



Program Goals and Overview

Japan's ODA and JICA's Role

1. What Is ODA?

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

2. Types of ODA

ODA is classified into two broad types: bilateral aid and multilateral aid. The latter comprises financial contributions to international organizations, while bilateral aid is provided in the three forms of Technical Cooperation, Loan Aid and Grant Aid.

3. New JICA Carries Out Three Schemes of Assistance in an Integrated Manner

In recent years, developed nations in Europe and North America have

expanded ODA as a means to strengthen efforts toward global issues such as climate change and poverty reduction, etc. Furthermore, new donor countries such as China have emerged on the world scene. However, Japan has been shrinking its ODA budget because of severe financial conditions. In the context of these international trends and following domestic administrative reforms, the Japanese government has worked toward reforms that enhance ODA strategic policies and implementation systems with the objective of further raising the quality of its ODA.

Aiming to integrate ODA implementation organizations along these reforms, Overseas Economic Cooperation Operations of the Japan Bank for International Cooperation (JBIC) and Grant Aid Operations of the Ministry of Foreign Affairs (excluding those which the Ministry of Foreign Affairs continues to directly implement for the necessity of diplomatic policy) were transferred to JICA as of October 1, 2008, effectively creating a "New JICA." Through this

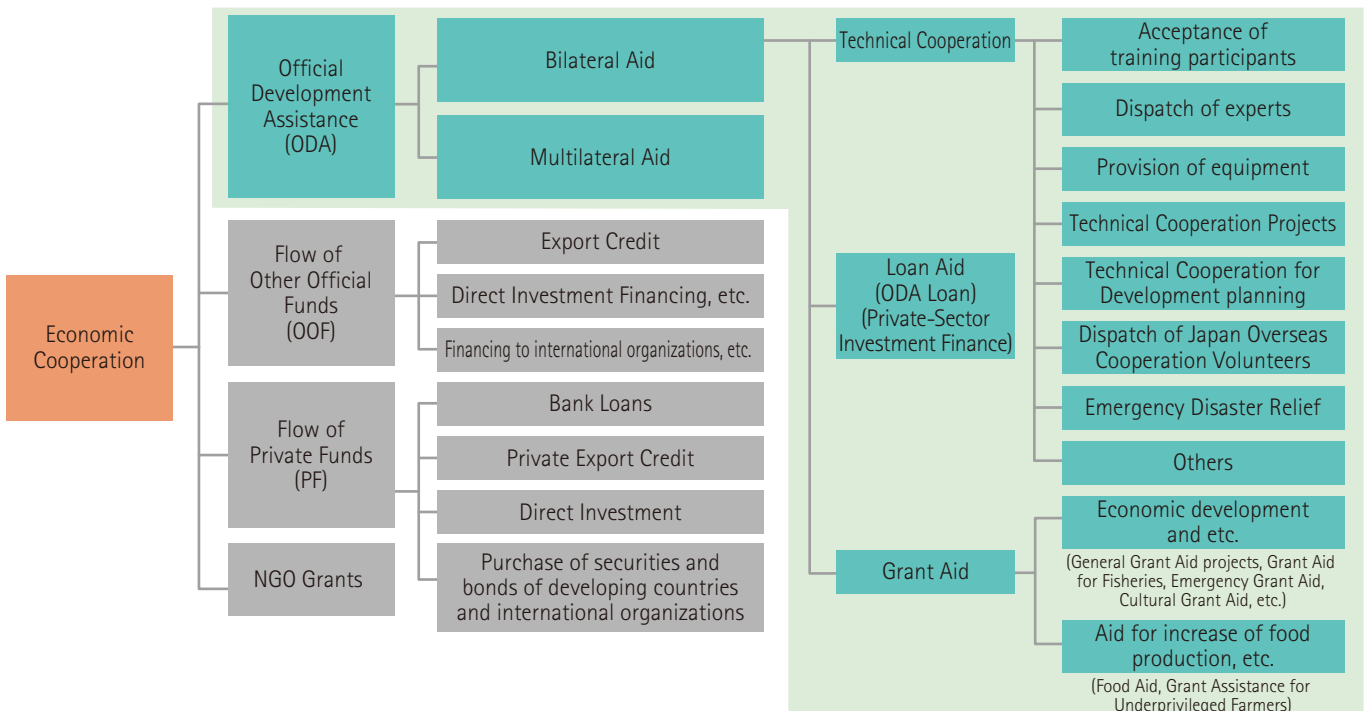
integration, three schemes of assistance have become organically linked, better enabling JICA to carry out effective and efficient operations. Each of these schemes is described as follows.

Bilateral Aid

► Technical Cooperation

Technical Cooperation applies Japan's technology, know-how and experience to nurture the human resources that will promote socioeconomic development in developing countries. Furthermore, through collaboration with partner countries in joint planning activities taking into account local situations, Technical Cooperation supports the advancement and improvement of technologies that are appropriate for the actual circumstances of these countries, while also contributes to raising their overall level of technology and setting up new institutional frameworks and organizations. These factors enable partner countries to better solve issues. Technical Cooperation specifically includes acceptance of training participants, dispatch of

Table 1 Economic Cooperation and ODA



experts, provision of equipment, and implementation of Technical Cooperation for development planning which assists policymaking and the planning of public projects.

► Loan Aid

Loan Aid supports the efforts of developing countries to advance by providing them with the capital necessary for development under long-term and substantially lower interest conditions than commercial rates. ODA Loans enable the provision of finance in larger amounts when compared with Technical Cooperation or Grant Aid, and this form of support has been well utilized for the building of large-scale basic infrastructure in developing countries.

Unlike Grant Aid, Loan Aid is provided on the assumption of full repay-

ment. So the beneficiary would be compelled to consider the importance and priority of projects more carefully in an attempt to seek efficient allocation and utilization of the assistance to be received. Promoting such partner country's self-help efforts, while supporting various development activities is one of the primary objectives of Loan Aid.

► Grant Aid

Grant Aid involves financial cooperation with developing countries with no obligation for repayment. It provides necessary funds for these countries to procure the materials, equipment, facilities and services in order to promote socioeconomic developments. Particularly in developing countries with low income levels, Grant Aid is broadly implemented for building hospitals,

bridges and other socioeconomic infrastructure, as well as for providing education, HIV/AIDS programs, children's healthcare, and environmental activities which directly support the improvement of living standards.

Grant Aid is divided into the following categories according to its content (underlined items are the categories that JICA is required to implement the necessary operations): General Grant Aid projects; Non-project Grant Aid; Grant Aid for grassroots human security; Grant assistance for Japanese NGOs; Grant Aid for human resource development; Grant Aid for cooperation on counter-terrorism and security enhancement¹; Grant Aid for disaster prevention and post-disaster reconstruction; Grant Aid for community empowerment; Grant Aid for fisheries; Cultural Grant Aid²;

Table 2 Japan's ODA in Calendar Year 2008 (According to Aid Type and Provisional Figures)

Aid disbursements		Type of Assistance	Dollar base (US\$1 million)		Yen base (¥1 billion)		Percent of total ODA Total	
			Disbursements	Change from the previous year	Disbursements	Change from the previous year		
ODA	Bilateral ODA	Grants	Grant Aid	4,763.44	39.4	493.017	22.5	50.2
			Debt relief	2,801.18	44.3	289.922	26.8	29.5
			Grants through international organizations	730.90	84.8	75.648	62.4	7.7
			Grant Aid excluding the above	1,231.37	14.1	127.446	0.2	13.0
			Grant Aid (Excluding disbursements for Eastern European and graduate countries)	4,759.50	39.4	492.608	22.5	50.8
			Debt relief	2,801.18	44.3	289.922	26.8	29.9
			Grants through international organizations	730.06	84.8	75.561	62.4	7.8
			Grant Aid excluding the above	1,228.26	14.0	127.125	0.2	13.1
			Technical Cooperation	3,057.85	16.3	316.487	2.2	32.3
			Technical Cooperation (Excluding disbursements for Eastern European and graduate countries)	2,986.95	16.3	309.150	2.2	31.9
		Grants Total	7,821.29	29.4	809.504	13.7	82.5	
		Grants Total (Excluding disbursements for Eastern European and graduate countries)	7,746.45	29.5	801.757	13.8	82.7	
		ODA Loan and other ODA credits	(1,064.32)		(110.157)		(11.2)	
		ODA Loan and other ODA credits excluding debt relief	163.87	2.77	16.960	(9.71)		
		Figure of loans provided	7,050.81	22.68	729.759	7.79		
		Figure of loans repaid	8,115.13	36.31	839.916	19.76		
		Figure of loans repaid excluding debt relief	6,886.94	23.25	712.799	8.29		
		ODA Loan and other ODA credits excluding disbursements for Eastern European and graduate countries	(1,105.04)		(114.371)		(11.8)	
	ODA Loan and other ODA credits excluding debt relief	123.15	(23.44)	12.746	(32.73)			
	Figure of loans provided	6,933.44	22.0	717.611	7.2			
	Figure of loans repaid	8,038.47	36.5	831.982	20.0			
	Figure of loans repaid excluding debt relief	6,810.28	23.3	704.864	8.4			
	Bilateral ODA Total	6,756.97	15.7	699.346	1.7	71.3		
	Bilateral ODA Total excluding disbursements for Eastern European and graduate countries	6,641.41	14.9	687.386	1.0	70.9		
	Contributions and financing to multilateral organizations	2,724.63	42.8	281.999	25.5	28.7		
	Contributions and financing to multilateral organizations (Excluding contributions to the EBRD)	2,720.74	43.1	281.597	25.8	29.1		
	Net ODA Total	9,481.60	22.4	981.345	7.5	100.0		
Net ODA Total (Excluding Eastern European, graduate countries and the EBRD)	9,362.15	21.9	968.983	7.1	100.0			
Gross ODA Total	17,596.73	28.4	1,821.262	12.8				
Gross ODA Total (Excluding Eastern European, graduate countries and the EBRD)	17,400.63	28.3	1,800.965	12.7				
Nominal Gross National Income (GNI) figures for each category (US\$1 billion, ¥1 billion)	5,063.82	11.9	524,105.80	(1.7)				
Proportion of GNI (%)	0.19		0.19					
Proportion of GNI (Excluding Eastern European, graduate countries and the EBRD)	0.18		0.18					

*1. The following 15 countries and regions are graduate countries that have received ODA: Brunei Darussalam, Singapore, Kuwait, Qatar, United Arab Emirates, Israel, Hong Kong, Cyprus, Republic of Korea, Macao, New Caledonia, Malta, Slovenia, Bahrain, and Saudi Arabia.

*2. 2008 DAC designated exchange rate: US\$1.00 = ¥103.5 (an appreciation of ¥14.3 compared to 2007)

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

*4. EBRD: European Bank for Reconstruction and Development

*5. Debt relief includes waiver of ODA Loans and debt reductions of collateralized commercial obligations, but excludes deferring of repayments.

*6. In the past, grants through international organizations were treated as "contributions and financing to multilateral organizations." However, from 2008, those whose recipient countries are specified within the year of contribution have been treated as "Grant Aid" for these specified countries.

Emergency Grant Aid; Food aid; Grant assistance for underprivileged farmers; Grant Aid for environmental programs; and Grant Aid for poverty reduction strategy assistance.

*1. JICA only handles preliminary surveys and promotional activities.
*2. Excludes grassroots cultural Grant Aid.

Contributions to International Organizations through Multilateral Aid (Contribution to International Organizations)

Multilateral aid is an indirect method of providing assistance by contributing or donating funds to international organizations. Funds are contributed to various bodies of the United Nations including the United Nations Development Programme (UNDP), United Nations Population Fund (UNFPA), and the United Nations Children's Fund (UNICEF), as well as multilateral development banks (MDBs) such as the World Bank, the International Development Association (IDA, also known as the

Second World Bank), and the Asian Development Bank (ADB).

4. International Trends in Developmental Assistance

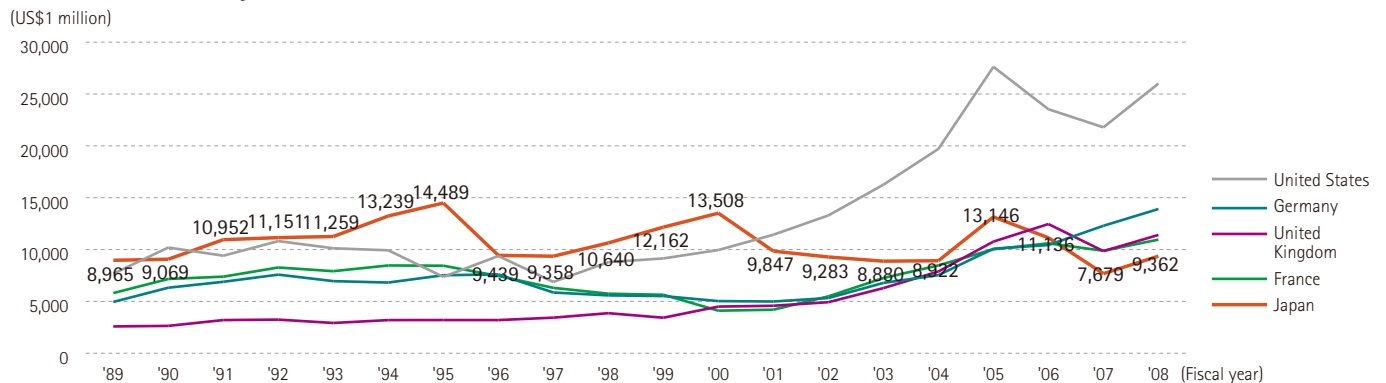
Presented by the Millennium Development Goals (MDGs) the international trend of aid has shifted in developmental assistance in recent years, and exemplifies the international community's efforts to establish shared objectives. To achieve these goals, various aid organizations are increasingly working together to achieve such shared goals. Compared to aid coordination in the past, which emphasized coordination of assistance at the individual project level, developmental assistance in recent years has stressed the importance of supporting the ownership of partner countries, with international aid organizations providing collaborative support for developing countries to devise their own development plans and priority goals. Shared efforts to achieve such development goals in such countries

have now become mainstream. In other words, the international community has responded to the need to ease the burden on developing countries, providing support in partnership, to the extent possible, in line with the development strategies and priorities of these countries.

5. Contribution Level of Japan's ODA

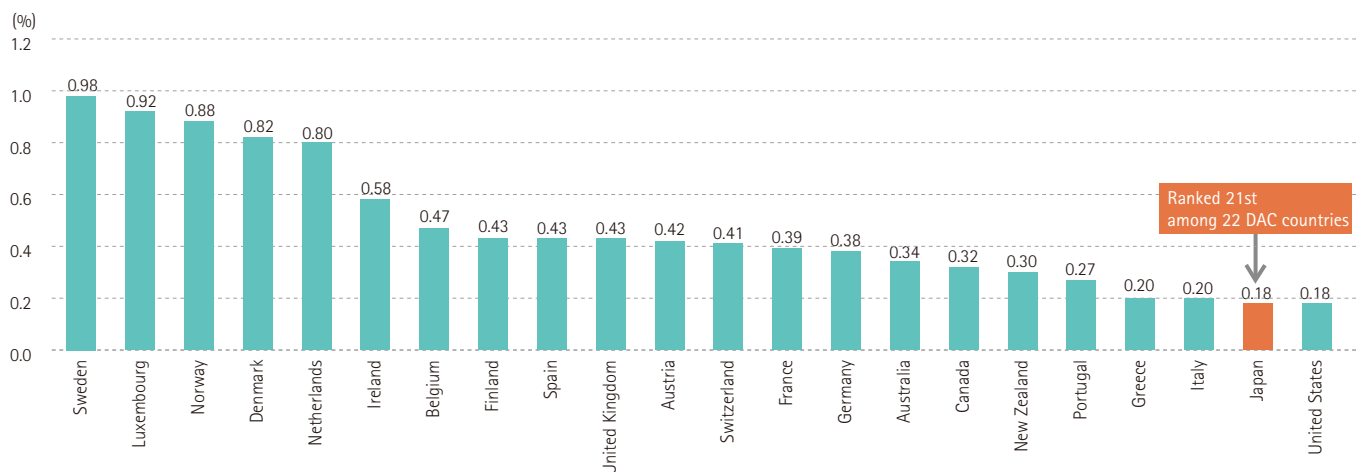
In 2008, Japan contributed, on a net disbursement basis, approximately US\$6,641 million (¥68.74 billion) in bilateral ODA and approximately US\$2,721 million (¥28.16 billion) in contributions and donations to international organizations, for a total ODA amount of approximately US\$9,362 million (¥96.90 billion), an increase over the previous fiscal year of 21.9% (or a year-on-year increase of 7.1% in yen). With this amount, Japan ranked fifth among the member states of the Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD), after the United States, Germany, the United Kingdom and France.

Table 3 Procession of Major DAC Countries' ODA (Net Disbursement)



Sources: OECD; DAC
1. Excluding aid for Eastern Europe and graduate countries.
2. Figures for the United States from 1990 to 1992 exclude military-related debt relief.
3. With the exception of Japan, figures for 2008 are provisional.

Table 4 Proportion of ODA to Gross National Income of DAC Countries



Source: Press release published by DAC in 2008 (provisional figures)

Historically, Japan became the world's top contributor of ODA in 1989, surpassing the United States, which until that time had held the top position. Japan then continued as the leader among the DAC countries, maintaining its top rank for eight years from 1993 to 2000. However, the country's contribution dropped in 2001 and began a gradual decline, with the exception of a notable jump in 2005.

Meanwhile, Japan's ODA accounted for 0.18% of its gross national income (GNI), placing it 21st among the 22 DAC countries.

6. The Roles of JICA in ODA

JICA is one of the largest worldwide bilateral development agencies. Guided by the vision to "pursue inclusive and dynamic development to achieve human security for all people of the world," JICA is carrying out four missions, as detailed below.

JICA's first mission is "Addressing the global agenda." With the process of globalization, a number of problems have arisen including uneven wealth distribution and the spread of infectious

diseases. To help solve these various kinds of issues which now developing countries are confronting as a result of globalization, JICA applies Japan's experience and technology while working together with international society in comprehensive initiatives.

The second mission is "Reducing poverty through equitable growth." To achieve this, it is necessary to strengthen employment opportunities through equitable growth that gives proper consideration to impoverished members of society, and public services like education and healthcare. To this end, JICA provides support for expanding human resources and skills development in developing countries, improving policies and institutions, and constructing social and economic infrastructure, while working toward lasting poverty reduction through equitable development.

JICA's third mission is "Improving governance, an area of particular importance." In developing countries, legal and justice systems and administrative bodies are often weak, owing to issues such as limited public participation and inadequate administrative

services. Therefore, JICA offers support for improving the systems essential to statehood and enabling institutions to provide more effective public services, and for enhancing organizations so that people in those developing countries can use such systems appropriately.

Finally, JICA aims at "Achieving human security" as its fourth mission. With a focus on each and every human being, the concept of human security means freedom from fear and want, namely fear of conflict and terrorism, and want stemming from poverty and insufficient social services and basic infrastructure. By strengthening the abilities of individuals and societies to independently cope with problems, JICA aspires to build societies in which people can live with dignity. This involves enhancing the capabilities of social organizations and their power to deal with challenges in order to protect people who occupy socially weak positions.

For details regarding JICA's missions, as well as its strategies and activity guidelines, please refer to page 10, "The Launch of New JICA and Its Vision."

Table 5 Overview of the Ministry of Foreign Affairs' Fiscal 2009 ODA Budget

(¥1 billion)

	Fiscal 2008		Fiscal 2009	
	Budget	Percentage increase	Budget	Percentage increase
Entire government	700.2	(4.0%)	672.2	(4.0%)
Within the Ministry	440.7	(3.0%)	436.3	(1.0%)
Grant Aid	158.8	(2.9%)	160.8	1.3%
Management Grants (General Accounts)	153.8	(1.2%)	155.8	1.3%
Grants from Government General Account (Accounts for Finance and Investment)	13.5	(32.5%)	7	(48.1%)
Contributions and donations	51.1	(3.8%)	50.2	(1.8%)
Aid for assistance activities	63.5	2.5%	62.4	(1.7%)



Children from a farming area near Kigali, Rwanda, on their way to draw water after school

An Overview of JICA's Programs



Chroy Changwar Bridge (Japan Bridge)

Fiscal 2008 Overview of JICA's Activities

Japan's ODA Results and JICA's Activities

In the year 2008, the total provisional figure for Japan's ODA was US\$17.597 billion (¥1,821.3 billion), including aid to Eastern Europe and graduate nations and assistance to the European Bank for Reconstruction and Development (EBRD). From this total, Technical Cooperation accounted for US\$3.058 billion (¥316.5 billion), of which almost half was designated to JICA's activities, amounting to ¥150.8 billion. This was a slight increase of 3.2% compared to the previous year.

JICA carried out a portion of Japan's Grant Aid from October 2008, concluding 82 new grant agreements amounting to approximately ¥37.1 billion. In ODA Loan provided after New JICA's inauguration in October 2008, a

total of ¥613.7 billion was offered for 37 new loan agreements. Over the entire year of 2008, JICA was responsible for carrying out 54 new loan agreements totaling ¥929.4 billion. (Please refer to page 198 for details.)

Scale of JICA's Programs

After the launch of New JICA in October 2008, certain forms of assistance such as ODA Loan and Grant Aid were included in its overall responsibilities. As a result, the total scale of the three schemes of assistance covers more than ¥1 trillion excluding minor year-to-year fluctuations.

Number of Participants by Program

Looking at the number of people involved in JICA's program in fiscal 2008, 6,319 new Training participants were accepted, and 4,597 Technical Coop-

eration experts, 4,624 members of study teams, 1,365 Japan Overseas Cooperation Volunteers, and 492 other volunteers were newly dispatched overseas. The number of people involved by type of cooperation since 2001 is presented in Table 9.

Composition of Disbursements by Region

In terms of costs by region in connection with JICA's Technical Cooperation implemented in fiscal 2008, Asia accounted for 44.28%, Africa 25.60%, and North and Latin America 16.72%. Implementation in these regions has been growing, particularly in Africa in recent years. More details are shown in Table 12-A.

On a regional basis in fiscal 2008, newly disbursed Grant Aid is presented in Table 12-C, and ODA Loan in 12-B. The proportion of this Grant Aid disbursed to Africa was 46.82%. Meanwhile, the largest portion of ODA Loan went to Asia, accounting for 75.59% of the total.

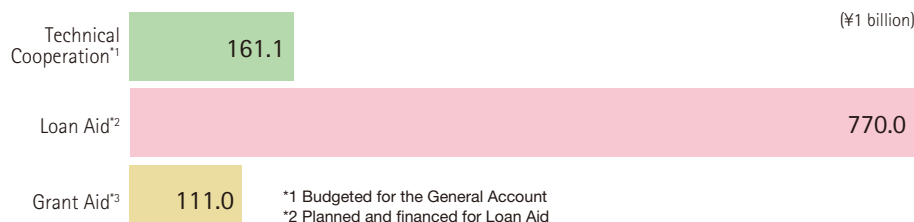
Table 6 Japan's ODA and JICA's Activities

(¥1 billion)

Type	Calendar year	2008		2007	
Technical Cooperation expenses (proportion of ODA)		316.5	17.38%	309.8	19.19%
JICA's activities (proportion of Technical Cooperation expenses)		150.8	47.65%	146.1	47.16%
Training participants		23.7		19.2	
Experts		19.6		20.2	
Study teams		20.0		23.0	
JOCVs		15.9		15.9	
Other volunteers		4.4		4.9	
Provision of equipment		4.4		4.2	
Others		63.0		58.8	
Grant Aid		493.0		402.4	
Government and other loans		(110.2)		(24.3)	
Total Official Development Assistance		1,821.3		1,614.0	

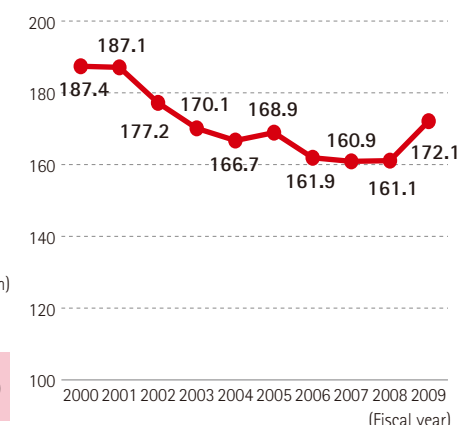
Notes: Results include disbursements for Eastern Europe and graduate countries, and contributions to EBRD. Figures for Japan's results in 2008 are provisional. Figures and subtotal for Technical Cooperation (expenses proportion of ODA) are fiscal year figures. Figures for Grant Aid, government and other loans and Total Official Development Assistance are calendar year figures.

Table 7 Fiscal 2008 JICA's Program Scale



*1 Budgeted for the General Account
 *2 Planned and financed for Loan Aid
 *3 The total amount provided under new grant agreements (that portion for which JICA is responsible for the promotion of Grant Aid or the performance of project management)

Table 8 JICA's Budget over the Previous 10 Fiscal Years



Figures for fiscal 2009 are a part of the General Account. Fiscal 2009 budget plans for the Loan Account, income and expenditure estimates and other items are not included.

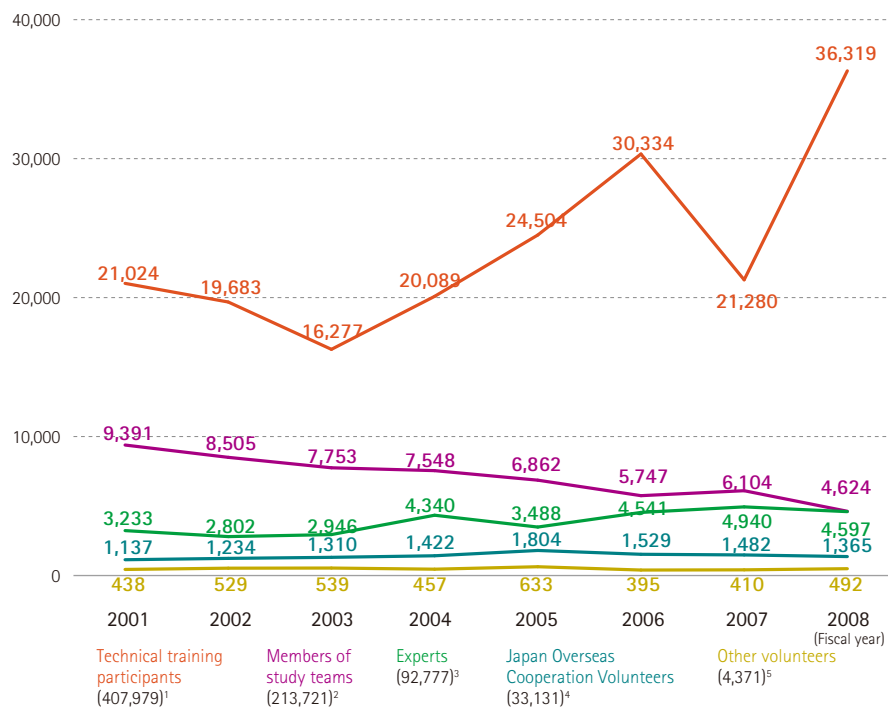
Disbursements by Sector

In fiscal 2008, costs by sector for Technical Cooperation were as follows, in descending order of distribution: agriculture, forestry and fisheries; public works and utilities; planning and administration; human resources; and health and medical care.

ODA Loan was mainly directed to collaborative projects in the area of transport, including development of railways, roads and harbors. The next major category was social service development. Further details are included in JICA's program results.

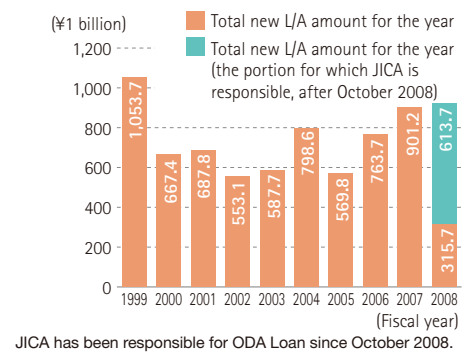
In Grant Aid, the largest cost was designated to social services, which includes water resource development, education, health and medical care, as well as social development and environmental activities. This was followed by the category of agriculture, forestry and fisheries, and then transport.

Table 9 Number of Personnel by Type of Cooperation



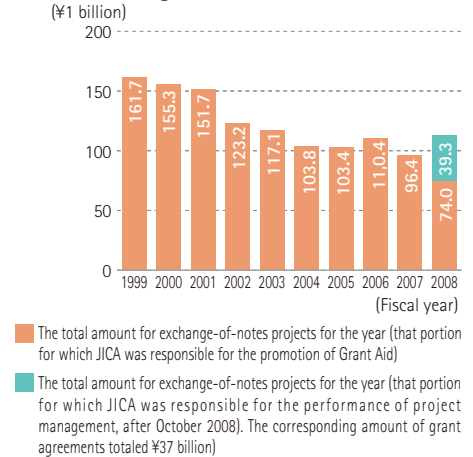
*1. Cumulative total 1954–2008
 *2. Cumulative total 1957–2008
 *3. Cumulative total 1955–2008
 *4. Cumulative total 1965–2008
 *5. Cumulative total 1999–2008 (Includes senior volunteers, senior volunteers for overseas Japanese communities, UN volunteers, and Japan overseas development youth volunteers. Until 1998, these figures had been included in other totals.) The dispatch of immigrants ended in fiscal 1995. The cumulative total from fiscal 1952–1995 was 73,437.

Table 10 ODA Loan Agreements over the Previous 10 Years



JICA has been responsible for ODA Loan since October 2008.

Table 11 Scale of JICA's Promotion and Management of Grant Aid



JICA was responsible for promoting Grant Aid until fiscal 2007. From October 2008, JICA has also been performing project management of a portion of Japan's Grant Aid.

Table 12 Expenditure by Region^{*1}

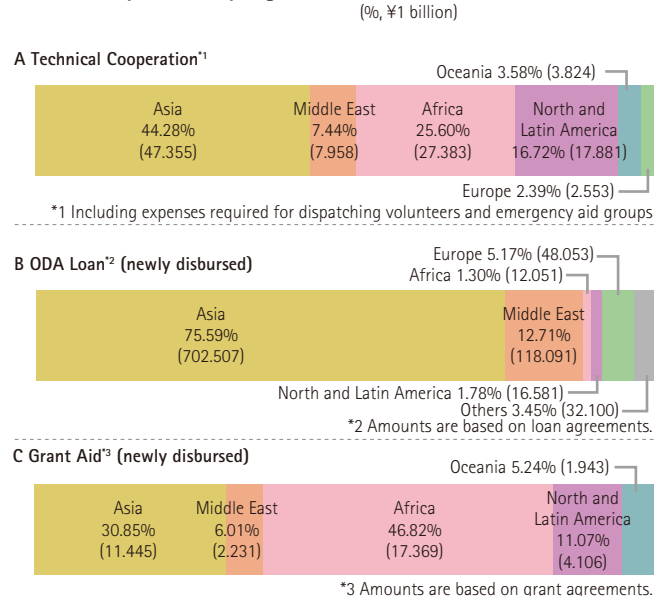
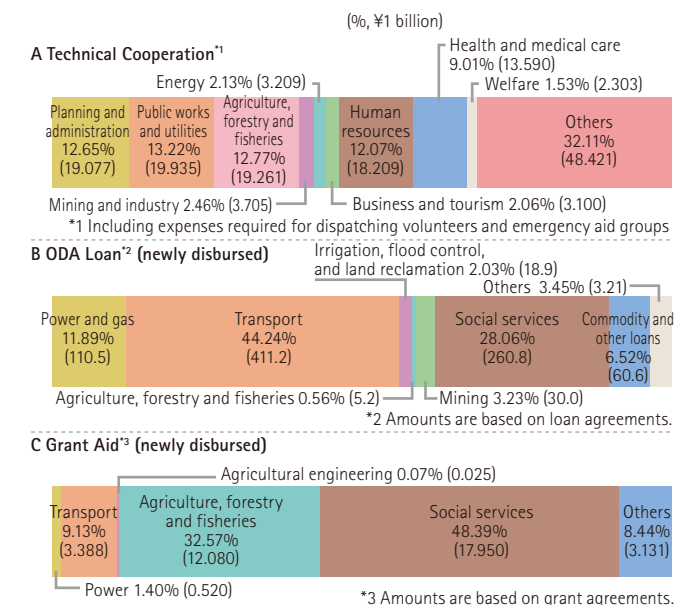


Table 13 Expenditure by Sector



JICA's Path for Development Activities



Drinking purified water (Cambodia)

Overall Policy Direction of JICA's Development Activities in Fiscal 2009

The New JICA has set the following four missions: 1) addressing a global agenda; 2) reducing poverty through equitable growth; 3) improving governance; and 4) achieving human security. With this as a basis, JICA will pursue the following priority issues.

▶ Assistance to Africa

- 1) Broaden initiatives related to boosting economic growth, ensuring "Human Security," sustainable use of water resources, doubling Africa's rice production, and further utilization of Japan's leading science technology and knowledge etc.
- 2) Formulate and implement programs to double ODA to Africa by 2012, and selectively distribute capital resources to these programs

▶ Responding to the Effects of the Global Financial and Economic Crisis (mainly toward Asia as "the center of growth open to the world")

- 1) Provide assistance to countries affected by the crisis to provide liquidity and macroeconomic stability
- 2) Provide assistance for economic reconstruction measures in countries affected by the crisis, including support for a social safety net, promotion of private-sector activities, human resource development and infrastructure improvement
- 3) Provide assistance for capacity building in making and implementing fiscal and monetary policy to help prevent a future currency or financial crisis

▶ Efforts toward Climate Change (mainly focusing on Support for Cool Earth Partners)

- 1) Assistance for adaptation to climate change and improvement of access to clean energy through Environment Program Grant Aid
- 2) Assistance for measures to mitigate effects of climate change mainly through Climate Change ODA Loan (Cool Earth Loan) (including support for the Clean Development Mechanism [CDM] formulation)

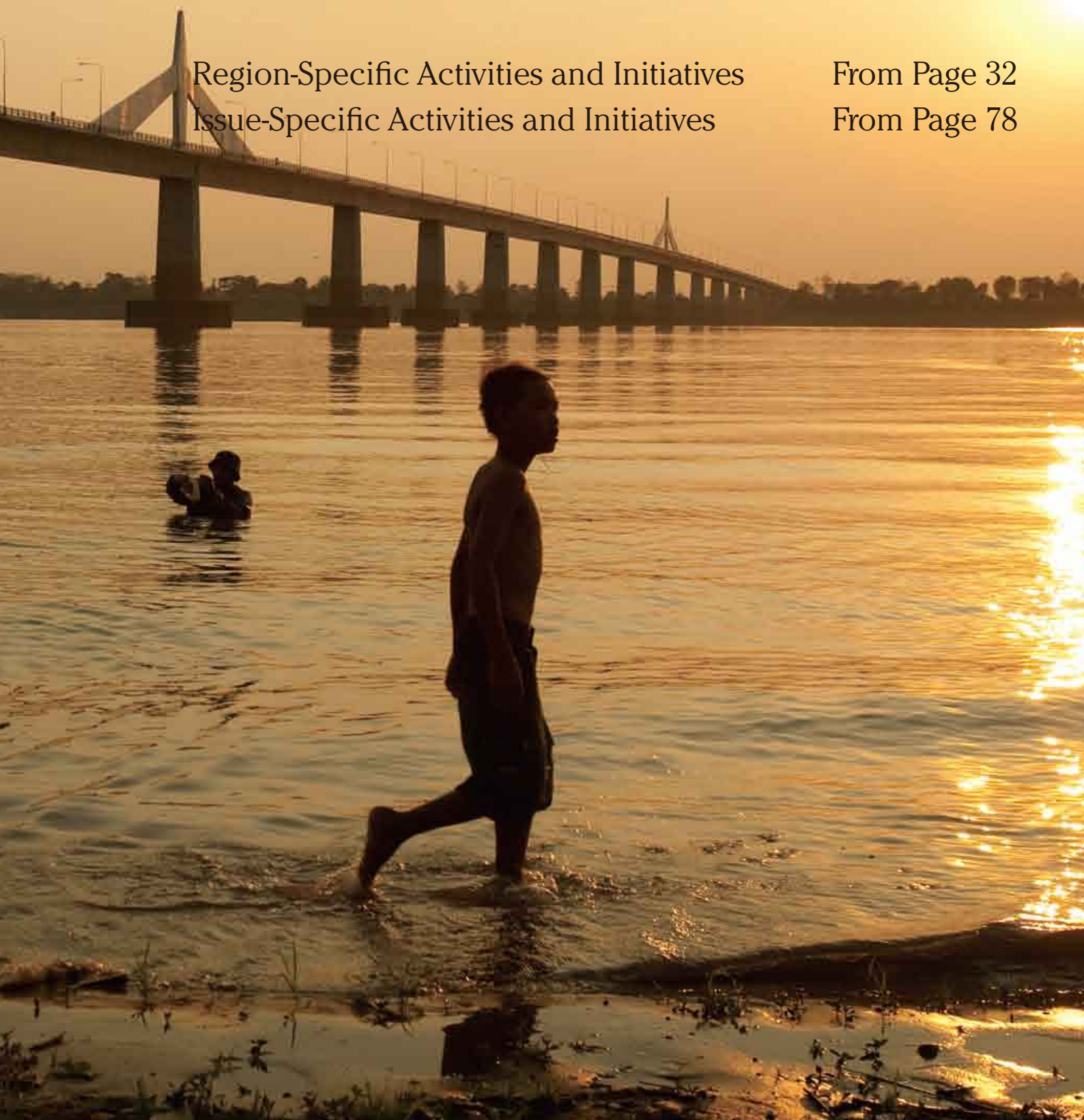
▶ Reconstruction Assistance for Afghanistan and Pakistan's Economic Stabilization Assistance

Concrete Initiatives of JICA's Programs Fiscal 2008

Region-Specific Activities and Initiatives
Issue-Specific Activities and Initiatives

From Page 32

From Page 78



The Mekong River at dusk. People enjoying the cool air along the riverbank. Dominating the background, the Second Mekong International Bridge. Construction was funded utilizing ODA loans. (Laos)

Southeast Asia



Southeast Asia Holds the Key to Progress in Japan and the Rest of the Asian Region

Southeast Asia has become increasingly important in recent years for its significant economic growth, spurring development throughout Asia. Accordingly, trade and investment between Japan and Southeast Asian countries has expanded. In addition, the consortium is expected to deepen Japan's economic relationship with ASEAN (the Association of Southeast Asian Nations) countries. ASEAN, which has set a goal of fully establishing an ASEAN community by 2015, plans to predominantly utilize this community to enhance regional economic integration. In order to promote Japan-ASEAN collaboration, the Japanese government has announced plans to expand both the Fund and ODA toward important Southeast Asian partner countries. Southeast Asia is crucial to Japan and Asia's future progress. JICA works collaboratively to provide timely and pertinent solutions to a variety of issues to support sustainable growth in the region.

Pillars of Aid

Focus Issues Include Economic Growth via Enhanced Region-Wide Competitiveness, Securing Regional Stability and Remediating Regional Disparities

Southeast Asia consists of Timor-Leste as well as the 10-member nations that comprise ASEAN, founded for the purpose of ensuring economic growth as well as political and economic stability throughout the Asian region.

Future stagnation in economic activity and severe economic degradation are causes for concern for ASEAN nations. Although ASEAN established the ASEAN Free Trade Area (AFTA) under Framework Agreements on Enhancing ASEAN Economic Cooperation (1992) to liberalize regional trade, promote external and intra-regional direct investment and strengthen the international competitiveness of local industries, the U.S. financial crisis that grew to significant proportions in 2008 triggered a decline in exports and economic growth (See "Feature" on page 14).

Timor-Leste, which achieved its independence in May 2002, continues to face political instability, unemployment and discord among its people. At the same time,

most other countries in the region are still faced with unstable public security. In order to gain stability in Southeast Asia, not only is economic growth essential, but also such "nation building" activities as improving administrative capacities and expanding human resources.

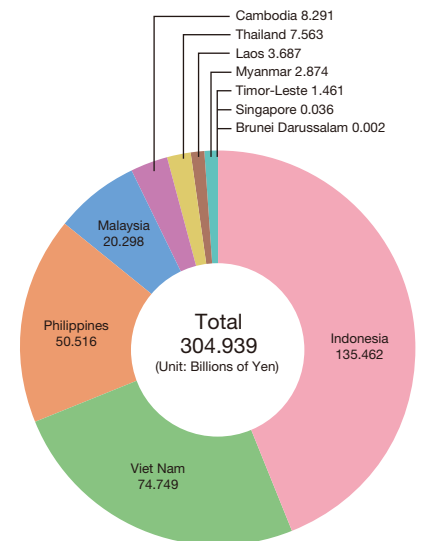
Southeast Asia is also susceptible to widening development disparities between original and new ASEAN members. Closing these gaps and achieving region-wide development require improvements in social and economic infrastructures across borders as well as comprehensive and unified actions toward environmental issues.

In light of these conditions, JICA works to support and contribute to economic expansion and regional stability in Southeast Asia.

* ASEAN consists of two member groups: original members comprising Indonesia, Malaysia, Philippines, Singapore, Thailand and Brunei Darussalam, which joined before 1994; and new members namely Cambodia, Laos, Myanmar and Viet Nam, nations that subsequently joined from 1995.

JICA Programs in Southeast Asia (Fiscal 2008)

Scale comparison of JICA programs based on total expenses for Technical Assistance, ODA loans (disbursed amount) and Grant Aid (disbursed amount) per country.



* JICA's cooperation to multinational and international organizations is excluded.

Priority Issues and Efforts

Natural Disaster, Regional Disparity and Economic Distortion Challenge the Development of ASEAN's Original Members

ASEAN's original members, Singapore, Philippines, Indonesia, Malaysia and Thailand, successfully expanded their

economies as emerging nations. Accordingly, Japan's assistance has gradually shifted from Grant Aid to mainstream loans such as ODA loans which require repayment. However, original members continue to require assistance to spur and underpin any

recovery in their economies seriously impacted by the 2008 US subprime mortgage crisis.

Frequent natural disasters, such as a recent spell of floods and earthquakes, are also critical impediments to sustained economic growth in coun-

tries such as Indonesia and Philippines. Not only do these countries require humanitarian assistance, but also infrastructure development to support reconstruction.

Furthermore, countries that have managed to secure rapid economic development confront the unique challenge of a widening income gap between rural and urban populations. Inadequate infrastructure in rural areas leave many people without access to basic social services relating to health and medical care, education, information, water and sanitation. This exemplifies the continuous need for major support in social development in Southeast Asia.

Region-Wide Support throughout the Mekong Region

The Mekong region is defined by the banks of the majestic Mekong River that runs through the Indochinese Peninsula. Measuring 4,800 km in length, the Mekong River is one of the world's largest with a basin area that is more than two times the size of Japan's total

land surface. The origin of its waters begin at the Tibetan Plateau from which it travels through China's Yunnan Province, winds its way along the borders of Myanmar, Laos and Thailand, flows through Cambodia and Viet Nam and empties into the South China Sea. Cambodia, Laos, Myanmar and Viet Nam, which are situated along the river's banks and are all new ASEAN members, are not only specially recognized as Southeast Asia's "Mekong region nations," but have also earned the acronym CLMV, comprising each of the country's first initials.

Economic development in the Mekong region lags behind ASEAN's original members and stands out among other Southeast Asian nations for sustaining a high poverty ratio. On the optimistic side, with the potential to become a harbor for Japanese investment and an important trade and economic partner, its relationship with Japan is expected to steadily improve. The following represents JICA's development focus in the Mekong region.

- 1) Infrastructure development to promote growth and strengthen competitiveness
- 2) Well-balanced sustainable development, climate change countermeasures, environmental conservation and urban environment improvement
- 3) Stable financial and economic support as a result of partnership between the public and private sectors
- 4) Improved livelihoods for poor populations to correct local disparities within each country and region, expansion of basic social services and local- and community-based development assistance
- 5) Environmental conservation, countermeasures against climate change management and prevention of natural disasters and infectious disease countermeasures across national borders

Country Overviews and Priority Issues

■ Indonesia

Nation-Building That Stands Up to Poverty and Environmental Erosion

After the inauguration of Dr. H. Susilo Bambang Yudhoyono in Indonesia, the nation set targets to reduce its unemployment rate to 5.1% and the poverty rate to 8.2%. At 9.7% and 16.6%, respectively, in 2007, these goals have yet to be fulfilled. In addition, due to earthquakes off the coast of Sumatra and other natural disasters caused by climate change, along with the global financial crisis from September 2008, Indonesia is at risk of economic stagnation and rising poverty. There is also the problem of a growing disparity between its western region, represented by the developed Jakarta metropolitan area, and its eastern region. It is therefore important to support sustainable economic growth in Indonesia.

Under these circumstances, JICA is cooperating with Indonesia to provide support in the following priority areas: "sustainable growth driven by the private sector;" "creating a democratic

and equitable society;" and "peace and stability." Based on this support framework, the Japanese ODA loan agreement, Climate Change Program Loan (see page 17), which supports Indonesia's policies targeting the reduction of greenhouse gas emission and adaptation to climate change, was signed in September 2008. Other examples of environmental support include JICA's continued promotion of renewable energy. Accordingly, in 2004, Indonesia was provided with a Japanese ODA loan, under the Special Term for Economic Partnership (STEP), for the expansion of the Lahendong Geothermal Power Plant in North Sulawesi. In addition, from November 2006 to March 2008, JICA worked to formulate a master plan for the "Study on Arterial Road Network Development Plan for Sulawesi Island" as part of several initiatives to combat poverty in the eastern region. Along with efforts that facilitate efficient transportation and distribution in Indonesia's eastern region, JICA will continue to support local economic re-

vitalization and overall development in the region well into the future.

■ Philippines

Tackling the Ramifications of Conflict, Poverty and Stunted Growth

Guided by the 10-point agenda proposed by the president, the Macapagal-Arroyo administration formulated the Medium-Term Philippine Development Plan (MTPDP 2004-2010), which positions the fight against poverty, the pursuit of overall economic growth and the creation of employment as the nation's fundamental issues. At the start of 2008, however, the country's impoverished were particularly impacted by soaring international natural resource and food prices. Meanwhile, the global recession has exacerbated conditions, causing a worsening of its real economy. Support for both sustained economic growth and families living in poverty are therefore essential to helping Philippines halt any further damage to its economic environment. Moreover,

efforts aimed at making peace in the conflict region of Mindanao between government and anti-government forces are necessary.

In light of these circumstances, JICA has committed itself to the following three priority issues: 1) Sustainable Economic Growth Aimed at Creating Employment Opportunities; 2) Support for the Self Reliance of Impoverished People and Improvements to Their Quality of Life; and 3) Peace and Stability in Mindanao.

Under the ODA loan-supported Environmental Development Project begun in 2008, Philippines is currently working to reduce emissions of environmental pollutants domestically and thereby improve the living environment of its people. Executed through the Development Bank of Philippines to provide mid- to long-term financing to both the private sector and local government units, this project is expected to help make strides in preserving and improving the nation's fragile environment.

Within the conflict-affected areas of Mindanao, JICA is providing continued support for the promotion of peace and stability in several ways. As a part of this support, JICA is conducting local surveys to ascertain the needs of the people and research into its social and economic structure, supporting the formulation of local development planning, strengthening the administrative capacity of its local government, as well as improving basic living conditions. JICA likewise provides "food aid" via the World Food Programme (WFP) to these conflict-affected areas in the form of a Grant Aid project. Furthermore, a seminar on peace and reconstruction was held in January 2009 on Penang Island, Malaysia as part of the Japan-Malaysia Partnership for Peace in Mindanao. Through this and other initiatives, JICA will continue to support development for the promotion of peace.

■ Thailand

New Signs of Progress Commensurate with the Country's Development

In 2006, the government of Thailand launched its 10th National Economic and Social Development Plan (2006-2011) with the aim of becoming a more global nation by enhancing human resource development and social systems improvement for future change. To this end, Thailand continues to pro-

mote raising the level of grassroots economies, increase domestic demand and strengthen its international competitiveness. Having reached an approximate US\$3,400 in gross national income (GNI) per capita (2007), Thailand is soon expected to reach an upper-middle-income country status, which depends on its response to the global economic crisis. Accordingly, Thailand's development focus is gradually shifting away from developing country issues to those related to its burgeoning new status.

Thailand now needs support to buttress its own developmental progress. In specific terms, assistance is required in human resource development aimed at strengthening competitiveness for sustainable growth, environmental management system reinforcement, measures for an aging society as well as anti-human trafficking and other efforts to help vulnerable people—all issues associated with a maturing society. Furthermore, Thailand now has the chance to fulfill its role as an emerging donor to underdeveloped regions such as the Mekong Subregion and parts of Africa by collaborating with Japan to offer aid and assistance.

In fiscal 2008, JICA launched the Mass Transit System Project in Bangkok (Red Line) (I), an ODA loan for the construction of railway systems, and implemented Phase 2 of the Southeast Asia Engineering Education Development Network (AUN/SEED-NETII), a Technical Cooperation project. For the latter, the project provides support enabling universities to conduct an intraregional student exchange program for higher degree education which ultimately helps develop human resources. Moreover, the Asia-Pacific Development Center on Disability (Phase 2), a Technical Cooperation project, provides assistance to the disabled via local centers and promotes barrier-free living through the provision of related information and staff training.

■ Cambodia

Overcoming the Negative Legacy of the Civil War

Since the mid 90s, in the aftermath of its extensive civil war, Cambodia has worked to accelerate its transition toward becoming a market economy and since 2004 seen its economy grow over 10% for four consecutive years.

As a result, Cambodia's per capita GNI rose from US\$300 in 2003 to US\$490 in 2007, while its poverty rate dropped from 34.7% in 2004, to 30.1% in 2007. In spite of such signs of progress however, the levels of Cambodia's economic indicator and Human Development Indicator (HDI), the latter which includes literacy and infant mortality rates, remain among the lowest of ASEAN countries.

In order for Cambodia to continue its development and to overcome poverty, it is essential that it work steadily toward improving its economic and social infrastructures as well as continue to build and develop institutional and human capacity in a variety of fields. As such, JICA is responding to Cambodia's broad development needs, focusing particularly on hard and soft economic infrastructures as well as social development that will deliver the benefits of economic growth to its people, including socially disadvantaged groups while strengthening of good governance, the ultimate basis of all development.

As part of its support for the reinforcement of Cambodia's economic infrastructure, JICA is helping to promote improvements to the nation's main roads and harbors that are essential to the international transport of goods, including the Sihanoukville Harbor, its largest international port. Private-sector support through the development of a special economic zone as well as institution building and personnel development to boost trade and investment is also an essential part of this venture. In support of Cambodia's principal industry, agriculture, JICA is working collaboratively to enhance distribution and improve agricultural productivity by upgrading irrigation facilities and promoting agricultural technology dissemination. In terms of social development, JICA is working to enhance livelihoods and ensure human security by improving health services such as maternal and child health care, enhancing science education and upgrading water works and other social infrastructures. To further support the strengthening of good governance, JICA is helping to develop civil law and civil procedural law as well as to train and cultivate legal professionals. At the same time, it is providing support for public finance and the promotion of administrative reform under the scheme of the Poverty

Reduction and Growth Operation (PRGO) as well as training for tax specialists.

■ Laos

Determined not to succumb to poverty, Laos is promoting the adoption of an open market economy accompanied by market economy principles, making the eradication of poverty a top national priority. The extreme poverty that plagues Lao is demonstrated by the high percentage, at 33%, of its population of 58,600,000 who live below the poverty line, while some 82% of its workforce subsists through agricultural means. Making matters worse is the nation's mountainous terrain, which accounts for 80% of its land mass, making infrastructural improvements all the more difficult. Lao also faces the challenge of providing universal access to social services to an estimated 49 distinct ethnic groups who often live in isolated and segmentalized regions.

Taking these issues into consideration, JICA outlines its basic stance toward support for Lao under the following three criteria. First, support for the steady achievement of the UN's Millennium Development Goals (MDGs) (for further details, see page 78). Second, support for the building of a firm foundation upon which Lao can realize a level of economic growth that will serve as a driving force for the country's independent and sustainable expansion. Third, support for developing its

own capabilities that will underpin self-reliant efforts and ultimately help reduce poverty and achieve economic growth. More specifically, these support goals encompass 1) Basic education; 2) Health and medical services; 3) Agriculture forestry and rural development; 4) Social and economic infrastructure development; 5) Private sector strengthening; and 6) Improvement of administrative capacities.

In line with these efforts, JICA provides operational support in such forms as the Capacity Development for Sector-Wide Coordination in Health that aims to strengthen the business regulation capabilities of the Lao Ministry of Health (Lao PDR), co-financing of the Poverty Reduction Support Operation (PRSO) 3 and the Study on the Improvement of Water Environment in Vientiane Capital. The overall aim of this support is to assist Laos in its independent efforts to rise from its impoverished state.

■ Myanmar

Rehabilitation from the Giant Storm

The Union of Myanmar (formerly, Burma) had maintained socialist economic policies since 1962. Yet, in 1988, national scale demonstrations in support of democratization resulted in the abolishment of its socialist regime. In place of socialism, Myanmar's national military, which suppressed the demonstrations, took provisional control and

organized the State Law and Order Restoration Council (SLORC), later renamed the State Peace and Development Council (SPDC). Despite an overwhelming victory by Aung San Suu Kyi of the National League for Democracy in the 1990 general election, the SLORC (SPDC since 1997) has maintained its military rule. Since Aung San Suu Kyi was detained and put under house arrest in May 2003, the Japanese government has in principle withheld any new proposals for assistance to the country. However, as an exception, Japan is supporting urgent humanitarian efforts, human resources development for democratization and economic structural reform, and ASEAN regional cooperation. For example, JICA has a project for preventing the spread of the area's three most threatening infectious diseases: malaria, HIV/AIDS and tuberculosis. Another project supports rural development and the changeover of crops in areas that were once largely used for the cultivation of drugs.

In May 2008, Myanmar was ravaged by Cyclone Nargis, which caused unparalleled damage with approximately 140,000 either dead or missing. The hardest stricken region was the delta area of the Ayeyarwady Division where restorative development efforts are still taking place. The most urgent support offered by the United Nations and ASEAN members has prioritized improvements to food supplies and rations, protection of the vulnerable, provision of

Example

Indonesia "Brantas River Basin Development"

The Epic "Brantas Spirit" Project Brings Indonesia and Japan Together

Indonesia's Brantas River runs through the eastern portion of Java and is the second largest river in the island. Brantas River had repeatedly caused large-scale flooding in its surrounding areas, including the City of Surabaya. In an attempt to tackle this problem, the Indonesian government formulated the General Development Plan of the Brantas River Basin in 1961 and began to implement a comprehensive development program in flood control, irrigation and hydropower generation.

Along with this Indonesian government program, JICA formulated and updated master plans on comprehensive water resource management in the Brantas River basin in 1973, 1984 and

1998. For more than 30 years, JICA has provided financial and technical support for water resource development, flood control and irrigation facility construction in the area. As a result of these efforts, the Brantas River basin has seen a decrease in flooding and an increase in rice production volumes. Moreover, thanks to the realization of hydropower generation, power supply to industrial areas has been secured, allowing Surabaya to grow, emerging as the second largest city in the nation.

In addition, many talented Indonesian technicians have been nurtured through these activities.

In the process of tackling the numerous challenges that lay before them, the Japanese and Indonesian technicians, who dedicated their efforts to the development of the Brantas River basin, cultivated a



The Brantas River that runs through the eastern region of Indonesia

"Brantas Spirit." Currently, Indonesian technicians with this "Brantas Spirit" play leading roles in water resource management all over the country.

shelters and the restoration of schools. From an emergency and humanitarian perspective, JICA has also been providing relief efforts focusing on agriculture, education and disaster prevention.

■ Viet Nam

Urgency for the Foundation of International Competitiveness

Since its adoption of a Doi moi (reform) policy, Viet Nam's transition to a market economy has picked up tremendous pace. Beginning in the 90s, its average GDP growth has steadily climbed to more than 7.5%, while its poverty rate has significantly improved, dropping from 58.1% in 1993 to 19.5% in 2004. Also, with its acceptance into the ASEAN Free Trade Area (AFTA), Asia-Pacific Economic Cooperation (APEC) and the World Trade Organization (WTO), Viet Nam must now strive to boost its international competitiveness. On the other hand, however, some of its most serious issues such as environmental degradation and income disparity among its urban and rural citizens have come to light. To address these issues and in order to promote sustainable development in Viet Nam, JICA is providing effective support through the organic combination of financial cooperation and Technical Cooperation based on the following four main pillars of support: promoting economic growth and strengthening international competitiveness; improving living and social conditions and correcting disparities; pursuing environmental conservation; and strengthening governance.

JICA's multifaceted support for small and medium-sized enterprise development is one example of such activities. Specifically, JICA provides funding to small and medium-sized businesses (through ODA loans), supports the strengthening of policy frameworks (by JICA experts), works to improve the techniques and know-how of small and medium-sized enterprises (through Technical Cooperation projects and volunteers) and trains skilled technicians (through Technical Cooperation projects).

Viet Nam's water environment sector is another field in which JICA has placed considerable emphasis. JICA provides Technical Cooperation to develop the capacities of central and local administrative agencies for water environment management as well as to boost the scientific and technical capacity of research institutes in its effort to support policy implementation. Moreover, support through ODA loans is given to build drainage and sewage treatment facilities in metropolitan areas.

■ Timor-Leste

The Road to Peace

In 2002, Timor-Leste declared its independence and in 2007 held its first presidential and national parliament elections as an independent nation. In 2006, Timor-Leste was faced with east and west confrontation issues and in 2008 an attack on its president. Despite these setbacks, as evidenced by the removal of urban IDPs, Timor-Leste is gradually gaining its public safety and security. Based on this progress, the

government began placing emphasis on development under the slogan "Good-bye Conflict, Welcome Development." This represented a turning point for the government in its efforts toward nationwide, full-scale development. On the understanding that Timor-Leste is an important area in the maintenance of peace and stability within the Asia-Pacific region, JICA will continue to support the country in its endeavors to secure stability and in the development of such key fields as human resources, institution building, maintenance and improvement of infrastructure, agricultural and rural development and the consolidation of peace.

In the field of maintenance and improvement of infrastructure, for instance, through the Project for the Capacity Building in Road Maintenance, JICA provided its technical training for the development of road maintenance skills as well as planning and the execution of repairs of the country's life-line roads. JICA is currently considering the possibility of a succeeding project. Furthermore, JICA has been active in carrying out the Irrigation and Rice Cultivation Project in Manatuto, a three-year plan from 2005, under the Agriculture and Rural Development Program. With the purpose of improving the productivity of rice cultivation over approximately 600 hectares of targeted area, JICA dispatched specialists to help improve irrigated rice systems and water conservation management. JICA considers these activities as essential to the further development of Timor-Leste.

Example

Philippines "Central Luzon Expressway"

Improving Distribution Networks and Contributing to the Revitalization of Local Economies

Philippines' Central Luzon area is an important rice cultivation base that also serves as a distribution center for agricultural products from Northern Luzon. It is a core industrial area that has seen a significant influx of people from Northern Luzon. As such, it is expected to serve as an alternate hub for the logistics functions that are now centered in the metropolitan area of Manila.

However, owing to an insufficiently developed and poorly maintained road network, distribution speed and cost posed significant problems. The solution, supported by ODA loans, was to build a 90 km, four-lane, expressway to connect the cities of Subic, Clark and Tarlac and thereby alleviate economic overconcentration in Metro Manila as well as encourage local logistics functions and the exchange of human resources in the Central Luzon area.

Since the opening of the expressway in July 2008, required drive times from Subic to Clark and from Clark to Tarlac have been greatly reduced to 40 and 30 minutes, respectively. Thanks to the application of a Special ODA Loan system, the project benefited from Japan's technological expertise and know-how in the construction



View of the Central Luzon Expressway after its inauguration

of roads and bridges. Ultimately, Philippines expects the completion of the Central Luzon Expressway will encourage promotion and growth of the local economy.

■ Malaysia

Despite the current impact of the global economic crisis, Malaysia's per capita GNI reached US\$6,540 in 2007 and exemplifies its steady growth toward reaching a more developed nation status among its fellow ASEAN members. In order therefore to aid Malaysia in building more equitable and cooperative partnerships into the future, JICA is focusing efforts on the following four priority areas. 1) Enhancement of the Mutual Interests of Japan and Malaysia; 2) Overcoming Challenges caused by Rapid Growth; 3) Overcoming Regional Issues; and 4) Strengthening Capacity Development as a Donor and Promoting South-South Cooperation.

Major projects currently being implemented include the Higher Education Loan Fund Project: HELP3 that gives local students the chance to study science and engineering in Japan; Preparation of the National Sewage Treatment that builds sewage treatment plants and related facilities in districts where health standards have deteriorated (both implemented through ODA loans); the Bornean Biodiversity & Ecosystems Conservation Programme Phase II (BBEC II) in Sabah; and the Improvement of Ability in Maritime Safety and Security Project that was developed to help improve the capabilities of the Malaysian Maritime Enforcement Agency (MMEA) (both implemented through Technical Cooperation).

■ Singapore

In Singapore, JICA conducts the Japan-Singapore Partnership Programme for the 21st Century: JSPP 21, which offers about 20 training courses annually for approximately 400 participants from around the world. Furthermore, despite closing its Singapore liaison office in 2009, JICA has newly decided to send a research fellow to the National University of Singapore to initiate network-building activities such as joint research, seminars and so on.

Example

Cambodia "Program for Improving Access to Safe Water"

Comprehensive Support Scheme for the Safe Delivery of Water

Cambodia is unfortunately one of a number of countries that is yet to enjoy the simple privilege of having running water available to it at any time and anywhere, 24 hours a day, 365 days of the year.

Through the "Program for Improving Access to Safe Water," JICA provides comprehensive and effective support for the construction and rehabilitation of water supply facilities such as purification plants and the development of related technical human resources, using Technical Cooperation, Grant Aid and ODA loan schemes. A Series of cooperation projects for improving water supply in Phnom Penh is representative activity under the

program. In 1992, JICA launched a development study "the Master Plan and Feasibility Study on the Phnom Penh Water Supply System in Cambodia" in order to formulate a master plan of water works development whose target year was 2010; then based on the plan, in 1993 and 1997, the Government of Japan provided Grant Aid that supported the renovation of the aging Phum Prek Water Treatment Plant, and the elevated reservoirs and improvement of the distribution pipe network. As a result of these projects and the Technical Cooperation including dispatchment of experts, the delivery of safe water to over 600,000 people was achieved for the 10-year period until 2004.

In addition, JICA has been carrying out the Project on Capacity Building for a Water Supply System to assist in the cultivation of those skilled engineers and technicians needed to provide waterworks services. Phase 1 of this project (2003–2006) involved the training of personnel from the Phnom Penh Water Supply Authority (PPWSA) to operate and maintain water systems properly.

Phase 2 (2007 – present) involves the training and education of human resources from eight local cities throughout the country by those PPWSA skilled staff trained under Phase 1. This effectively ensures the expansion of skilled human resources. Thanks to the cooperation mentioned above, the operating capacity of the PPWSA has improved by leaps and bounds, and Phnom Penh City now enjoys a low leakage rate of 6%, which is lower than that recorded in developed nations.

In terms of new projects, agreement was reached in March 2009 to the provision of a new ODA loan to the Niroth Water Supply Project. The project, co-financed with the French Development Agency (AFD), aims to address growing water demand in Phnom Penh and the surrounding area. Based on waterworks expansion plans prepared through JICA's development study, the Project will construct a new 130,000-ton water supply facility to serve the people and businesses in the expanding Phnom Penh region.

East Asia



Toward Reinforcing Partnerships and Mutual Understanding between Japan and the Surrounding Region

China launched its open and reform policy at the end of the 1970s. Japan has been supporting China in promoting this policy since 1979, and has for three decades contributed significantly to the realization of that nation's remarkable economic development. In recent years, however, many issues attributable to rapid economic growth have arisen in China. These issues include regional disparity in the levels of economic activity; serious exposure to global issues, including environmental problems and infectious diseases; and delays in the development of social and economic infrastructure.

For its part, Mongolia took the first step toward its democratization and transition to a market economy in 1990. Since then, as Mongolia's leading donor country, Japan has provided maximum support. The areas of support have ranged from rural development, environmental protection and infrastructure development to human resource expansion aimed at supporting the transition to a market economy. JICA will continue to extend efficient and effective cooperation to East Asia, a region that maintains close ties to Japan from each of the geographic, historic, political and economic perspectives.

Pillars of Aid Supporting Stability and Sound and Sustainable Development in East Asia

In providing its support to China, JICA focuses on the three priority areas listed below. In terms of actual activities, JICA emphasizes not only the transfer of technology and human resource expansion, but also intellectual support, which involves the development of various policies and systems.

- 1) Cooperation towards resolving environmental and other global issues (measures against environmental pollution, infectious diseases)
- 2) Assistance to the open and reform policy (promotion of sound governance, transition to a market economy, etc.)
- 3) Promotion of mutual understanding

Also, in response to the Great Sichuan Earthquake, which occurred in May 2008, JICA provided humanitarian assistance and emergency relief, including the dispatch of the Japan Disaster Relief Team. Even today, JICA is continuously providing non-structural support in the areas of disaster prevention and post-disaster reconstruction, based on the lessons Japan has

learned through its having experienced a number of natural disasters.

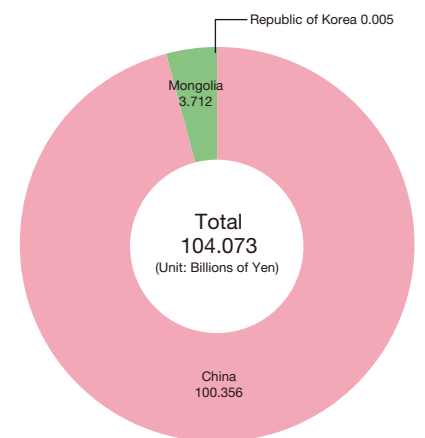
With regard to Mongolia, JICA focuses on providing support in the following four priority areas:

- 1) Institution-building and human resource expansion necessary for promoting a market economy
- 2) Rural development
- 3) Environmental protection
- 4) Development of infrastructure to promote economic activity

In addition to its ongoing focus on these four priority areas, JICA is supporting Mongolia in its shift from a natural resource-dependent economy to one underpinned by diverse industries. JICA is also helping to solve urban problems in Ulaanbaatar, which is experiencing a concentration of its population in certain areas. Furthermore, JICA is extending assistance to improve basic social services within the country, including in rural communities.

Scale of JICA Projects by Country in East Asia (Fiscal 2008)

Composition of JICA projects for each country based on total Technical Cooperation project expenses, ODA loans (total), and Grant Aid (concluded Grant Aid including activities expedited).



* Excluding Technical Cooperation with multiple countries and international organizations

Priority Issues and Efforts

■ China

Having recorded a 20-year average real economic growth rate exceeding 9%, China is sustaining its rapid economic growth over the long term. In 2008, the country's per capita GNP reached US\$3,266. On the other hand, the level

of economic growth has caused some distortions to emerge across Chinese communities. Accordingly, there are increasing calls for solutions to be found for the many social contradictions and problems on the way to realizing a balanced, harmonious society. In particular,

China is facing such major issues as environmental pollution and the lagging development of its social and economic infrastructure. With the aim of helping China solve such issues, JICA is actively providing support that draws on Japan's experience, knowledge and expertise.

1. Measures against Environmental Pollution, Infectious Diseases

Collaborating with other international organizations, JICA is supporting the search for solutions to such serious, global-scale issues as environmental pollution and infectious diseases.

In combating environmental problems, JICA provides policy and technical support to prevent global warming and promote a circulating economy. Through the Technical Cooperation project, "Promotion of Circular Economy Project," JICA extends assistance by providing impetus for eco-conscious projects, improving the environmental awareness of Chinese people, promoting appropriate waste management and implementing other initiatives geared toward the establishment of a circulating economy. Also, through ongoing ODA loans, JICA is tackling environmental protection from a variety of angles, including the establishment of water supply and drainage systems, prevention of water and air pollution, promotion of afforestation and reforestation and the launch of antidesertification projects.

In order to address infectious diseases, JICA is drawing on its experience in having contributed to the eradication of polio in China as it cooperates in combating HIV/AIDS in partnership with the World Health Organization (WHO). Moreover, JICA's efforts reach out to individual communities, supporting the improvement of their sanitary and health services.

2. Promotion of Sound Governance, Transition to a Market Economy, etc.

China has achieved dramatic economic growth, which has resulted in the Chinese economy having a significant influence on the global economy. However, the country still has many issues to address before completing the establishment of a market economy system that complies with international rules. In addition to helping China fully develop fundamental rules—such as the legal systems necessary for healthy economic activities and food inspection frameworks—JICA is supporting the country in establishing a sound market economy through such initiatives as expanding the human resources required for the appropriate administration of established systems and frameworks. In step with these initiatives, JICA is helping to enhance governance with a view to reducing the economic dispari-

ties among central and regional cities that have resulted from the country's rapid economic expansion.

3. Promotion of Mutual Understanding

Promoting mutual understanding between the peoples of Japan and China forms the basis for a sound, long-term relationship. To solidify this basis and in an effort to assist NGO activities, JICA dispatches volunteers and promotes exchange between local governments. At the same time, JICA conducts training programs for the young as well as for young and mid-level executives in Japan. In addition to these activities, JICA is undertaking the ODA loan-supported "Higher Education Project" with the aim of advancing higher education particularly in inland regions. Through these and other endeavors in China, JICA is working to nurture human resources who have a better understanding about Japan. At the same time, by expanding opportunities for direct interaction, JICA assists in enhancing the understanding of the culture and society of each nation.

4. Reconstruction Assistance Following the Great Sichuan Earthquake

The number of deaths and missing persons after the May 2008 Great Sichuan Earthquake, which inflicted enormous damage on the country's society and economy, reportedly reached 90,000. Following a decision by the Japanese government, JICA dispatched the Japan Disaster Relief Team International Emergency Assistance Activities and medical teams to affected regions while providing emergency supplies. The activities of the international disaster relief teams were widely reported in the Chinese media. In July 2008, Hu Jintao, President of the People's Republic of China, who was visiting Japan to attend the G8 Hokkaido Toyako Summit, expressed his gratitude for Japan and other nations' support in that regard. These disaster relief activities have contributed to the deepening of mutual understanding between Japan and China.

Also in July 2008, the Japanese government announced its post-Great Sichuan Earthquake reconstruction measures. Based on the government reconstruction plan adopted following the Great Hanshin-Awaji Earthquake, these measures incorporated Japan's

experience in post-earthquake reconstruction and emphasized the importance of non-structural support, including the provision of expertise and Technical Cooperation. In line with the government's measures, JICA is now assisting with expanding human resources in the area of earthquake-resistant construction and with the offering of mental healthcare to earthquake victims. More recently, JICA has been making preparations to provide assistance in damaged forest recovery and enhancing the capabilities of local human resources involved with disaster relief activities.

5. Deepening Ties with External International Cooperation Organizations

In January 2009, JICA and the Export-Import Bank of China held a joint workshop on economic cooperation. By their very nature the operations of the Chinese government-run financial institution have many aspects in common with the ODA loan services provided by JICA. Therefore, it is important for both parties to deepen mutual understanding about each other's operations and to reinforce their cooperative relationship. At the workshop, officials from JICA and the Export-Import Bank of China exchanged opinions on wide-ranging subjects and provided overviews of their respective project formation and evaluation methods and risk management mechanisms.

China, the Republic of Korea, Thailand, Malaysia and other developed countries in Asia are accelerating activities in support of the developing countries in the region. Through the provision of intellectual support, including the holding of joint workshops, JICA is endeavoring to strengthen its relationship with China in the area of economic cooperation.

■ Mongolia

Mongolia introduced a market economy system in 1990. Since then, despite certain periods when it experienced serious economic situations attributable to supply shortages and disasters caused by heavy snowfall, Mongolia maintained a high average economic growth rate of around 9% during the three-year period from 2004 to 2007. In fact, Mongolia's per capita GNI reached US\$1,690 in 2008. Meanwhile, the global economic crisis in 2008 caused

a sudden plunge in natural resource prices, seriously affecting the country's economy, which has depended on copper and other resources. Today, all international organizations and donor countries recognize that the reform groundwork toward Mongolia's transition to a market economy has been completed. However, what is now required is to strengthen the country's economic foundation through, for example, industrial diversification.

Against the backdrop of a rapid demographic shift from rural areas to Ulaanbaatar—the nation's capital, which accommodates 40% of the entire population—and interregional disparities, nearly 35% of Mongolia's

population is living in poverty. These movements have caused rapid urbanization and, consequently, serious urban problems, particularly in the Ger districts where most of the immigrants from rural areas reside. These problems include delays in constructing basic infrastructure and environmental pollution.

1. Institution-Building and Human Resource Expansion Necessary for Promoting a Market Economy

Now that Mongolia has completed the groundwork for its transition to a market economy, the future essentially hinges on stable economic growth. Accordingly, JICA is focusing on the provision of assistance in the establishment

of legal systems required for a market economy, the invigoration of the private sector and the fostering of the human resources necessary for these activities. Major projects in the establishment of the legal system include the reinforcement of taxation functions and the introduction of settlement systems. In private-sector invigoration, JICA extends medium- to long-term loans to small and medium-sized enterprises (SMEs) and holds business seminars. In human resource expansion, JICA is supporting the maintenance of elementary school facilities and the improvement of teaching methods with an emphasis on basic education.

Example

China Reconstruction Assistance Following the Great Sichuan Earthquake

Promoting Earthquake-Resistant Construction and Expanding Mental Healthcare Services for Reconstruction in the Truest Sense

As part of its post-disaster reconstruction efforts in the aftermath of the Great Sichuan Earthquake, JICA started a Capacity Building of Earthquake-Resistant Construction Training Project in May 2009, a year after the earthquake had struck Sichuan Province. That the earthquake had left many people dead and missing was mainly due to the collapse of their houses. Bearing this fact in mind, in September 2008, JICA dispatched a project formation study team to disaster-stricken areas, the study team engaging in deliberations with

related organizations, such as the Ministry of Housing and Urban-Rural Development of the People's Republic of China. These deliberations revealed the need to establish systems, under which national earthquake-resistant construction standards are strictly observed in actual housing design and construction, and to enhance the earthquake-resistant design capabilities of structural engineers. In this project—formed as a result of these findings—JICA will conduct training programs both in Japan and China, and dispatch Japanese experts to China. Through these activities, JICA will make proposals for nurturing technicians, administrative officials and other human resources and for improving the relevant standards and legal systems. To prevent further earthquake tragedies, JICA aims to spread earthquake-resistant buildings throughout China.

In earthquake-hit areas, reconstruction activities, particularly for infrastructure, are steadily being undertaken. Nevertheless, inhabitants in

these areas are still suffering from psychological trauma, which in some cases is disrupting people's daily lives. Some children who experienced the earthquake have nightmares or have difficulties in concentrating during school lectures. These situations have uncovered such major issues as the shortage of human resources specifically trained to provide care for these children and the unavailability of such care services over the long term. Japan has a track record in this area, having provided long-term mental healthcare services to the victims of the 1995 Great Hanshin-Awaji Earthquake. Deriving the maximum benefit from such experience, JICA began the five-year Project for Capacity Development on Mental Health Services for Reconstruction Support of Sichuan Earthquake in June 2009. Through this project, JICA will continue to support teachers, medical personnel, social workers and other people who are involved with mental healthcare services.



Seminar participants practice relaxation methods to be used for schoolchildren.



A Japanese elementary school teacher from Hyogo Prefecture communicates with children living in temporary housing.

2. Rural Development

Behind rapid economic growth, the disparity between Ulaanbaatar and rural areas continues to widen. Compared with the nation's capital, that part of the population made up of the poor is nearly 10% larger in rural areas. Moreover, the establishment of social services in rural areas is lagging far behind the capital. In order to reduce these disparities, JICA is providing support for improving the income of farmers and livestock farmers by invigorating the livestock and agriculture sector—Mongolia's key industry. At the

same time, JICA is assisting with the establishment of social service systems, in particular those relating to education, medicine and water supply.

3. Development of Infrastructure to Promote Economic Activity in Ulaanbaatar

In recent years, Ulaanbaatar has experienced a number of urban problems attributable to the rapid influx of immigrants, such as deterioration in living environments and environmental pollution. JICA has been helping the city to formulate an urban development

plan since 2007. Based on this plan, JICA will provide assistance in institution-building and the human resource expansion necessary to advance urban development and improve the living environment. Furthermore, JICA will actively assist the city in enhancing its general urban functions through the construction of an international airport and roads.

Example

Mongolia Ulaanbaatar Waste Management Capacity Building Project in Mongolia

Toward the Realization of an Autonomous Eco-Conscious Waste Management System

Being Mongolia's capital, Ulaanbaatar is experiencing a rapid increase in its population. In line with changes in the consumption behaviors of the city's residents, accompanied by the nation's transition to a market economy, the volume of waste generated is also increasing. Until recently, Ulaanbaatar had no waste management capabilities. This was because the city's waste management facilities and equipment, which were fairly old, together could not provide sufficient capacity. To make matters worse, waste had been simply dumped, without the use of any sanitary landfill methods. These activities have led to serious problems, including a negative impact on the periph-

eral environment. In response to such situations, JICA conducted development studies over a three-year period from 2005 and proposed certain areas for improvement based on the results. Thereafter, the city has seen significant improvements in waste collection systems, related administrative systems and organizational structures. During fiscal 2008, a new waste management facility was constructed, and new materials and equipment required for the facility's operation were supplied. However, two proposals made as a result of the development studies have yet to be put into action—namely, the implementation of sanitary landfill and the promotion of the 3Rs* principle. To sum up, there are still many aspects to be improved in terms of the specific goal of establishing a waste management system that runs in sync with environmental protection activities. Accordingly, the city has asked Japan for Technical Assistance.

The expansion of organizations, the upgrading of related systems and the introduction of such new concepts as recycling have all occurred

too quickly. Ulaanbaatar has thus been unable to make efficient arrangements with the various organizations involved with waste management projects. With the aim of making a breakthrough, the city launched an Environmental Pollution and Waste Management Bureau in January 2009. This bureau has facilitated the solution of the inter-organizational arrangement issue. Building on this success, JICA conducted studies in preparation for the formulation of a second plan in April 2009. Through new projects in accordance with this plan, JICA and Ulaanbaatar aim to improve the general urban environment and public hygiene. Also, by placing the utmost priority on human resource expansion, JICA is supporting the establishment of a structure that enables the city's adequate, sustainable and autonomous use of facilities and equipment that have been introduced with Japan's cooperation.

* Signifying key environmental factors in reducing waste, the 3Rs principle represents "Reduce" (reducing waste generation), "Reuse" (reusing materials recovered from waste) and "Recycle" (recycling waste).



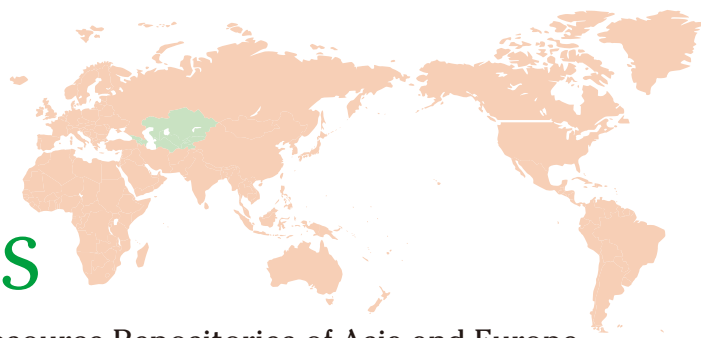
Some of the vehicles supplied to facilitate appropriate waste collection



Top: A local staff member practices sanitary landfill using heavy machinery provided by JICA.

Above: On-site vehicle maintenance training program

Central Asia and the Caucasus



International Community Eyes Open Natural Resource Repositories of Asia and Europe

Central Asia, which consists of the five countries of Uzbekistan, Kazakhstan, the Kyrgyz Republic, Tajikistan and Turkmenistan, is located in the heart of the Eurasia Continent, surrounded by the major powers of Russia to the north and China to the east, and bordering the Middle East, Afghanistan and Pakistan. The region is under conditions that make it susceptible to geopolitically unstable regional situations. The Caucasus stands on the other side of the Caspian Sea, which is situated in the western part of Central Asia, and comprises the three countries of Azerbaijan, Armenia, and Georgia. More than 17 years have passed since these countries gained independence following the collapse of the former Soviet Union, and while pursuing market economy systems, differences in economic development are substantial due to differing natural resource endowments, restructuring speed and other factors.

Pillars of Aid

Deepening Dialogue with the Whole Region and Strengthening Cooperative Relationships Centered on “Central Asia plus Japan” Dialogue

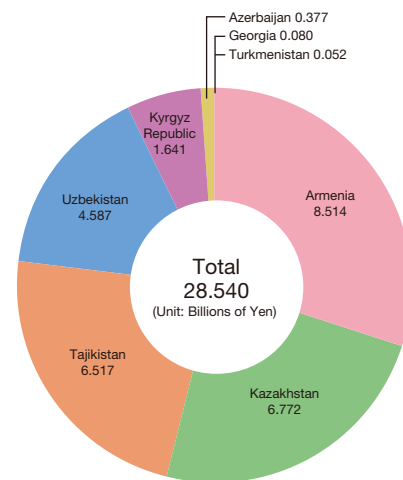
As a strategic point on the Silk Road connecting Asia and Europe, where the movement of people and goods flourished through time-honored trade, Central Asia has recently attracted the attention of the international community as a region endowed with abundant natural resources including oil and natural gas along the Caspian Sea as well as rare metals and other resources including uranium. The stability and development of this region is exceedingly important not only for the peace and development of the Eurasia Continent, but also for the international community. However, this region is beset with a host of issues that are difficult for countries to solve through individual efforts, such as terrorism, drugs, transportation, effective use of water and energy resources, accelerated trade and investment and environmental protection.

After Central Asian countries gained their independence from the former Soviet Union, the Japanese government has worked to strengthen cooperative relationships with the area and in 2004 launched the “Central Asia plus Japan Dialogue” as a framework for promoting communication between Central Asia and Japan. In 2006, the Second Foreign Ministers Meeting was held in Tokyo with Japan’s then Minister of Foreign Affairs Taro Aso in attendance. At this meeting, it was agreed to establish 1) political dialogue, 2) intra-regional cooperation, 3) business promotion, 4) intellectual

dialogue and 5) cultural and human resource exchanges as the five pillars of cooperation within the dialogue’s framework. In addition, the following nine priority areas were established as an action plan for promoting intra-regional cooperation. Focusing on the following nine priority areas, JICA is working to revitalize the Central Asia region while taking into account each country’s stage of development: 1) measures against terrorism and narcotics: support for tighter control of national borders; 2) clearance of anti-personnel mines: assistance to land mine victims; 3) poverty alleviation: narrowing regional gaps through small and medium-sized enterprise promotion and agricultural development assistance, utilizing JICA Japan Center; 4) health and medical care: preventing the spread of infectious diseases such as HIV/AIDS; 5) environmental protection: monitoring water quality while implementing Aral Sea measures; 6) disaster prevention and reduction: river disaster prevention in Tajikistan, earthquake prevention measures in Almaty, and support for landslide measures in Uzbekistan collectively bolstered by results sharing; 7) energy/water: modernization of electric power facilities and effective use of water resources; 8) trade and investment: support for WTO membership and modernization of customs system; and 9) transport: improving transport routes to the south through Afghanistan.

Scale of JICA Projects by Country in the Central Asia and the Caucasus (Fiscal 2008)

Composition of JICA projects for each country based on total Technical Cooperation project expenses, ODA loans (total), and Grant Aid (concluded Grant Aid including activities expedited).



* Excludes Technical Cooperation with multiple countries or international organizations.

Priority Issues and Efforts

With the potential of abundant natural resources, the Central Asia and Caucasus region has now begun to construct new pipelines and reconstruct roads and railways. However, the governance and economic infrastructure necessary for an independent nation and basic functions such as human resource development are not in place. Furthermore, except for urban areas, rural life is harsh and therefore poverty reduction and the creation of job opportunities remain serious issues. While each

country is in the process of nation-building as independent states, the necessity of promoting regional cooperation to solve issues common to the region (establishment of systems for democratization and transition to a market economy, etc.), as well as issues transcending national borders (development of traffic and shipping networks, etc.) is increasing.

JICA is working within a framework for regional cooperation that includes Central Asia Regional Economic Coop-

eration (CAREC) on issues that transcend national borders as well as other issues common to the region based on such government policies as the Central Asia plus Japan Dialogue, and is providing assistance that leverages region-specific training. JICA is also assisting in the transition to a market economy and reinforcing efforts to address the issue of poverty through rural development and public service improvement.

Country Overviews and Priority Issues

■ Uzbekistan

Support Based on Four Priority Areas of Cooperation

Endowed with abundant underground resources including natural gas, the lowest decline in productivity among the now independent countries of the former Soviet Union, and moderate inflation, Uzbekistan showed a positive GNP growth rate in 1996, but has been lagging behind in privatization of state-owned enterprises and modernization of strictly controlled financial markets

and agriculture. Japan's Country Assistance Program for Uzbekistan was formulated in September 2006, in which the following were established as four priority areas of cooperation: 1) support for building human resource development systems needed for developing a market-oriented economy and industrial development; 2) support for rebuilding social sectors; 3) support for upgrading and improving economic infrastructure; and 4) promotion of intra-regional cooperation.

■ Kazakhstan

Building Economic Relations through Joint Government and Private-Sector Cooperation

Cooperation between Kazakhstan—a country with abundant energy and mineral resources including the world's second largest uranium reserves—and Japan has already progressed in such peaceful uses of atomic energy as the development of uranium mines. However, in June 2008, an agreement was reached to initially decide on investment

Example

Kazakhstan

Astana Airport Reconstruction Project

Revitalization of the Astana Airport and Renovation of Soviet Union Era Passenger Transport

Kazakhstan is one of five Central Asia countries that achieved independence from the former Soviet Union in 1991 and is the second largest country after Russia among the former Soviet Union republics with an area seven times the size of Japan. With an industrial structure based on a division of labor system among the republics of the former Soviet Union, Kazakhstan specialized in producing raw materials and intermediate products, but external transport routes for products had been developed as radial networks that were basically centered on Moscow. As a result, the network was in fact inefficient, despite extremely high freight transport demand.

Consequently, ODA loans were provided to Kazakhstan for ensuring navigational safety and improving and expanding the Astana Airport in order to cope with growing air transport demand. Specifically, airport runways were extended (from 2,511m to 3,500m), taxiways and aprons expanded, paving upgraded and perimeter roads and car parks were improved. At the same time, new passenger and freight terminals and a new air traffic control tower were constructed and renovated while old and decrepit airport facilities were refurbished.

This project was implemented after the transport sector was positioned as one of the key sectors for national development in the Public Investment Program (1996–1998) announced by the Kazakhstan government in November 1996 and the National Development Plan (1997–2030) announced in October 1997. Through these efforts JICA has contributed to the revitalization and economic development of the transport sector by developing Kazakhstan's aviation industry.



Astana Airport

treaty negotiations and to construct a joint government and private-sector framework for negotiating economic relationships as a whole. Kazakhstan is planning to ratify the Kyoto Protocol soon and also intends to pursue joint projects for energy conservation and the use of renewable energy, and it is a Cool Earth Partner with Japan.

■ **Tajikistan**

Assisting in the Dispatch of Human Resources to Four Priority Sectors

Tajikistan has overcome many years of internal conflict and after the final peace agreement was reached in 1997, it achieved a GDP growth rate of 7.6% in 2005 and has maintained a high 6–10% growth rate in recent years thanks to macroeconomic stabilization and structural reform efforts. Formulated in April 2009, Japan's Country Assistance Program for Tajikistan established the following four priority areas of cooperation: 1) rural and industrial development; 2) transport and traffic (road operation and maintenance); 3) border control;

and 4) the upgrade of basic social services. Tajikistan is located at the southern gateway to Central Asia and is improving roads that connect with the Afghanistan border through Grant Aid cooperation.

■ **Kyrgyz Republic**

Supporting Poverty Reduction through Economic Growth

The Kyrgyz Republic, a country that is not well endowed with natural resources and leading industries, has been exposed to intense international competition due to rapid liberalization and still suffers from a high poverty rate because it has not been able to maintain stable development. In contrast to the Kyrgyz Republic's goal of cutting poverty in half by 2010, JICA has set a goal of promoting the reduction of poverty through economic growth based on the transition to a market economy, and is promoting regional cooperation in priority support areas based on 1) developing a foundation including transport infrastructure, 2) support for

social sectors and 3) the Central Asia plus Japan Dialogue.

■ **Turkmenistan**

A Permanently Neutral Country Cautious of Accepting ODA

Turkmenistan is a world leader in natural gas reserves. The mining and export of natural gas is a driving force for industry. Other key industries are petroleum and the production and processing of raw cotton. The 1995 UN General Assembly recognized Turkmenistan's position as a "permanently neutral country." While it is a country of Central Asia, Turkmenistan has adopted policies that draw a clear line with other countries, but after the change of presidents, it has gradually stepped up diplomacy and strengthened relations with neighboring countries. Moreover, because of the nation's abundant natural resources, developments in Turkmenistan now have a major impact on the Eurasian continent's gas pipeline strategy.

Example

Georgia
East-West Highway Improvement Project

Reconstruction of the Silk Road Region and Further Development of Transport Network

Georgia's transport system is comprised of land transport via roads and railways, sea transport primarily via Port Poti, Port Batumi and Port Supsa on the Black Sea Coast, and air transport via two domestic airports. Of these, land transport forms the core of Georgia's transport system and is expected to steadily expand as a result of economic development.

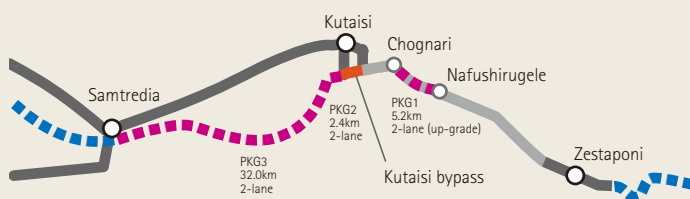
However, with the collapse of the former Soviet Union, financing from the Soviet Union

stopped, resulting in roads in Georgia today that are virtually unmaintained. The East-West corridor is part of a major international transport network that connects the Black Sea and the Caspian Sea, as well as Europe and Asia, and is a road vital to the entire Silk Road region. Because it is in a state of poor upkeep and interferes with the movement of people and the distribution of goods for the region as a whole, it cannot completely fulfill its function as a corridor.

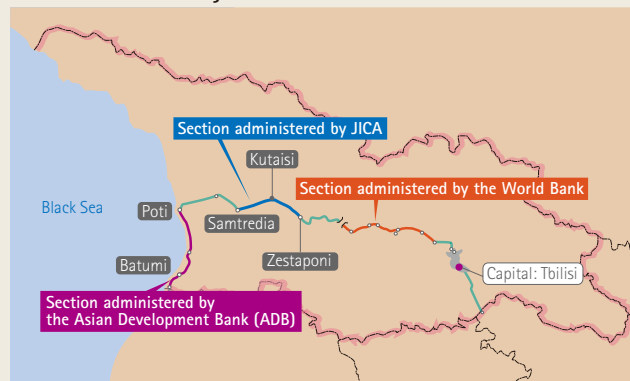
Furthermore, Georgia's infrastructure has been demolished due to its armed conflict with Russia that broke out around South Ossetia in August 2008. As a result, Japan has committed to provide a maximum of about US\$200 million in ODA loans for the restoration of Georgia's infrastructure.

In association with this, JICA will implement the East-West Highway Improvement Project in

Georgia. The East-West Highway links Azerbaijan's Caspian Sea coast with the Black Sea and is a vital artery for the distribution of goods. The 39.6km section of the East-West Highway that runs between Zestaponi, Kutaisi and Samtredia, will be upgraded. Specifically, the project involves 1) the restoration of an existing section of two-lane roads between Zestaponi and Kutaisi, 2) construction of a new Kutaisi bypass and bridge, and 3) construction of a new road between Kutaisi and Samtredia. Along with the separate Needs Assessment Study for the Reconstruction Assistance Project in Georgia that is currently underway, JICA plans to come up with Grant Aid and Technical Cooperation projects that work synergistically with this project and step up support for Georgia.



East-West Corridor Project



■ Azerbaijan

Priority Implementation of Technical Cooperation in Non-Petroleum Fields

Against a backdrop of petroleum development in the Caspian Sea, the development of non-petroleum sectors including agriculture in Azerbaijan—a country that is both economically and politically stable—has become a pressing issue in order to effect and maintain continuous economic development. Aid from Japan to Azerbaijan has covered agricultural assistance to increase food production as well as agreements in the three areas of upgrading the economic infrastructure, social sectors, and developing human resources. In order to respond to these issues, JICA has carried out efforts centered primarily on income improvement and promotion of employment as well as enhancement of the quality of and access to public services.

■ Armenia

Assistance in Promoting Free Trade System in Two Areas

Having hammered out a path to reform early on and being the first CIS country to achieve land privatization in 1991, Armenia has pursued a free trade system, becoming a member of the WTO in 2002. Japan has extended assistance to Armenia primarily to upgrade infrastructure and develop human resources with a view to solving such problems as human resource shortages, aging economic infrastructure and environmental deterioration. JICA's efforts have focused on the promotion of employment and income improvement (promoting the private sector and small and medium-sized enterprises) and enhancement of access to public services (health and medical services and local development).

■ Georgia

Expecting Economic Spillover from the Oil Pipeline

Georgia, poor in natural resources and with cattle breeding and agriculture as its key industries, has experienced the disintegration of inter-industry relations, growing ethnic conflict since gaining independence, and the greatest economic decline among CIS nations. Although on a recovery track, the development of domestic industries and small and medium-sized enterprises and the improvement of educational, health and public services, which continue to decline in quality due to financial distress and aging infrastructure, have become major issues. Georgia is situated at the center of the transit route of the BTC pipeline, which transports oil from the Caspian Sea, and prospects for an economic ripple effect from transport revenue are increasing.

Example

Uzbekistan

Nursing Education Improvement Project

Revision of the Nursing Education Curriculum toward Client-Oriented Nursing

Uzbekistan, boasting the largest population in Central Asia, gained independence from the former Soviet Union in 1991. Since 1994, Japan has provided Grant Aid for materials and equipment for medical care, but the traditions of the former Soviet Union remain strong in medical practice and there have thus been problems with the quality of service. In particular, the tendency is still strong for nurses, who play an important role wherever medical services are provided, to play a peripheral role in doctors' medical practices.

In 1998, as a reform in the health system, efforts were made to upgrade the education of medical professionals in Uzbekistan. As part of these efforts, a restructuring of the nurse education system was begun in order to raise nursing quality. Nursing education has been standardized into a three-year program of study following nine years of general education. As a period of professional education following this, a three-year nursing program is being offered in medical schools. All domestic nursing schools were elevated to college (professional trade school) level status as of 2005. The number of medical vocational high schools has increased due to a larger number of students, resulting in 76 schools nationwide.

As these reforms progress, Uzbekistan has asked Japan—which until now has dispatched specialists in nursing education and nursing management fields to Uzbekistan on a short-term basis—for additional cooperation in nursing education and nursing management.

As a result, from July 2004 to June 2009, JICA had been engaged in a project to improve nursing education by shifting away from disease-focused nursing education, which has been predominant in Uzbekistan, and adopting the concept of "client-oriented nursing," the current international standard.

Specifically, client-oriented nursing is the provision of nursing care and life support in line with the health needs of medical service clients during childhood, early adolescence, adulthood and old age.

As part of the project, a Nursing Education Center has been formed within the First Republic Medical College and a new curriculum has been drawn up by the Curriculum Committee and Working Group composed of the Ministry of Health, Ministry of Higher and Special Education, teachers of medical colleges and medical vocational high schools, and relevant parties in Japan.



Practice using a doll

A new curriculum has been introduced using the First Republic Medical College as a model school. It is hoped that this new curriculum will spread nationwide.

South Asia



Minimizing the Adverse Effects of Instability through Diverse Nation-Building Assistance

The countries of South Asia face a raft of pressing issues ranging from achieving sustainable economic growth and addressing climate change to disaster prevention and peacebuilding. South Asia's high poverty rate and multiple, longstanding conflicts call for the flexible application of a diverse array of assistance programs. JICA strives to support each country in the region by responding to specific needs, thereby contributing to sound nation building.

Pillars of Aid

Poverty Reduction Efforts Centering on the Three Pillars of (1) Support for the Maintenance of High Rates of Economic Growth, (2) Measures to Address Climate Change and Disaster Prevention, and (3) Support for Peacebuilding

South Asia has a population of over 1.5 billion, of which it is estimated that approximately 500 million live in poverty. This stark reality places poverty reduction at the top of the agenda across the entire region. Many South Asian countries have low rates of primary education attendance and lack adequate social services, including public health and medical services. Hence, the development of basic social infrastructure and improvement of agricultural productivity are crucial. Furthermore, chronic political and social instability must be addressed through support for governance and the building of robust administrative systems and institutions.

JICA has established four priority areas in its assistance programs for South Asia: (1) poverty reduction measures through the strengthening of public services, community development and human resource development, (2) support for the maintenance of high rates of economic growth through the development of economic infrastructure, such as transport and electricity, and support for the private sector, (3) measures to address climate change and assistance for

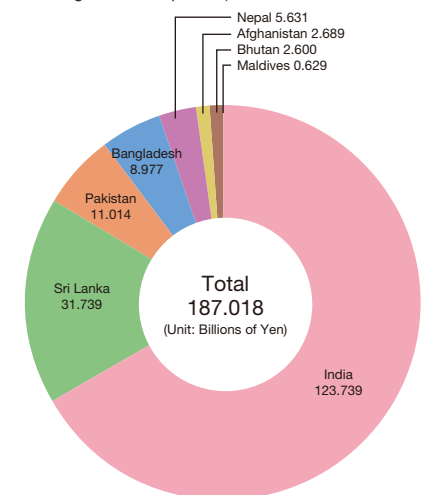
disaster prevention, and (4) support for peacebuilding that contributes to political and social stability. Indeed, all of these areas have an impact on poverty reduction.

The concept of human security underpins all of JICA's activities as it provides support in the priority areas outlined above. Specifically, support based on human security works to minimize the adverse effects of instability, and develop people's capacity to solve the problems they face. This in turn bolsters self reliance and enables people to improve their own lives.

In 1985, the countries of South Asia formed the South Asian Association for Regional Cooperation (SAARC) as a framework for developing intra-regional cooperation in economic, social and cultural fields. Although SAARC initially focused on cooperation among member countries, it has recently begun to develop a more active dialogue with other countries and international institutions. Japan has expressed support for SAARC in such areas as democratization, peacebuilding, intra-regional cooperation and personnel exchanges.

Scale of JICA Projects by Country in South Asia in Fiscal 2008

Composition of JICA projects for each country based on total Technical Cooperation project expenses, ODA loans (executed amount), and Grant Aid (concluded Grant Aid including activities expedited)



* Excluding Technical Cooperation with multiple countries and international organizations

Priority Issues and Efforts

Poverty Reduction Measures Strengthening Public Services, Community Development and Human Resource Development

Measures to combat poverty are the primary focus in South Asia. The social services needed by people living in poverty are common to all countries of the region and the strengthening of these services is essential. JICA is providing

assistance to poverty-stricken communities that do not have to access basic social infrastructure, and to areas in which agricultural land has fallen into disrepair resulting in inadequate food production capacity. These programs target the upgrading of water-supply infrastructure, rural development and enhancement of access to social services.

In Pakistan, the country's troubled relations with neighboring India have long been a source of tension. However, in recent years, political instability and security conditions have significantly worsened as the Pakistan Army has stepped up operations to quell anti-government militant groups in areas along the country's border with Afghanistan. Against this backdrop, JICA

began a four-year project in January 2009 in Punjab Province—the main grain-growing region of Pakistan—where security conditions are relatively stable. This project aims to improve the operation and maintenance of irrigation facilities as well as bolster the water productivity achieved by rural cooperatives in the project's pilot areas. JICA has dispatched experts to these areas to conduct training that will assist rural cooperatives to develop their human resources. JICA plans to use the results of this pilot program as the basis for an expanded program covering a much broader area.

In Bangladesh, where 53% of the rural population lives in poverty, JICA has worked at the national and regional government levels as well as with local communities to provide comprehensive assistance for the development of a framework to facilitate improved access to public services. This assistance works to bring local residents and administrative agencies together by encouraging residents to think about the issues they face and then present their views to agency officials. When JICA commenced this five-year program in 2005, it focused on a limited number of issues. However, building on the achieved success so far, JICA aims to expand the program in the future to cover a wider range of issues.

Support for the Maintenance of High Rates of Economic Growth Promoting Economic Growth That Leads to Employment Creation

India's size makes it the dominant driver of the South Asia economy. Even during fiscal 2008, in the midst of the global financial crisis, India maintained a high GDP growth rate of 6.7%—second only to China—and is expected to remain the engine for economic growth in the region. Stable development driven by India's high rate of economic growth is crucial not only from an economic point of view but also from the perspective of overall peace and prosperity in Asia. However, India is still addressing a number of serious issues. Approximately 36% of India's population is living on less than US\$1 per day and the literacy rate for adults (over 15 years) is only 66%. To ensure India's stable development, ongoing support is required. In particular, Japanese ODA loans are needed to help bolster economic growth and reduce poverty. Moreover, to lift the performance of the South Asia economy as a whole, JICA is assisting other countries in the development of economic infrastructure, such as transportation and electric power, and supporting the development of the private sector. After the launch of New JICA in 2008, one of the first Japanese ODA loans sanctioned was for the Chennai

Metro Project, which entails the construction of a user-friendly underground and elevated railway network. This project aims to address the surge in transport demand in Chennai, the economic and political hub of Tamil Nadu State in southern India, by establishing a mass rapid transport system. This is expected to contribute significantly to the development of the regional economy and the improvement of Chennai's urban environment by alleviating traffic congestion and reducing pollution.

Measures to Address Climate Change and Assistance for Disaster Prevention

Raising Flood Forecast Accuracy and Educational Activities for Flood Evacuation

The countries of South Asia cannot ignore the impact of climate change, which must be addressed through a combination of mitigation measures to reduce greenhouse gas emissions and adaptation policies for dealing with the impact of climate change. Moreover, South Asia suffers from frequent natural disasters. JICA responds by providing emergency aid and recovery and reconstruction assistance. JICA also provides disaster-prevention assistance and works to raise awareness of disaster prevention issues in way that will lead to practical measures.

Example

Afghanistan Improvement of Rice-Based Agriculture in Nangarhar Province

Dispatching Agriculture Experts and Supplying Equipment to Help Develop Human Resources in Afghanistan

In Afghanistan, security has deteriorated due to the impacts of incessant conflict and civil war. This prolonged period of harsh conditions has impoverished the citizens of Afghanistan. In the nation's reconstruction, food security and community development are essential. Increasing rice production is also extremely important. Current rice shortages—the result of devastated farmlands—are being met through the import of produce from neighboring countries. On this basis, community development and an increase in agricultural production are critical to Afghanistan's food security.

Nangarhar Province is situated in eastern Afghanistan. It has abundant water resources, boasts a favorable climate and, like the northern provinces of Afghanistan, is recognized as a major rice producing area. In the 1970s, Japan provided Grant Aid to assist in the construction of a rice-agriculture development center. In the aftermath of invasion by the former Soviet Union, however, agricultural facilities became run down and personnel left the area due to prolonged war-related turmoil.

Since the fall of the Taliban in 2001, JICA has initiated a program called Improvement of Rice-Based Agriculture in Nangarhar Province, which runs from September 2007 to March 2011. The project encompasses research, training and capacity development related to rice cultivation, and is designed to increase the volume and quality of rice production.

Currently, three Japanese experts are providing support to help strengthen the performance and functions of the Afghanistan Ministry of Agriculture's agricultural experiment center in Nan-

garhar. These experts are providing assistance in research and rice cultivation extension. In addition to the supply of agricultural equipment, steps are being taken to provide human resource training.

The results are remarkable, with JICA planning to expand this program to the northeast area of Afghanistan in the future.



A meeting among project-related personnel in Afghanistan

A case in point is the Lai Nullah River, a medium-sized river flowing through Islamabad, the capital of Pakistan, and the neighboring city of Rawalpindi. This river is subject to heavy monsoon-related rainfall from July to September each year, resulting in floods that occur on average once every three years. To address this situation, JICA carried out the Study on Comprehensive Flood Mitigation and Environmental Improvement Plan for the Lai Nullah Basin (the Master Plan Study) from 2002 to 2003. Based on this Master Plan, the Grant-Aid Project for the Improvement of the Flood Forecasting and Warning System for Lai Nullah Basin was implemented from 2005 to 2007.

Subsequently, from July 2007, JICA has implemented the Strengthening of Flood Risk Management in Lai Nullah Basin as a Technical Cooperation project to improve the accuracy of flood forecasting by utilizing observational data. The project is also working to raise awareness among local communities, expedite evacuation after a flood warning, promote cooperation among related administrative agencies and develop local policy-making capabilities for flood control. Prior to the 2008 monsoon season, JICA also conducted evacuation drills for approximately 100 local residents in the pilot area.

Support for Peacebuilding in the Aftermath of Conflict to Foster Social and Political Stability Conflict Prevention and Peacebuilding Programs Face Significant Challenges

Many countries in South Asia, such as Sri Lanka and Nepal, have recent histories of social and political instability. Consequently, a key issue is how best to effectively provide support for peacebuilding in such nations. Furthermore, in Afghanistan assistance programs must be conducted in an environment that lacks security and political stability. Hence, while implementing programs it is vital to closely monitor the political situation in Afghanistan and neighboring countries, such as Pakistan, as well as coordinate with other donor aid programs operating in the country.

In Nepal, civil war and unrest has recently ended after a decade of turmoil. In April 2008, Constitutional Assembly elections were held, with hopes high for the successful emergence of a newly revitalized nation. In Nepal, JICA has focused on democratization and peacebuilding, and has taken the initiative in supporting educational campaigns and human resource development as well as institutional development to support state building.

In May 2009, the civil war in Sri Lanka ended after government forces took control of parts of the country that had previously been held by the separatist Liberation Tigers of Tamil Eelam (LTTE), which was subsequently defeated. The deep scars of a war-torn nation remain, however, and the international community is seeking new platforms for assistance programs that can address the many challenges to be faced in rebuilding the nation.

In Afghanistan, Grant Aid from Japan was used to construct the new terminal at the Kabul International Airport, where facilities were substantially destroyed by civil war. JICA is also providing airport management training to employees of the Afghanistan Transport and Aviation Ministry. At the dedication ceremony of the new airport terminal in November 2008, JICA President Sadako Ogata stated, "This airport represents a gateway for interaction with the international community and will form a lifeline for reconstruction efforts in Afghanistan," emphasizing the significance of airport infrastructure to the recovery effort. The new terminal is expected to play a central role in reconstruction efforts throughout the country.

Example

Bangladesh Sustainable Arsenic Mitigation

Providing Safe Drinking Water to Those Dependent on Well Water

Of the nearly 10 million water wells in Bangladesh, some 29% are contaminated with amounts of arsenic that exceed acceptable levels (0.05mg/l) set by the government. Furthermore, estimates indicate that some 30 million people in Bangladesh are exposed to the dangers of contaminated water. The continued, long-term consumption of arsenic-contaminated water leads to arsenicosis (arsenic poisoning), which is contracted after arsenic enters the body through the skin or mucus membrane. Less severe symptoms can be treated by simply drinking safe, unpolluted water, but if left untreated, arsenicosis can result in serious health conditions, including liver damage and lung cancer.

In response, the government of Bangladesh launched an emergency arsenic mitigation program that established alternative sources of safe drinking water. Since these sources were limited in number, however, people living in disadvantaged communities had no choice but to use well water with unacceptable levels of arsenic for their drinking water needs.

With this in mind, JICA collaborated with the Japanese NGO Asia Arsenic Network (AAN) from 2002 to 2004 to further study local conditions, establish alternative water sources through community participation and conduct the diagnosis and monitoring of arsenicosis patients. Based on the results of these initiatives, JICA and AAN are moving forward with comprehensive arsenic mitigation through Technical Cooperation projects in the southwest region of Bangladesh. Focusing on Sharsha Upazila and Chowgacha Upazila within the Jessore District, these endeavors are being conducted under the auspices of local authorities.

JICA activities include the dispatch of experts in various fields, the creation of guidelines for arsenic mitigation based on community participation, awareness programs and the construction of alternative water sources. Complementing these efforts, JICA conducts training programs for the Arsenic Mitigation Committee and Department of Public Health and Engineering. Additionally, JICA has implemented specialist training programs for doctors and health-care workers as well as guidance for arsenicosis patients throughout the country. Buoyed by its endeavors, JICA hopes to continue efforts that help establish a sustainable, safe drinking water supply system.



A typical symptom of chronic arsenicosis is black spots on the palm of the hand

Example

India Delhi Mass Rapid Transport System Project

Promoting Regional Economic Development and an Improved Urban Environment through the Development of a Metro System Connecting Central Delhi and Its Suburbs

In recent years, India has experienced extraordinary economic growth while at the same time facing a rapid increase in its urban population. The population of the Delhi metropolitan area, which was 6.2 million in 1981, had ballooned to over 16.3 million by 2006. This in turn led to a surge in the number of buses and private vehicles in the city. Railways in India, on the other hand, have traditionally been focused on long-distance passenger and freight transport. Even in Delhi, the short-distance railway network connecting the suburbs with the central area, and the inner-city railway network, had been underdeveloped. Consequently, residents had to depend on either buses or private vehicles as their primary means of transport. This led to an escalation in traffic congestion on roads and air pollution problems. To address this situation, the Government of India

launched plans to construct an efficient and reliable high-speed mass transport system—the Delhi Metro—to alleviate traffic congestion and reduce traffic pollution.

JICA had previously assisted in Phase I of the project in 1996 by providing ODA loans covering 59 km of the 65 km of line constructed. Opened in November 2006, it currently carries an average of 800,000 passengers daily. In addition, Delhi Metro is providing a boost to the regional economy as many metro passengers tend to take cycle rickshaws as a means of transport between stations and their destinations. At present, plans are moving forward for the Phase II extension of the project in order to cope with rising demand for public transport and to establish a more convenient transportation network. JICA has also supported Phase II since 2005 by providing ODA loans covering 83 km of the 125 km of line under construction. By the completion of Phase II in 2010, Delhi Metro will extend its operations across six lines with a total track length of 193 km. It

is expected to become a core transportation mode in Delhi City and contribute to regional economic development.

In addition to the Delhi metropolitan area, there are many other metropolitan areas with large populations in India. Based on its positive experience with Delhi Metro, JICA is currently supporting other projects in Bangalore, Kolkata and Chennai, which are also expected to promote regional economic development through the alleviation of traffic congestion and the reduction of traffic pollution.



A station on the Delhi Metro

Example

Sri Lanka Promoting Community Participation Encompassing Agricultural Development for Rehabilitation and Reconstruction Based on a Community Approach in Trincomalee

Supporting a Community-Based Approach to Rural Village Management with the Aim of Fostering a Greater Sense of Self-Reliance among Citizens

Sri Lanka is a multiethnic country comprising three principal ethnic groups: Sinhalese (73%), Tamils (18%) and Muslims (8%). For the past 25 years, the ethnic majority Sinhalese and ethnic minority Tamils have clashed in a conflict that has resulted in significant physical and psychological damage across much of the country.

Trincomalee, the economic and political center of the Eastern Province of the country, has seen a major exodus of its population to other parts of the country or overseas due to the conflict and general civil unrest. With irrigation facilities left largely abandoned, the land has grown so desolate that agricultural production—the area's principal industry—is in jeopardy.

Since November 2005, JICA has dispatched experts and conducted local surveys targeting six

villages and three districts in Trincomalee, while also taking the initiative in building a development model for the region based on the reconstruction of agricultural infrastructure and farming villages. This wide-ranging project encompasses the following six focus areas: (1) drafting of village development plans by local residents; (2) construction implemented by the local community as well as maintenance and upkeep for irrigation facilities, rural roads, meeting facilities and agricultural wells; (3) support for the livelihood of rural women through food processing, handicrafts and textile industries; (4) implementation of a local-community action plan and enhanced local administrative competencies; (5) evaluation and monitoring of local-community action plans; and (6) construction of field offices for veterinarian clinics and agricultural support centers, as well as technical training for agricultural extension workers.

While it expects this project will be successful in strengthening local community organizations and improving agricultural technologies, JICA's true objective is to achieve peacebuilding through the collective reconstruction of agriculture and rural communities. Hopes are also held that local residents will take part in the drafting and implementation of key plans. To this end, JICA has given careful consideration toward creating an equitable ethnic balance in the selection of

program beneficiaries and has accommodated other unique local requirements so that assistance activities could be executed smoothly. Traditionally, this particular region of Sri Lanka has suffered from a low sense of community cohesion and the conflict only served to aggravate local relationships even further. As a result, local residents were initially reluctant to participate in the project. However, as more local groups—such as women's guilds and irrigation associations—were formed, the number of participants gradually increased, leading to greater solidarity among community members. Currently, local residents are actively and collectively participating in reconstruction efforts as well as the construction of irrigation channels and roadways. With further socioeconomic activity occurring, the villagers' sense of self-reliance is expected to steadily increase.



Local villagers undertaking a collective action plan