

## Changing Development Issues and JICA

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

How is JICA going to address these issues?

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

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

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



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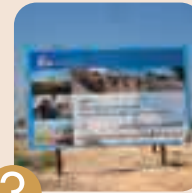
### Issues Expanding Beyond National Borders

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# 1

## Issues Expanding Beyond National Borders

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

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

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

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



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

## Accelerating Changes in the Global Environment

### Threat of Global Warming

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

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

food production

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

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

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

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

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

## JICA's Efforts .....

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

### Cooperation for mitigation measures

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

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

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

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

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

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

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

CDM target sectors or sectors con-

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

### Cooperation for adaptation measures

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

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

enhancement of disaster prevention systems, and support for infectious disease control.

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



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

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

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

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

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

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

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



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

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

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

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

## Infectious Diseases Spreading Beyond National Borders

### Collective Efforts by the International Community

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

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

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

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

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

### Avian Influenza .....

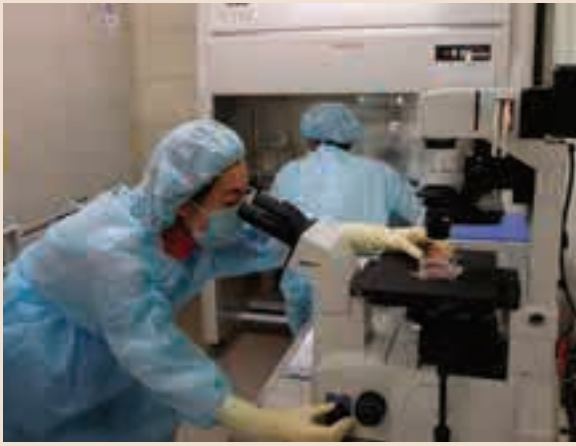
The H5N1 type avian influenza epidemic has spread to Asia, the Middle East, Europe, and Africa, seriously damaging the societies and economies of many developing countries. This disease is expected to become communicable from human to human as well as from bird to bird and from bird to human, and therefore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

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

### Prevent infection to birds

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

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



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

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

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

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

### Prepare for infection to humans

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

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

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

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

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

### HIV/AIDS .....

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

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

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

### Regionwide cooperation

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



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

and the rate of condom use has improved.

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

### Share experiences inside and outside the region

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

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

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

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

## From Conflict to Reconstruction Development

### Impact of Conflict .....

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

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

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

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

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

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

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

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

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

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

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

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



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

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

### Contributing to the promotion of peace

#### —Mindanao, the Philippines

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

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

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

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

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

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

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

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

#### —Palestine

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

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

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

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

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



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

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

### Implementing assistance for constituent assembly election —Nepal

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

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

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

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

community infrastructure such as roads, and agricultural development.

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

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



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

## Response to Diversifying Asia

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

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

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

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

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

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

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

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

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

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

## JICA's Efforts .....

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

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

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

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

## Establishment of regional networks

### —Greater Mekong Sub-region

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

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

## Project for upgrading economic and corporate laws

### —China

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



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



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

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

\*1 ASEAN integration: Establishment of an ASEAN Community comprising the three communities in terms of their human security, economic, social and cultural sectors is envisioned.

\*2 Source: National Accounts Main Aggregates Database 2005 by United Nations Statistics Division

\*3 Establishment of East Asian Community: The aim is economic integration of East Asian countries as a regional synthetic community similar to the European Union (EU).

\*4 East-West Corridor: Traversing Viet Nam, Laos, Thailand, and Myanmar. Southern East-West corridor (Second East-West Corridor): Traversing Bangkok in Thailand, Cambodia, and Ho Chi Minh City in Viet Nam. North-South Corridor: Longitudinally traversing Yunnan Province in China, Laos, and Bangkok in Thailand.