

**- Case of The Mekong Region -**  
**Contributing to the regional strong economic growth through Corridor Development Approach**

Japan has considered ASEAN countries as a regional community since long ago and provided them with support on the basis of the following pillars: ①Strengthening connectivity (Contribution to the East-West/Southern Economic Corridor Development including the support for local customs). ②Promoting trade and investment for economic growth (supporting energy supply increase, investment promotion and intellectual property rights enforcement). ③Ensuring the sustainability of

human security and the environment (disaster prevention, infectious disease control, etc.).  
 In the Mekong region, the Corridor Development Approach has comprehensively contributed both hard and soft infrastructure improvement and resulted in achieving steady economic growth for the region, recording approximately 2 to 4 times growth of GDP per capita for Thailand, Vietnam, Cambodia and Laos from 2000 to 2013.

— **Japan Brand ODA** —

Revitalize the Region Inclusively and  
 Bring Strong Sustainable Economic Growth for the People

**Corridor Development Approach**

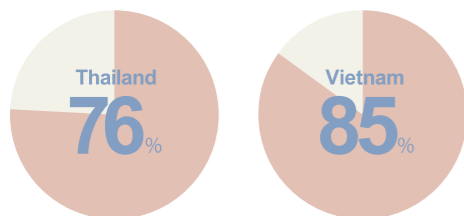
● **Corridor Infrastructure Development in the Mekong Region**

Facility Development/Hard Infrastructure			Technology Transfer for Institutional Development/Soft Infrastructure	
<b>East-West Economic Corridor</b> 	<b>Second Mekong Bridge</b> (Loan) 	<b>National Road No. 9</b> (Grant) 	<b>Customs Support</b> (technical cooperation) In the 239 hours of transportation time between Ho Chi Minh City and Chennai, the time required for customs clearance had represented more than half (127 hours), which had been a big inhibiting factor for business activities. Technical cooperation projects supported to improve and expedite customs service in Thailand, Vietnam, Cambodia and Laos. 	
	<b>Hai Van Tunnel</b> (Loan) 			<b>Investment Promotion Support</b> (technical cooperation) Dispatching investment promotion advisors for investment policy formulation/capacity building of investment promotion agencies etc., contributed to attract private investment. 
	<b>Laem Chabang Port</b> (Loan) 	<b>Neak Loeung Bridge</b> (Tsubasa Bridge) (Grant) 		
<b>Cai Mep-Thi Vai Port</b> (Loan) 				

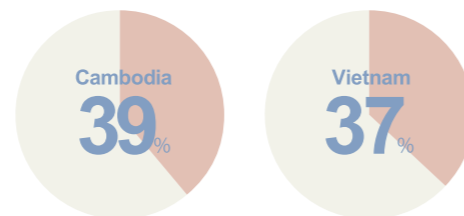


JICA Corridor Development Approach is to consider the trunk corridor as the key development axis that will stimulate and increase economic activity in the countries and regions. By combining the development potential of the region with corridor infrastructure improvement, the strategic regional development plan enables to revitalize the entire region and to create a virtuous spiral of investment promotion and market expansion.

● **The share of air passengers using airports financed by JICA\***



● **The share of handled sea cargos at ports financed by JICA\***



\* Source: JICA "JICA's regional cooperation in ASEAN"



**Urban unipolar concentration of economic activities and population lead to an expansion of regional disparities and a reduction of national growth**

In many of the developing countries having remarkable economic growth, large cities play the role of trade and business hubs and a driving force for growth. While the development going forward in urban areas increases the attractiveness to population and investments, the development in rural and especially inland areas tends to fall behind. As a result, acceleration of over concentration in large cities, which cause disordered expansion and economic inefficiency, and enlargement of regional

disparities would occur.

To enhance national power toward a robust and sustainable economic growth, making maximum use of development potential of regions and spreading the development effects throughout the country are essential.

**JICA Corridor Development Approach produces a strong sustainable growth to activate the entire region**

Economic infrastructure such as roads and ports are of first importance to support the socio-economic activities in regional development. However, development of such infrastructure is not enough to decrease transportation costs due to imbalanced export-import demands. In addition, the region with limited economic scale is unattractive as a market and not able to call for private investments. Therefore, it is important to push development forward by drawing an inclusive economic growth scenario, which realizes balanced national development and poverty reduction, by combining the development potential of the

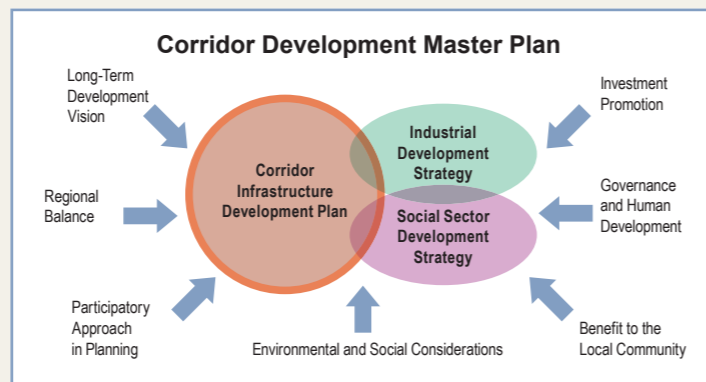
region with corridor infrastructure improvement.

JICA Corridor Development Approach seamlessly and comprehensively supports regional development from ① Planning Stage to ② Project Implementation Stage, aiming at activating the entire region through infrastructure and economic development, and strategically creating a virtuous spiral of investment promotion and market expansion.

◀ Corridor Development Approach ▶

**① Planning Stage** Corridor development master plan draws inclusive economic growth scenario of the region

JICA provides technical cooperation to formulate corridor development master plans. Master plan is unique in that it has long-term development vision looking to the regional economy 20 to 30 years ahead with multi-sectorial and a wide area perspective beyond the boundaries of nations and regions. It comprehensively designs corridor infrastructure development; transportation, energy, communication, logistics and trade, which are the foundations of economic activities, as well as the industrial development strategy in agricultural, mining, commercial and industrial sectors, etc. Introduction of the participatory approach is encouraged in planning to promote social sector development such as medical care, public health and education. Environmental and social impact assessment are also carefully considered and integrated into the plan.



**② Project Implementation Stage** Comprehensively support the realization of the economic growth scenario by making full use of a variety of cooperation tools

JICA seamlessly support the realization of the economic growth scenario and master plan by effectively combining a variety of development assistance schemes such as loan, grant, technical cooperation and public-private partnership. A strategic input of finance and optimum technologies to upgrade

both hard and soft economic infrastructure together with a promotion of industrial and social sector development contributes to bring dynamic and inclusive economic growth of the region.

	Corridor Infrastructure Development Plan		Industrial Development	Social Sector Development
	Facility development/Hard infrastructure	Institutional development and technology transfer/Soft infrastructure		
Loan	<ul style="list-style-type: none"> <li>Development of ports, roads, bridges, railways, etc. (grant/loan)</li> <li>Energy supply facility development (grant/loan)</li> <li>One-Stop Border Post (OSBP) facility development (grant/loan)</li> <li>Special Economic Zone (SEZ) development (grant/loan)</li> </ul>	<ul style="list-style-type: none"> <li>Cross-border facility and institutional-building (technical cooperation)</li> <li>Infrastructure operation and management capacity building (technical cooperation)</li> <li>Financial assistance for private investment promotion (loan)</li> </ul>	<ul style="list-style-type: none"> <li>Mining Industry</li> <li>Agriculture</li> <li>Tourism</li> <li>Technical Education</li> </ul>	<ul style="list-style-type: none"> <li>Medical Care</li> <li>Public Health</li> <li>Education</li> <li>Water Supply</li> </ul>
Grant	<p>To support the medium and long-term stable economic growth, JICA supports the development of economic infrastructures such as transportation, power, energy and communication.</p>	<p>JICA is promoting trade and investment through its support to OSBP that facilitates logistics and trade as well as encouraging private sector investments in order to strengthen the growth driving force.</p>		
Technical Cooperation				
Public Private Partnership				

**- Case of Africa's Economic Corridors - Promoting formulation of the comprehensive regional development plan through Corridor Development Approach**

Africa's remarkable economic growth is continuing with rich natural resources and there is a growing huge demand for infrastructure development, which is far beyond the public investment. Expansion of the private investment is desired to keep up with the rapid growth, however, in Africa, inadequate infrastructure and comparatively small market size of each country have become an obstacle to attract private investment.

The Government of Japan made a commitment at the 5th Tokyo International Conference on African Development (TICAD V) in 2013, of formulating 10 Strategic Master Plans for comprehensive development and encourage private investment in infrastructure and industry. The comprehensive corridor development master plan

elaborates a relatively long-term (20 to 30 years) policy, as well as identify short-term priority projects, considering rapid population growth and urbanization trend. It enhance the feasibility and effectiveness of corridor development by strategically connecting natural and human resources with industries and infrastructures along corridor(s) in region-wide crossing borders. It also strategically aims at improving the investment attractiveness of the region, and strengthening regional connectivity and integrity.

**Economic Corridors in Africa where Japanese cooperation exists**

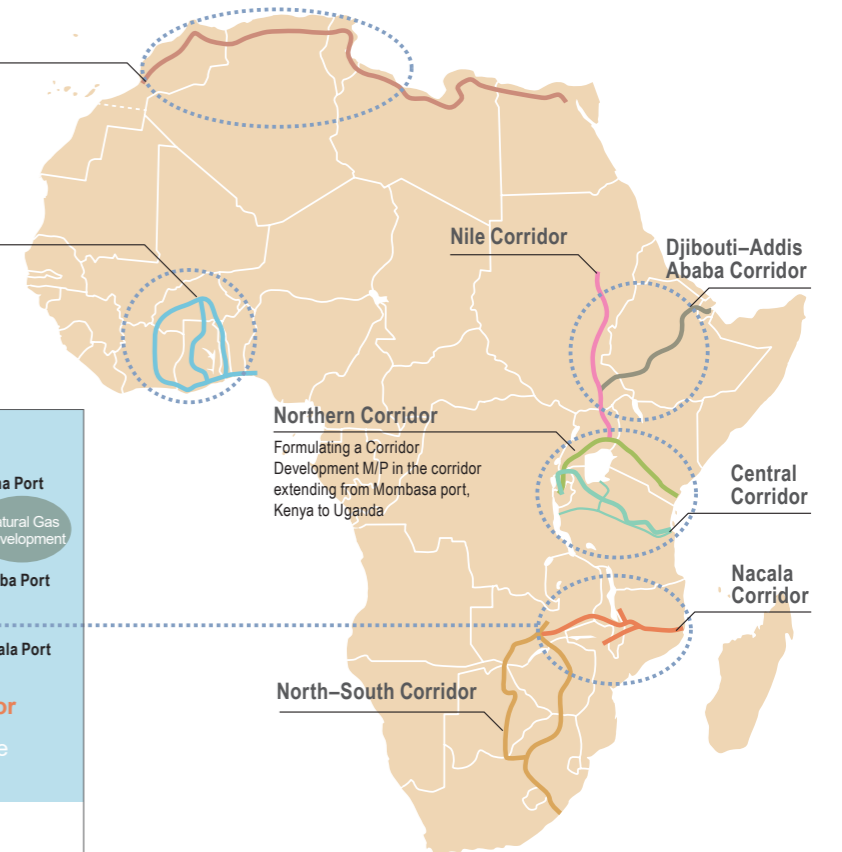
**Trans-Maghrebin Corridor**

Conducting data collection survey along this corridor aiming at infrastructure development and private investment promotion in Morocco, Tunisia and Algeria.

**West Africa Growth Ring**

Formulating a corridor development M/P in the 4 corridors connecting Burkina Faso, Cote d'Ivoire Ghana and Togo.

**Nacala Corridor**



**Nacala Corridor Development M/P generates region-wide ripple effects of natural resources development**

On the Nacala Corridor extending from Nacala Port, through Malawi, to Zambia, a vast land suitable for agriculture as well as rich natural resources such as coal and natural gas have remained undeveloped due to the lack of sufficient corridor infrastructure. Therefore, JICA supported the government of Mozambique to formulate the Nacala Corridor Development M/P with a target year 2030. This M/P designed improvement of railways, ports and arterial roads projects by both private and public investment associated with natural resources development. Other economic infrastructure development such as expansion of electricity and communication network and urban infrastructures, as well as social sector development are totally combined in order to realize inclusive development.

**Roots of the Corridor Development Approach "Pacific Belt Zone Grand Plan" in Japan**

In 1960, the Government of Japan announced the "Income Doubling Plan" aiming at a significant improvement of national living standards and full employment as well as the "Pacific Belt Zone Grand Plan" as industrial spatial policy.

This plan was aiming at a balanced development of the whole country by a decentralization of overconcentrated industry to regional cores on Pacific Belt Zone to make maximum use of capital, labor, technology and natural resources. Large volume of public investment on infrastructure development, such as expressway and Shinkansen (bullet train), created national development axis and resulted in successfully extending export-oriented industry which brought a rapid economic growth to Japan.