% of consumption is dependent on imports. Japan announced an ambitious target of doubling rice production in Sub-Saharan Africa within 10 years.

This international commitment by Japan is spelled out in the Yokohama Action Plan, and will be tackled hand-in-hand with the international community. At an event coinciding with TICAD IV, JICA and the Board of the Alliance for a Green Revolution in Africa (AGRA) jointly announced the Coalition for African Rice Development (CARD) initiative, which proposed an organization under an international framework to support rice growing in Africa. At the First General Meeting of CARD held in Kenya in October 2008, an agreement was reached among JICA, AGRA, the Food and Agriculture Organization of the United Nations (FAO), New Partnership for Africa’s Development (NEPAD), International Rice Research Institute (IRRI), Japan International Research Center for Agricultural Sciences (JIRCAS), Forum for Agricultural Research in Africa (FARA), West African Rice Development Association (WARDA) and other participating organizations to undertake specific cooperation, including (1) the development of human resources to engage in rice growing, (2) the development of cultivation methods suitable to the various regions of Africa, (3) the promotion of commercialization and marketing of harvested rice, and (4) the promotion of South-South cooperation so that experience gained in Asia and elsewhere is applied to Africa.

(Related articles: Page 114 and a press release issued in June 2009 posted on JICA’s website)

H I G H L I G

July 2008 and February 2009

Tackling Issues on a Global Scale The G8 Hokkaido Toyako Summit, World Economic Forum (Davos Meeting)

Japan played a leading role in addressing environmental and economic issues at the G8 Hokkaido Toyako Summit in July 2008 and the Davos Meeting in February 2009. JICA will further cooperate in efforts to reduce greenhouse gas emissions in developing countries—especially those countries that have suffered from climate change—under the Cool Earth Partnership proposed by Japan at the Davos Meeting.

(Related articles: Pages 16 and 109)

October 2008

Strengthening New Partnerships Promoting a Wide Range of Partnerships with NGOs, the Private Sector and International Organizations

JICA is expanding its development partnerships in Japan and abroad. In this context, we continued to promote further collaboration with NGOs and other organizations, and established a new Office for Partnership with the Private Sector in October 2008. Moreover, with the birth of New JICA, we are working to promote greater dissemination of information. These efforts resulted in raising overseas awareness of JICA and its activities, and improving cooperation with the World Bank and United Nations organization. At the same time, JICA has initiated partnerships with such organizations as Japan Post Bank and the Japan Science and Technology Agency.

JICA seeks to strengthen its various development-related partnerships and speedily build a win-win relationship between developing countries, partners and Japan's ODA.

(Related articles: Pages 140 and 152)



October 2008

The Birth of New JICA The Launch of New JICA in October 2008

As one of the world's largest bilateral development aid agencies in terms of budget size, JICA's new structure enables unparalleled, effective project execution through the integrated administration of Technical Assistance, Loan Aid and Grant Aid.

(Related article: Page 10)

March 2009

The Importance of Soft Power Support for Human Security in Areas of Conflict

Since the Obama administration took office in the United States in January 2009, the importance of international support for areas of conflict, such as Pakistan and Afghanistan, has attracted greater attention. After being appointed special envoy for the Prime Minister of Japan to Afghanistan and Pakistan in March 2009, JICA President Sadako Ogata visited the United States. There, President Ogata explained to U.S. government officials the results of aid to Afghanistan and Pakistan together with Japan's aid policies that are based on "soft power." Those policies are also in keeping with JICA's cooperation activities in South Asia, including Afghanistan, where JICA has continued to expand its activities over a number of years. The visit served as a turning point for increased media exposure of both Japanese policy and JICA's cooperation activities in conflict areas. It also created interest in the future direction of cooperation.

(Related articles: Pages 21, 46 and 93)

JICA is expanding cooperation activities in the Middle East. In the Palestinian Authority, JICA has helped the Palestinian Authority to strengthen its operation of a range of public services. JICA has also provided support for the improvement of living conditions in the Jericho area of the West Bank through technical projects, including those relating to local administration and maternal and child health. The number of experts and study team members dispatched to the Palestinian Authority in fiscal 2008 has reached approximately 150, with more than 1,000 Palestinian trainees participating in various programs.

(Related article: Page 52)

H T S 2 0 0 8

New JICA's Message

The Launch of New JICA and Its Vision

Accompanying the revision of the JICA Law in October 2008, JICA's operations were merged with the Overseas Economic Cooperation Operations of the Japan Bank for International Cooperation (JBIC), thereby bringing Japan's Technical Cooperation, Loan Aid and Grant Aid under a unified organization. JICA becomes one of the world's largest bilateral development aid agencies with an annual budget of over ¥1 trillion and an overseas network spanning approximately 100 countries. To advance its vision of "Inclusive and Dynamic Development," New JICA is committed to providing the highest quality international aid based on four missions: addressing a global agenda, reducing poverty through equitable growth, improving governance and achieving human security.

New JICA Will Work to Realize Its Vision by Fulfilling Four Missions

Mission 1: Addressing a Global Agenda

The advance of globalization brings many positive effects, sparking economic development and providing people with new opportunities. But it has a negative side too, including uneven wealth distribution and such cross-border issues as climate change, infectious diseases, terrorism and the spread of economic crises. These effects pose a threat to the stability and prosperity of Japan—which depends on resources from around the world—as well as the rest of the international community. The threat is particularly severe for developing countries. New JICA will make full use of Japan's experience and technologies as it works in concert with international society to comprehensively address an array of globalization-related issues faced by developing countries.

Mission 2: Reducing Poverty through Equitable Growth

Impoverished people in developing countries are particularly susceptible to the effects of economic crisis, conflict and disaster, and are constantly exposed to the risk of even deeper poverty. Moreover, growing wealth gaps are a destabilizing factor in societies. Helping people to escape poverty and lead healthy, civilized lives is a vital task not only for the growth of developing countries but also for the stability of the international community. Poverty reduction requires an expansion of employment opportunities through equitable growth, which improves the lives of impoverished members of society by increasing their access to public services like education and healthcare. New

Vision

Inclusive and Dynamic Development

Missions

1. Addressing global agenda
2. Reducing poverty through equitable growth
3. Improving governance
4. Achieving human security

Strategies

1. Integrated assistance
2. Seamless assistance
3. Promoting development partnerships
4. Enhancing research and knowledge-sharing

Activity Guiding Principles

1. Achieving synergies of the merger (Speed-Up, Scale-Up, Spread-Out)
2. Tackling complex, difficult issues flexibly using the field-based approach
3. Fostering expertise for providing professional solutions
4. Efficient and transparent operations

JICA will provide support for human resources development, capacity building, policy and institutional improvements, and provision of social and economic infrastructure, thereby pursuing sustained poverty reduction through equitable growth.

Mission 3: Improving Governance

A state's capacity for governance refers to its status as a society that can take the resources available to it and direct, apportion, and manage them efficiently and in ways that reflect the will of the people. Improving

governance is of vital importance to the stable economic growth of developing countries. However, these states often have underdeveloped legal and judicial systems and administrative organs, which present obstacles to efforts to reduce poverty through economic growth. New JICA will offer support aimed at improving the fundamental systems needed by a state, as well as systems for effectively providing public services based on the needs of people, and fostering the institutions and human resources needed to manage those systems appropriately.

Mission 4: Achieving Human Security

The advance of globalization leads to an increase in various cross-border threats and exposes many people in developing countries to civil strife, disasters, poverty and other humanitarian threats. The concept of human security places individual human beings at its core, seeking to defend them from fear and want: fear of things like conflict, terrorism, disaster, environmental destruction, and infectious disease; and want in the face of poverty and in social services and infrastructure. By building up people's abilities to address these issues themselves, this approach aims to build societies in which people can live with dignity. In order to defend the weakest members of society from these various threats, New JICA will support efforts to bolster social and institutional capacity and to increase people's ability to deal with threats themselves.

New JICA Provides Assistance Based on Four Main Strategies

Strategy 1: Integrated Assistance

New JICA will pursue the integrated management of three modalities of assistance—Technical Cooperation, Loan Aid and Grant Aid—to offer comprehensive support that organically combines such elements as policy and institutional improvements in developing countries; human resources development and capacity building; and improvements in infrastructure. We will also make use of diverse approaches and take advantage of the expanded scale of our operations to tackle issues that go beyond borders and affect entire regions or span multiple sectors. Through such integrated assistance, New JICA will pursue international cooperation with even more development impact in terms of both its quality and scale.

Strategy 2: Seamless Assistance

New JICA brings together a wide variety of aid approaches to provide seamless assistance that spans everything from prevention of armed conflict and natural disasters to emergency aid following a conflict or disaster, assistance for prompt recovery, and mid- to long-term development assistance. Developing countries are at various stages of development, from the least developed countries where most of the population lives in poverty to middle-income countries that are on a growth path but are still wrestling with the problems of wealth gaps in society. New JICA will provide assistance in ways that best match the level of development in each recipient nation, taking a long-term perspective and offering seamless assistance to ensure sustainable development into the future.

Strategy 3: Promoting Development Partnerships

New JICA aims to be a good partner for developing countries, accurately grasping their changing needs through a fieldwork focus and by supporting self-help efforts swiftly and effectively through a results-oriented approach. We will also promote public-private partnerships, pooling the experience, technologies, and resources of local governments, universities, nongovernmental organizations, private enterprises and other actors. This includes promoting participation by Japanese citizens in Japan Overseas Cooperation Volunteers and Senior Volunteers. Furthermore, to fulfill our responsibilities as one of the largest donor organizations in the world with more than 40 years of experience, we will strengthen partnerships with international organizations and other donor institutions. Through such partnerships, we will promote the creation of a broad framework for development assistance in a global community that is seeing growth in the number organizations active in the international cooperation field and increasingly diverse forms of aid provided to developing countries.

Strategy 4: Enhancing Research and Knowledge-Sharing

In the face of advancing of globalization and the rise of new international cooperation actors, global trends in the issues affecting developing countries are undergoing sweeping change. Through the establishment of the JICA Research Institute, New JICA will apply

the wisdom it has gained in the field, building broad networks of academics from Japan and around the world to create valuable new knowledge in the field of international development assistance. This knowledge will enhance not only Japan's efforts but will be applied as widely as possible. To play a leading role in guiding the newest development trends, we will enhance our research and knowledge-sharing capacities. We will also undertake surveys and research grounded in actual assistance projects, focusing on subjects from both a regional perspective and an issues-based perspective.

To Fulfill Its Mission, New JICA Has Established Four Activity Guiding Principles

Activity Guiding Principle 1: Achieving Synergies of the Merger

By smoothly combining diverse aid modalities, we will make use of our synergies by speeding up the aid process, scaling up pilot and model projects, and spreading them out in other regions and communities.

Activity Guiding Principle 2: Tackling Complex, Difficult Issues Flexibly Using the Field-Based Approach

By accurately grasping the development needs on the ground and designing activities with their focus on the field, we will deal flexibly with complex, difficult and intertwined development issues.

Activity Guiding Principle 3: Fostering Expertise for Providing Professional Solutions

As an organization specialized in international cooperation, we will perform internationally competitive work, putting our experience and wisdom gained in the field to work and using our expertise and knowledge-sharing capabilities to quickly and accurately address a wide range of development issues.

Activity Guiding Principle 4: Efficient and Transparent Operations

By managing and evaluating our operations efficiently and transparently, we will remain constantly committed to renewing and streamlining our organization, thereby maintaining a high level of accountability.



About the New JICA

New JICA was reborn as one of the world's largest bilateral aid agencies.¹ As Japan's development aid enters a new phase and possibilities expand, how have the activities of New JICA changed?

JICA will further strengthen and promote a new system of development assistance through the following policies.

1. Integrated Administration of Three Aid Modalities with Leadership Provided by Seven Regional Departments

With each regional department² providing leadership and coordination, JICA will formulate a medium-term aid policy that integrates three aid modalities.³ This will include the use of the Country Assistance Policy, Cooperation Strategy and Rolling Plan for each country overseen by the regional department. Utilizing this approach, JICA will strive to develop synergies based on optimal operation of aid modalities covering a range of development issues in each region and country, and by capitalizing on the strengths of each of the three aid modalities.

2. Introduction of the Unified Preparatory Survey

JICA has standardized a study process for project identification and formulation, which in the past had been different for each aid modality, thereby ensuring flexibility and speed in the preparation stage of project implementation. At the same time, JICA introduced the Preparatory Survey to increase synergies between the three aid modalities. As a result, JICA is able to provide systematic and strategic aid from a broad perspective that is not limited by aid modality. JICA followed this by building a system to provide rapid, comprehensive support for the wide-ranging needs of partner countries.

(Please refer to page 126 for details about the Preparatory Survey.)

3. Utilization of the Cooperation Program

To effectively implement cooperation that produces the highest possible development benefits, it is important to plan procedures and methods while taking into account the optimal operation of each method so as to achieve results in the priority development issues identified for each country. In its cooperation programs, JICA sets high development targets, which are difficult to achieve by an individual project, and comprehensively plans and manages these projects. JICA has prepared "Guidelines for Strengthening the Strategic Character of JICA Cooperation Programs" and is increasing the use of cooperation programs.

4. Monitoring and Post-Project Evaluation

Since the establishment of New JICA, we are building a system that routinely follows up on the integrated administration of the three aid modalities. Through coordination of modalities and evaluation on a program basis, JICA is able to utilize the lessons learned and the points identified for future improvement. These are reflected in the future integrated administration of the three aid modalities. JICA also reviews assessment methods best suited to the evaluation of JICA cooperation programs.

(Please refer to page 165 for details on the project evaluation system.)

5. Strengthened Cooperation with Other Development Aid Agencies in Japan

New JICA has further strengthened its education and utilization of personnel engaged in international cooperation by promoting citizens' participation through vigorous public relations and development education, partnerships with NGOs and universities, and expanded partnerships with private enterprises. A variety of organizations, including NGOs, research institutes, local governments and universities, are each bringing their own unique strengths and character to the development cooperation field. For its part, JICA will make use of its network of personal contacts. As it works with a broad network of people and organizations to create mutual benefits and complement cooperation activities, JICA will provide development aid that produces strong synergies in order to further deepen cooperation.

(Please refer to page 140 for details about cooperation with various organizations.)

¹ "Bilateral aid agencies" indicate organizations that dispense direct aid to partner countries. Bilateral development aid is distinct from the investment of funds in international organizations and multilateral aid contributions.

² JICA comprises seven regional departments: Southeast Asia I and Pacific department; Southeast Asia department 2; East and Central Asia and the Caucasus Department; South Asia Department; Latin America and the Caribbean Department; Africa Department; and Middle East and Europe Department.

³ The three aid modalities are Technical Cooperation, Loan Aid and Grant Aid.

Developing Synergies

By building a system for integrated planning and implementation of technical and financial cooperation, not only has New JICA shortened the process of project identification and formulation, it has achieved synergies resulting from integration. Prior to the merger, a greater amount of time and significant resources were employed in coordination and decision-making among multiple agencies.

By organically combining diverse aid methods, New JICA will speed up the aid process from project identification to project formulation, scale up pilot projects and model programs that have significant development benefits, and spread out the benefits to other regions and communities.

Egypt

Feasibility Study for Construction of Cairo Metro Line 4

Reduced Period Prior to Commencement of Project Formulation and Avoidance of Duplicate Studies

In the past, it took more than one year from request to implementation for feasibility studies pertaining to the implementation of ODA loans. However, following the merger and introduction of the unified Preparatory Survey, the period from request to study implementation has been reduced by almost 50%, thereby facilitating the early commencement of studies.



Traffic congestion in Cairo

Pakistan

Agricultural Infrastructure and Rural Development Program

Technical Cooperation Results Enhanced through Financial Cooperation

Through an ongoing joint project, the pre-merger JICA and JBIC provided assistance for the repair of an aqueduct and the establishment of a farmers' organization and provided other development support through ODA loans. In the area of Technical Cooperation, JICA assisted in the formulation of guidelines for strengthening farmers' organizations. Following the merger, through the implementation of additional Technical Cooperation projects, JICA verified its model for establishing farmers' organizations using the same guidelines. Consequently, it is now able to more effectively manage technical and financial cooperation and has formulated a practical plan for spreading out and expanding such programs in the targeted regions through new soft loans. Through an integrated approach, the project attempts to build a model for Technical Cooperation that can be expanded across the region using ODA loans while also enhancing project quality.

Mongolia

Social Sector Support Program Support to Achieve Policy Actions through Comprehensive Management of Technical and Financial Cooperation

This program covers the four fields of social welfare, health care, education and urban planning. A policy matrix was prepared and the policy actions to achieve it were formulated together with the Asian Development Bank (ADB). In the course of preparing the policy matrix and policy actions for the two fields of education and urban planning, the pre-merger JICA would establish policy actions for these fields based on past Technical Cooperation results, and the achievement of established policy actions was made a condition for the extension of loans. The improvement of the lives of city residents is facilitated through the implementation of policy actions.

Message from an Expert

"Japan Is a Country That Can Contribute Its Own Experience and Ideas to the World."

Izumi Ohno, Professor, National Graduate Institute for Policy Studies



Professional development aid groups in particular have high expectations for New JICA. JICA must strengthen those departments responsible for country and regional aid policy so that cooperation

combining various forms of aid flexibly and comprehensively may be extended based on the needs of

each developing country. In decisions on aid program content, JICA must further strengthen the authority and functions of its local field offices. At the same time, it should talk locally with relevant parties in partner countries and other donors and concentrate on developing core personnel who can coordinate discussions on the Japan side.

In addition, the newly established JICA Research Institute* should compile, systematize and disseminate information on Japan's aid programs along with knowledge on development experience in Asia. It should also identify best practices in the field

and share them with other countries. I would like to see Japan and developing countries forge closer ties with the international community to form an intellectual infrastructure. Makoto Iokibe, President of the National Defense Academy of Japan has said, "From the Meiji Period, Japan modernized and became the first non-Western country to stand on an equal footing with the countries of the West. This just goes to show that any country can play a key role in world history, regardless of origin. Such a precedent is highly encouraging to the non-Western world. In that sense, Japan is a global brand."

Japan is a country that can contribute experience and ideas to the world that no other donor has.

* For details on JICA Research Institute, please refer to page 124.



Indonesia: A market where smiles are hard to find

Financial and Economic Crisis

Support for Developing Countries in the Global Financial Crisis

In 2008, the global financial crisis that began with the subprime loan crisis in the United States led to a severe deterioration in cross-border financing conditions. This was largely caused by systemic weaknesses in the global financial system, and rapidly led to a decline in export activity on the back of falling global demand. This had an immediate and devastating global impact on the real economy. Since October 2008, the IMF has revised its outlook for the world economy downward on numerous occasions. The global economic recession has become so grave that it is now referred to as a "once-in-a-century crisis."

Severe Blow to Socially Vulnerable People in Developing Countries

In addition to sluggish private-sector economic activity caused by falling demand and fluctuating primary commodity prices, declining government revenues and eroding foreign currency reserves primarily in the developing countries of Asia and Africa, together with budget deficits in all countries—caused by pressures against rising expenditures such as economic stimulus packages—are expanding. As a direct result, sluggish financial markets have created adverse conditions for the procurement of funds. On this basis, and without global support for early and effective measures to stimulate the economies of vulnerable people in each country, there are concerns that the impact on people living in poverty, women, children and the disabled could assume serious proportions. This in turn would further slow private-sector economic activity and reduce aid for food, education and medical care, areas that directly affect human lives.

At the 2nd Summit on Financial Markets and the World Economy held in London in 2008, there was a clear view expressed regarding the importance of avoiding the repetition of such crises. The Summit issued a strong statement about (1) growth and employment recovery, (2) strengthening financial oversight and regulation, (3) creating stronger international institutions, (4) opposing protectionism, and (5) pursuing development. In response, the international community was urged to stand united and take action.

The Japanese Government's Commitment:

To Support the Strengthening of Asia's Growth Potential, Expand Domestic Demand and Create a Stronger Social Safety Network (SSN)

The Japanese government affirmed the importance of the role of Asia—which has nearly 40% of the world's population, a nearly 4% average recent growth rate and the world's greatest potential—as an "open growth engine" of the global economy in restoring global economic growth. To strengthen Asia's growth potential and boost growth in Asia's domestic demand, the Japanese government made a commitment to provide ODA of up to ¥2 trillion, which includes ODA Loan for emergency financial support of up to ¥300 billion.

To overcome this crisis, we must (1) ensure international liquidity for countries that are dependent on the conversion of government debt into external loans, (2) restore their financial capability by improving the balance sheets of financial institutions, including recapitalization in countries that are facing financial crisis, and (3) secure trade financing through public support for countries that are experiencing an excessive contraction of trade and economic activity brought about by the global credit crunch.

Furthermore, coordinated economic stimulus policies that include developing countries are effective in restoring the global economy. In developing countries that have large numbers of people living in poverty, particularly in Asia and Africa, we need to ensure a constant level of government spending and, along with economic recovery, continue to reinforce the social safety

net in order to sustain appropriate economic and social development.

JICA's Initiatives

In light of experience gained during the Asian currency crisis of 1997, JICA has helped developing countries to bolster and restore their economies, strengthen their social safety nets and maintain and promote private-sector economic activity with the aim of stimulating economies and sustaining appropriate economic and social development. In parallel, it continues to assist in the implementation of development programs and economic and social reform.

In its efforts to help bolster and restore business conditions, strengthen the social safety net and maintain and promote private-sector economic activity, JICA supports the strengthening of Asia's growth potential and expansion of domestic demand based on the Japanese government's policies. At the same time, JICA provides assistance that encompasses policy and institution building, human resource development and poverty reduction efforts. In addition, it emphasizes the provision of immediate support, promotes and follows

through on past projects, and focuses on providing cooperation for financial support-type program loans^{*1} created by international organizations and developing countries. JICA is using institutional finance (two-step loans^{*2}) as a means to maintain and support private-sector economic activities that contribute to supporting business by expanding domestic demand.

To convert these measures into tangible results, it is essential to develop the human resources of developing countries. Leveraging its accumulated experience in providing intellectual support through Technical Cooperation, JICA has created effective packages (JICA Cooperation program) in the form of Technical Cooperation or loan and Grant Aid, which include financial cooperation that takes into consideration the sustainability of the developing country's finances and debt, and appropriate capacity development based on policy planning and performance capacity.

During the 1997 Asian currency crisis, the comparatively sound developed economies were the engines for recovery. Although most countries returned to a stable growth track in a

relatively short period of time, because of the absence of an engine to drive recovery from the global recession during the current global financial and economic crisis, the return to a stable growth track is expected to be more prolonged.

JICA will continue to swiftly provide the above-mentioned support via financial and Technical Cooperation and to undertake medium- to long-term efforts to protect, above all, the lives of the socially vulnerable.

^{*1} JICA provides loans to partner country governments for the implementation of economic reform and other policy programs.

^{*2} JICA provides ODA loan funds to the development finance organization of the borrowing country and the development finance organization then allocates those funds to small and medium-sized businesses.



The global financial crisis increased stress in the lives of ordinary people (Cambodia).

Climate Change Measures

Climate Change: A Serious Threat to Humanity

Climate change has the potential to undermine our planet's ability to support human life. Ecosystems, human society, economies and human security may already be threatened in many places. Slowing down climate change requires close cooperation between developed and developing countries. Since the impact of climate change is likely to be more severe in developing countries, an increasing level of international cooperation is needed to ensure that poverty reduction and peacebuilding efforts already under way are not substantially impaired by climate change.

International Framework to Address Climate Change

Apparent signs of the effects of climate change have already begun to emerge. These include coastal erosion from rising sea levels, increasing droughts and other abnormal weather patterns and the growing size of tropical storms. Furthermore, there are concerns about declining food production, depleting water resources and an increase in infectious disease outbreaks.

Climate change is a serious threat to all humanity. The international community must band together under the principle of "common but differentiated responsibility" and recognize climate change as a critical issue that has to be addressed. Developing countries, however, lack the technology and funds to address the effects of climate change on their own and require extensive technology transfers and financial support.

Against this backdrop, a negotiating process for a new post-Kyoto Protocol framework was decided at the Thirteenth Session of the Conference of the Parties to the Climate Change Convention (COP 13) in December 2007. The next framework, which includes Technical Assistance and financial support for climate change programs in developing countries, has been discussed and will be adopted by mutual agreement at COP15 to be held in December 2009. The OECD Development Assistance Committee (DAC) prepared the Integrating Climate Change Adaptation into Development Co-operation: Policy Guidance in collaboration with the Environmental Policy Committee (EPOC). Furthermore, the appropriate

role of development aid in climate change programs as a whole is scheduled for debate based on decisions reached at COP13.

The Japanese Government's Commitment: Building the Cool Earth Partnership

After the announcement in 1997 of the Kyoto Initiative, which was adopted by the Kyoto Protocol, Japan actively supported climate change programs for developing countries. In January 2008, at the World Economic Forum (Davos Meeting) in Switzerland, as a measure to assist developing countries that are trying to contribute to climate stabilization by reducing greenhouse gas emissions while promoting economic growth, Japan announced the Cool Earth Partnership, a funding mechanism that makes US\$10 billion (¥1.25 trillion) in funds available for use over a five year period starting from 2008.

As a part of this, the Japanese government established the Program Grant Aid for Environment and Climate Change (GAEC) to help developing countries undertake adaptation measures against climate change and improve such countries' access to clean energy. It also established the Climate Change Japanese ODA Loan program primarily to assist climate change mitigation through reduction of greenhouse gas emissions.

Since the partnership program was launched, 76 countries have joined Japan's Cool Earth Partnership. As of March 27, 2009, Japan had already implemented specific assistance measures under these programs with 39 countries.

JICA's Initiatives

When New JICA was launched in October 2008, it established the Office for Climate Change as an independent unit within JICA. The Agency supports initiatives that address climate change in accordance with Japanese government policies. Its activities focus on minimizing climate change risks from the viewpoint of human security for socially vulnerable people. It also aims to effectively utilize Japan's past achievements in development assistance as well as draw on a wealth of public and private sector expertise and technology.

In its assistance programs to mitigate the effects of climate change, JICA undertakes cooperation that offers the co-benefits of greenhouse gas reduction and sustainable development. Such a balanced approach is important for developing countries, which are concerned about the risk of environmental regulations inhibiting economic growth.

Two ODA loans from Japan to Bangladesh, provided under the Climate Change Program Loan mechanism, were approved in February 2009. These loans were for the New Haripur Power Plant Development Project and the Central Zone Power Distribution

Project, which both contribute to the reduction of CO₂ emissions and the stable supply of electric power. The Dhaka Low-Carbon Waste Management Plan—supported with GAEC to Bangladesh—seeks to mitigate the effects of climate change and improve the environment for city residents by introducing natural gas-powered vehicles for waste collection. CO₂ emissions from these vehicles are low compared with conventional vehicles.

Although mitigation efforts are important, some level of climate change and accompanying impacts are unavoidable. For this reason, JICA supports adaptation measures against climate change through the practical application of Technical Cooperation, Loan Aid and Grant Aid. Such programs aim to fully utilize JICA's accumulated expertise.

For example, in response to constant flood damage in the West Nyando River Basin in Kenya, JICA conducted the Nyando River Basin Flood Disaster Management Program Survey to promote community-based flood management and to formulate a flood management master plan, which will be supported with GAEC.

In Bangladesh, with 80% of the country's land lying at an elevation of nine meters or lower, JICA provided Grant Aid to build cyclone shelters that double as elementary schools, and improve flood warning capabilities by overhauling some of the country's meteorological radar systems. Bangladesh has in the past suffered enormous damage from rainy season flooding and tropical cyclones. Immediately after Bangladesh suffered extensive damage from a tropical cyclone in the November 2007, JICA provided emergency relief supplies and emergency Grant Aid assistance. The following month, JICA conducted a needs assessment for cyclone reconstruction assistance. In light of the results, an emergency disaster recovery project funded by ODA loans was approved and ongoing support provided.

For regions around the world suffering from climate change-induced flooding and droughts, JICA is implementing the Programme for Emergency Water Supply for Addressing Climate Change. In Ethiopia, Senegal, Nigeria and Mozambique this program is helping to supply safe and sanitary drinking water.

Example

Indonesia Climate Change Program Loan (ODA Loan)

Support for Comprehensive Climate Change Mitigation and Adaptation Measures

Indonesia ranks eleventh in the world for greenhouse gas emissions. However, when the forest sector is factored in, Indonesia rises to third place behind China and the United States. This is principally attributable to emissions associated with deforestation, peatland devastation and forest fires.

Indonesia served as the conference chair at COP13 and coordinated the Bali Action Plan,

which aims to build a post-Kyoto Protocol framework after 2013. It also took a proactive approach to institute on its own a national action plan to combat climate change.

As a result of a policy dialogue between the Japanese government, JICA and the Indonesian government concerning climate change programs, in September 2008 the first ODA loan was approved under the Climate Change Program Loan mechanism. Subsequently, in November 2008, Agence Francaise de Developpement (AFD: the French Development Agency) became a participant in the provision of this Climate Change Program Loan.

JICA and AFD dispatched teams of experts to the field to jointly monitor and evaluate the results of climate change programs instituted by the Indonesian government. The teams also give advice on future climate change programs based on the experience of Japan and other countries. The Climate Change Program Loan to Indonesia has attracted the attention of other developing countries and donors as an effective means of building climate change policy planning and implementation into aid programs. It is hoped that the results of this cooperation will have a positive impact on surrounding countries and regions.

African Development

Why Is Support for African Development So Important Today?

If pressed for a candid opinion, it is likely that many Japanese citizens would offer the view that because Africa is so far away, the situation there does not directly affect Japan. With Africa appearing so remote, it is important to think more deeply about why Japan needs to be at the forefront of international initiatives to support African development.

Challenges in Africa: Poverty Reduction through Economic Growth and the Consolidation of Peace

The Tokyo International Conference on African Development (TICAD) was the turning point that shifted the attention of Japanese Official Development Assistance (ODA) to Africa. Prior to the first TICAD in 1993, the amount of Japanese aid allocated to all of Sub-Saharan Africa was roughly equivalent to that directed at a single ASEAN nation. Yet today, as the Japanese government prepares to double its support for Africa by 2012 in its follow-up to TICAD IV, there really is the sense that a generational shift has occurred. So, again, why is support for Africa such an important issue? Why is it necessary?

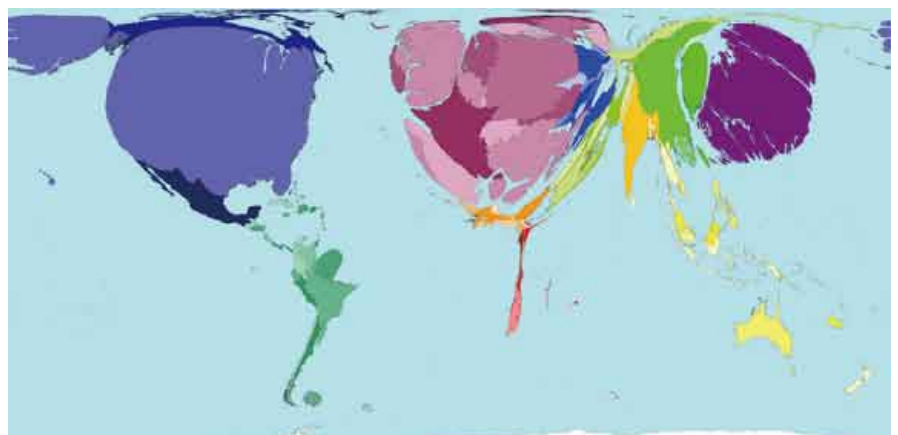
In the recent context of ever-advancing globalization, Japan—which is particularly dependent on the trade and communication it maintains with other countries—needs to continue building healthy relationships with the international community. From this perspective, there is no questioning the importance of supporting partner coun-

tries in their difficulties against any variety of issues they may face.

Of the 49 nations designated as least developed countries (LDCs), 33 are located within the African continent. Furthermore, approximately 40% of people in Sub-Saharan Africa live below the absolute poverty threshold, subsisting on less than one dollar per day. Unstable political and social conditions, including domestic conflicts, are among the many reasons cited for Africa's stagnation in the decades following independence. Since the 1990s, 19 countries in Africa have fallen victim to internal conflict, displacing more than four million refugees. Sub-Saharan Africa is considered to be the most difficult region in which to achieve the Millennium Development Goals (MDGs), while also being the region in which poverty reduction through economic growth and peace consolidation is the most essential.

Naturally, for Africa to overcome its current difficulties it is essential that Africa itself be at the center of development efforts and proposed solutions. Sub-Saharan Africa's rate of annual

GDP Worldwide by Amount (area shown in proportion to amount) (2002)



© Copyright 2006 SASI Group (University of Sheffield) and Mark Newman (University of Michigan). The area highlighted in pink in the lower center portion of the map shows the African continent.



A woman selling fruit in a market (Angola)



Toward a "vibrant Africa" (a woman in Mozambique)

economic growth since the beginning of this century has hovered at around 6%. With the exception of certain regions, many African nations have put an end to their internal conflicts and are making progress toward reconstruction. Additionally, cooperative efforts among African nations seem to be effective in quelling new conflicts. On the other hand, owing to a slowdown in Africa's economic growth since the onset of the global financial crisis in 2008 and ensuing recession, Africa's post-conflict regions are at risk of instability.

Africa: The Continent of Hope and Opportunity

Thanks to advances in information technology and transportation, the distance between Africa and Japan has much less impact than in the past. At the same time, Africa is well on the way to becoming a key resource provider for Japan. Moreover, the upcoming FIFA World Cup 2010, to be hosted by South Africa, will provide an excellent opportunity to showcase Africa's attractions as a tourist destination for the Japanese public.

Meanwhile, the effects of climate change and the spread of infectious diseases are accelerating at an alarming rate. Such global-scale issues are having a particularly severe impact on Sub-Saharan Africa. Furthermore, the economic slump in the developed world is leading to decreased African exports and lower foreign direct investment in Africa. In light of these circumstances, as the world's second-largest economy Japan must work to meet its responsibilities by promoting African development and stability. Doing so not only benefits Africa but is ultimately in Japan's own long-term interest.

There is a common misconception that Japan's cooperation in Africa is a one-way relationship based on aid flowing from Japan to Africa. In reality, though, Japan can gain an abundance of knowledge and insights as well as learn new values through this collaborative process. Many Japan Overseas Cooperation Volunteers (JOCVs) have reported feeling that they had learned more than they contributed during their time in recipient countries. Moreover, it is important to remember that Japanese society benefits greatly from the experiences of ex-volunteers, who

share much of what they have learned after returning to Japan. Africa is not just tropical jungles and wild savannahs with many animals. It is a land of people with rich cultures and abundant wisdom accumulated over millennia. Africa has been called the cradle of human beings. The heat rising from this vast land is included not only with the scent of the earth but also the very hopes, vibrancy and potential of the African people.

As Africa—the continent of hope and opportunity—undergoes a major transformation, it looks to Japan as an important development partner that respects African ownership of African issues. Japan has responded with its unique approach to development cooperation, exemplified by its follow-up to TICAD IV, which is yielding tangible results. As JICA works to realize its vision of "inclusive and dynamic development," JICA continues to deliver Japanese assistance to the African people who need the cooperation.

African Development via the TICAD Process

In addition to the summit-level conference held once every five years, TICAD also holds periodic ministerial-level meetings, preparatory meetings and working-level consultations.

The overriding concept of the TICAD process is to aid Africa in building partnerships of trust with the international community and thereby allow it to take independent ownership of its development policies. TICAD also emphasizes links between Asia and Africa and Asia's development experience as an example for realizing development in Africa.

1993 TICAD I

Adoption of the Tokyo Declaration on African Development (Japan's first comprehensive policy in support of African development)

1998 TICAD II

Adoption of the Tokyo Agenda for Action, a set of comprehensive goals to reduce poverty in Africa and to more fully integrate Africa into the global economy

2003 TICAD III

Adoption of the TICAD Tenth Anniversary Declaration, designating the consolidation of peace, human-centered development and poverty reduction through economic growth as the three pillars of the TICAD process

2008 TICAD IV

Under the fundamental message "Towards a Vibrant Africa: A Continent of Hope and Opportunity" adoption of the Yokohama Declaration in concert with the announcement of the Yokohama Action Plan (YAP) focused on accelerating economic growth, establishing "human security", and coping with environmental and climate change issues

The Japanese Government's Commitment: To Offer Support in Three Priority Areas in Order to Realize a "Vibrant Africa"

"Towards a Vibrant Africa: A Continent of Hope and Opportunity" was declared as the cornerstone message of TICAD IV that was held in Yokohama, May 28–30, 2008. In conjunction with this message, Japan's policy toward development in Africa was clarified through the Yokohama Declaration and its accompanying roadmap, the Yokohama Action Plan. Adoption of this plan prioritizes Japan's African development efforts into the following three areas: boosting economic growth; establishing "human security" (achievement of MDGs, consolidating peace, practicing good governance); and addressing environmental and climate change issues.

TICAD IV has additionally set a goal of doubling Japan's ODA funding to Africa by 2012, which, over the five-year period from 2003 to 2007, averaged US\$900 million annually.

Accompanying this target, the Japanese government also made clear its intention to strengthen support aimed at doubling Africa's rice production. (For further details, see "Issue-Specific Activities and Initiatives: Rural Development" on page 110.)

JICA's Initiatives

Through the fulfillment of the TICAD IV Yokohama Action Plan commitments, JICA aims to conduct timely assistance vis-à-vis Africa that achieves increases in both the scale and quality of operations. JICA's activities throughout the continent will focus on development programs that bring tangible, sustainable results. In planning and implementing cooperation projects with partners in Africa, JICA will pay particular attention to the three TICAD IV pillars: accelerating growth, establishing human security and addressing climate change and environmental issues. Specifically, JICA is working to rapidly implement the following types of effective assistance programs.

Initiatives to Accelerate Economic Growth in Africa:

1. Building a broad, international infrastructure, including electricity networks and economic corridors such as highways linking multiple countries; expanding support for the One Stop Border Post (OSBP) in Africa to facilitate smoother border crossing processes. (For further details, see "Issue-Specific Activities and Initiatives: Economic Infrastructure Development" on page 80.)

2. Supporting the Coalition for African Rice Development (CARD) to increase food supply and improve food crop production, particularly through the cultivation of rice. JICA also helps promote rice cultivation through the expansion of New Rice for Africa (NERICA). (For further details, see "Issue-Specific Activities and Initiatives: Rural Development Environment" on page 114.)
3. Assisting infrastructure and human resource development as a means of promoting trade, investment and tourism as well as public-private partnership (PPP). (For further details, see "Issue-Specific Activities and Initiatives: Industrial Development" on page 116.)

Establishing "Human Security":

1. Focus on achieving the MDGs by providing assistance for the development of educational, healthcare and community services. This includes building schools, undertaking infectious-disease prevention programs and assisting the provision of safe water. JICA is striving to bring freedom from fear and famine to impoverished people in Africa and improve their basic standards of living. (For further details, see "Issue-Specific

- Activities and Initiatives: Human Development" on page 96.)
2. Development and reconstruction assistance conducive to consolidating regional peace and stability (with special focus on the Democratic Republic of Congo, Sudan, Rwanda, Burundi, Uganda, Sierra Leone and Liberia and so on). (For further details, see "Issue-Specific Initiatives: Public Policy" on page 86.)

Addressing Climate Change and Environmental Issues

JICA is planning and implementing projects that contribute to the Cool Earth Partnership. Since Africa is particularly vulnerable to the effects of climate change such as droughts and floods, JICA is working in partnership with the countries of Africa to address this global-scale issue. (For further details, see "Issue-Specific Activities and Initiatives: The Global Environment" on page 104.)



Africa: A continent of hope and opportunity (scene from an Ethiopian festival)



A young Afghan boy

Peacebuilding and Reconstruction Assistance

Providing the Comprehensive Support Needed to Prevent the Outbreak and Recurrence of Conflicts

The environment for peacebuilding and reconstruction assistance is undergoing a major transformation. The concept of peacebuilding became widespread only about 10 years ago. Originally conceived principally as a post-conflict strategy, peacebuilding currently takes a comprehensive approach encompassing conflict prevention and the post-conflict peacebuilding. In this context, the role of development assistance is more important than ever.

The Importance of Supporting Countries with Weak Governance

Some developing countries face significant governance challenges, and in some cases struggle to fulfill the basic functions of statehood. Many of these countries lack sufficient resilience to deal with internal or external destabilizing factors such as conflicts and natural disasters. Furthermore, states without adequate legitimacy are more prone to crises such as armed conflict, dire poverty, terrorism and infectious diseases.

To prevent the outbreak or recurrence of conflicts, it is important to provide support for such countries from peacebuilding and human security perspectives, which encompass protecting citizens' lives and livelihoods and maintaining individuals' dignity.

In recent years, the international community has come to regard such countries as "fragile states," and much debate has surrounded the adequacy of existing development aid systems and strategies. Against this backdrop, results-focused, selective aid policies that gained prominence in the 1990s made it particularly difficult for countries with weak governance to receive adequate and sustained assistance. Consequently, many such states were confronted with severe problems, including extreme poverty and frequent conflicts, making it all the more difficult to achieve the primary objectives of the Millennium Development Goals (MDGs).

For those countries where it is difficult to obtain visible outcomes, the most important issue is state building. In addition, importance is given to the

coherent action among political, security and development actors as well as aligning assistance behind government-led strategies or practical coordination between international actors. JICA recognizes that to achieve such goals it is absolutely imperative to maintain coordination among donor countries.

The Japanese Government's Commitment

Although the Japanese government does not designate certain countries as fragile states and provide special assistance on that basis, if a country is recognized as a fragile state by key international institutions and other donor countries, Japan takes into careful consideration such circumstances when formulating assistance priorities. Hence, Japan's assistance policies vis-à-vis such countries often focus on such issues as governance and peacebuilding.

With the revision of Japan's Official Development Assistance (ODA) Charter in 2003, peacebuilding was newly positioned as a priority issue, and ODA has been actively employed for the purposes of reducing poverty and wealth disparities and preventing conflict in developing regions. Furthermore, as a basic policy, Japan promotes human security and self-help efforts underpinned by good governance.

The Japanese government's Medium-term Policy on ODA, announced in 2005, stipulates that peace and stability should be treated as prerequisites for development. Further, the policy defines the objectives of peace-



A large group of women laborers aboard a truck (Cambodia)

building as to prevent occurrence or reoccurrence of conflict as well as to mitigate the various hardships that people face during the conflict and in its immediate aftermath, and to attain durable development over the long term. In addition, one of the policy's priorities is to provide developing countries with support for policy making and institution building.

At the Fourth Tokyo International Conference on African Development (TICAD IV) (see page 18 for more information), it was acknowledged that the continent has made tremendous progress in promoting conflict resolution and reconstruction in recent years, opening unparalleled opportunities to strengthen governance for consolidating peace. Based on this recognition, the Yokohama Action Plan was established with a five-year priority task of accelerating the achievement of sustainable peace and good governance. Furthermore, it was declared that Japan would redouble its ODA support for Africa.

Turning to examples in other countries, the Japanese government is providing support for democratization and governance in Afghanistan, along with reconstruction assistance, humanitarian aid and efforts to improve public security. In Pakistan, Japan has expressed its backing of anti-terrorism measures and economic reforms.

JICA's Initiatives

In line with the approach of the Japanese government, JICA is not restricted in its activities by classifying or defining

fragile states. Rather, JICA is engaged in cooperation with such countries as part of providing support for peacebuilding.

JICA is building on its achievements in providing capacity development support to the partner-country governments in countries affected by conflict, such as Cambodia, Timor-Leste, Afghanistan and a number of African states. JICA's focus is in line with prioritization by the international community of the state-building.

In particular, JICA's support for post-conflict nation building has the twin focus of state-building and meeting the needs and expectations of citizens and communities through renovating basic social infrastructure, such as water supply, health and education, and improving service delivery capacity.

JICA is not only engaged in countries in the aftermath of conflict, but also in nations where conflict is rooted in structural factors and those that are undergoing a transition from a ceasefire to peace. Although some donor countries and institutions often utilize NGOs for aid delivery that circumvents national administrations, the Japanese government and JICA adhere to the principle of partnership with the recipient country government. This enables JICA to provide ongoing, long-term assistance for countries striving to build national administrative institutions.

Furthermore, JICA recognizes that the restoration of state functions requires a comprehensive approach. In Cambodia, following the substantial restoration of security in 1999, JICA

has assisted reforms in the security sector and improvements to the legal system. In Afghanistan, following the Bonn Agreement* efforts focused on improving public security and promoting democratization. In Nepal, following the signing of a comprehensive peace agreement in November 2006 to end the country's civil war, JICA has been assisting in the formulation of a new constitution and the strengthening of the election system.

The peacebuilding assistance, provided to fragile or conflict-affected situations, does not differ substantially from the development aid provided to other countries in the sense that both aim to contribute to development. However, aid provided in fragile situations runs the risk of negatively affecting conflict factors even when it is not intended. To minimize such risks, JICA carries out a Peacebuilding Needs and Impact Assessment (PNA) through project planning, implementation, monitoring and evaluation stages. JICA adopts the following comprehensive approach to conflict prevention at both country and project level:

- 1) Conduct an analysis of the country's political, administrative, economic and social conditions. Analyze the background and factors underlying the conflict and its recurrence. Incorporate a conflict prevention "lens" into JICA's project implementation plan and other assistance policies related to the country.
- 2) Ensure that individual projects do not aggravate factors underlying the conflict. Design and implement projects to avoid antagonism and discrimination among ethnic, religious or political groups.
- 3) As much as possible, proactively adopt project elements that will help eliminate conflict causes. Adopt an approach that promotes reconciliation and peaceful coexistence.

In addition, in conflict-affected countries, it is vital to ensure that delivery of assistance is timed to take advantage of progress in the political process. Consequently, JICA strives to initiate support at an early stage during political and social progress. Recent examples of such support include the Democratic Republic of Congo, Sudan and Liberia.

* Bonn Agreement: Officially, the Agreement on Provisional Arrangements in Afghanistan Pending the Re-Establishment of Permanent Government Institutions. In December 2001, a number of prominent Afghans met under UN auspices in Bonn, Germany, to decide on a plan for governing the country.

Example

Afghanistan Extending Support to Strengthen Communities

JICA conducted an investigative report to determine the level of security in northeastern Afghanistan. Released in April 2009, the report contains the following observation: "As the United Nations aircraft flew from Kabul to the northeastern province of Kunduz, the occupants were astonished to see a wide expanse of green winter wheat on one side of the Kunduz River basin—a stark contrast to the familiar sight of desert land surrounding Kabul."

Kunduz Province is an agricultural region that, along with neighboring Takhar Province and Baghlan Province, produces a sizable portion of the country's wheat and rice. The three provinces comprise a region known as "the bread basket of Afghanistan," and together with Nangarhar Province in the east and Laghman Province, the five altogether account for 70% of land used for domestic rice production.

About 80% of the Afghan population lives in rural areas, and most people are engaged in agriculture. However, because of a long period of war, agricultural land and irrigation systems have fallen into disrepair and the ability to deal with natural disasters such as floods or drought is severely lacking.

In northeastern Afghanistan, JICA initiated a project for improving rice production through national agricultural experiment stations in Nangarhar Province, which borders Pakistan, in September 2007. Some 20 months after commencing the project, research trials in laboratories showed improved results and technology for raising rice yields was successfully demonstrated in experimental fields. These results were not only demonstrated in Nangarhar Province, but also in the provinces of Baghlan, Kunduz and Takhar after training activities were implemented. From the outset of the investigative report, JICA members who have visited the sites have been impressed with the lush green fields, and have documented the high expectations for the potential of rice production in these areas.

The International Conference on Afghanistan was held in The Hague, Netherlands, in March 2009. In speaking on Japan's support for Afghanistan, then Minister of Foreign Affairs, Hirofumi Nakasone, noted that assistance would be most effective if countries contributed in areas of their respective expertise. He also emphasized the importance of undertaking efforts not only in Af-



An expert from Japan and local research workers investigate rice harvests at the national agricultural experiment station in Sheshambagh.

ghanistan but also in neighboring countries, treating the region as a whole. In this context, JICA's project in Nangarhar Province illustrates how Japan has been able to apply its particular expertise—in this case rice cultivation technology—to achieve tangible results. JICA projects in neighboring countries include support for the construction of new railway lines in Uzbekistan and road upgrades in Tajikistan. These efforts will contribute to future improvements in infrastructure in Afghanistan, which will in turn help drive positive economic flow-on effects.

One of Japan's key assistance policies in Afghanistan focuses on improving the urban environment in Kabul, which has deteriorated in recent years owing to population growth. Kabul's infrastructure has been ravaged by more than 20 years of civil war, with problems such as air pollution and water shortages becoming more acute as the population swells. The city's population is currently estimated at four million. Migrants coming from regions where available land is scarce have illegally set up dwellings on hillsides, generating new problems related to land and sanitation. In 2006, JICA helped the government of Afghanistan formulate a new urban development concept for Kabul, and from March 2008, has been backing a master plan for the Kabul Metropolitan Area, comprising both existing and new parts of the city.

While conducting projects with their Afghan counterparts on a daily basis, JICA personnel working in the field have raised concerns that the public security situation is not making progress. To build a foundation for trust among the Afghan

people working with JICA, we have, until now, regularly dispatched between 20 and 60 experts despite the difficult public security situation. We believe that by working side by side with local partners on effective projects, we have been able to build a significant amount of trust. Our Afghan partners' common hope is to someday see peace in their country. Rather than living in fear of what tomorrow will bring, they want to be able to talk about a bright future. JICA shares this hope, and strives in earnest to contribute to Afghanistan's reconstruction and security.