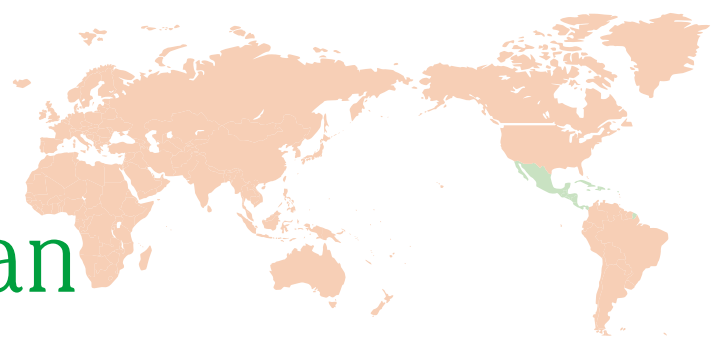


Central America and the Caribbean



Toward Efficient and Effective Development Assistance with Consideration Given to Regional Integration and Cooperation

In the countries of Central America and the Caribbean, which not only share a common language, history and culture, but also development issues, both regional integration and cooperation represented by the Central America Integration System (Sistema de la Integración Centroamericana [SICA]) and the Caribbean Community and Common Market (CARICOM) are active. Democratic and market economies are on the whole also being established, with stable development evident. However, countries with severe problems like poverty and economic disparity are still numerous as they face many issues on the path toward sustainable economic growth. As a partner with similar values, JICA aggressively aims at development assistance and supports cooperation in attaining stabilized economic growth in the region.

Pillars of Aid

Driving Forward with a Wide-Ranging Strength in the Pillars of Poverty Reduction, Sustainable Economic Growth, Environmental Protection and Climate Change

Central America and the Caribbean region are collectively comprised of 15 countries: Mexico; Central America; and the Caribbean (including Guyana and Suriname, CARICOM member nations located on the South American continent), which include countries of all sizes bordering each other, have much in common. Despite these commonalities, each country's circumstances cannot be generalized.

With regard to population, for example, Mexico has over 100 million people, the SICA member countries (except Belize), Cuba, Jamaica and Haiti range from a few million to over 10 million, and other smaller countries with a population of less than one million are also included. Economically, there are several comparatively stable economies such as Mexico and Costa Rica that maintain international competitiveness in the manufacturing industry and whose industrial structures are advancing. There are also economies like Panama, Jamaica and the Caribbean's wealthier countries, where finance, tourism and other service-oriented industries support the economy. On the other hand, there are also many countries with fragile economic structures that are trying to shift from a dependence on primary agricultural products to an economy based on variety as well as high added value exports. While undertaking this shift, these countries still depend on primary agricultural product exports and remittances from fellow citizens residing in the United States.

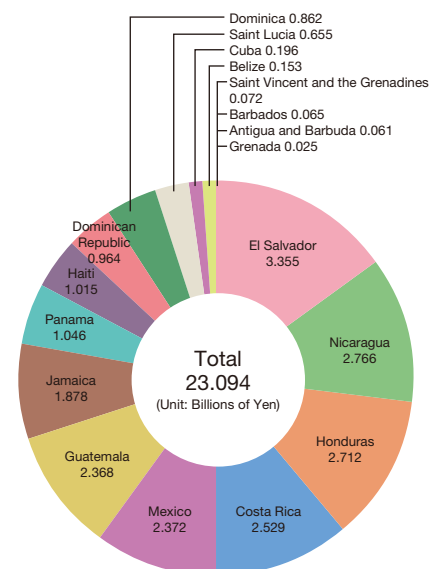
The Central American crisis (a term used to describe the civil wars in each country) devastated the region, bringing economic failure for a decade from the mid-1970s. Neighboring countries were also impacted

by an outflow of refugees and weapons. Peace continued in the 1990s, and with the exception of a small number of countries political conditions and economies on the whole stabilized owing to each country's efforts toward democratization and economic reform. However, differences throughout the region and within countries remain pronounced, and countries with serious problems like poverty, public security, and environmental protection are numerous. Taking the aforementioned into consideration, the international community's aggressive support is essential.

For Central America and the Caribbean with its many small-scale economies, while coordinating with organizations related to regional integration like SICA or CARICOM, it is important to provide support for mutual development issues, as well as coordinate with international organizations like the Inter-American Development Bank (IDB) and other bilateral donors. A close relationship was established when the Economic Partnership Agreement (EPA) came into effect between Japan and Mexico in April 2005. At the same time, active steps were taken to support its South-South Cooperation for various countries in Latin America and the Caribbean region. Meanwhile, with the goal of peace-building and democratization, Japan actively supported national and human development in the countries of Central America from the 1990s onward, and in 1995, the Japan Central American Forum was formed between Japan and the SICA member nations. Furthermore, in connection with climate change policies, the Japanese government has entered into a mutual agreement with Central America and some Caribbean countries

Scale of JICA Projects by Country in Central America and the Caribbean (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.

with respect to the Cool Earth Partnership. JICA's activities are based on Japan Caribbean Consultation results, yearly diplomatic negotiations at the administrative level and encompass cooperation in the fields of disaster prevention, marine resource conservation, tourism development and environmental conservation.

Priority Issues and Efforts

Poverty Reduction Aid for Regional Security

There are people in Central America and the Caribbean who live in poverty and cannot enjoy the most basic and important components of life including education, health, medical services and safe drinking water. JICA values its partner relationships with Central America and the Caribbean while supporting the resolution and improvement of the region's three fundamental aid issues,

namely 1) measures to overcome regional and domestic economic disparities; 2) sustainable economic growth; and 3) problems caused by environmental deterioration and climate change (especially natural disasters like hurricanes and floods, urban environmental problems, and the destruction of natural resources).

With regard to the enforcement of programs, along with active support of regional and domestic self-help efforts

from the perspective of capacity development (CD), it is important to consider socially underprivileged persons like women and children, as well as indigenous people living in poverty due to historical circumstances. Moreover, a perspective of "human security" encompassing all persons is paramount at each of the regional and domestic levels. In this regard, JICA provides support in the fields of education as well as health and sanitation.

Example

Central America— Regional Cooperation Project for the Improvement of Teaching Methods in Mathematics on Primary Education

Supporting Schoolchildren's Scholastic Abilities and Teachers' Leadership Ability Advancement through Japanese-Style Mathematics

In Guatemala, educational reform based on curriculum modification is progressing, and by offering eight different policies such as "Toward Conformity with Nations and International Standards in the Quality of Education" and "Strengthening Teachers' Training and Research Systems," JICA is focused on a bottom-up approach for a final goal of stimulating national economies. JICA had children learn the minimum basic knowledge required in primary education and promoted studies in languages and mathematics as important sub-

jects. Depending on the advancement of each child's scholastic ability, efforts were made to minimize the repeat of school years and the dropout ratio. However, according to the National Children's Learning Level of Achievement Evaluation Program implemented from 2001, it was clear that children's grades on the whole were floundering (the percentage of correct answers for third grade elementary students was 46.1% in mathematics and 55.3% in reading and writing).

From 2002 to 2005, JICA dispatched a Japan Overseas Cooperation Volunteers (JOCVs) team to a number of pilot schools in Guatemala (four departments with a total of 16 schools, 300 teachers, and 5,000 children), and implemented the "Project to Improve Mathematics Teaching in Primary Schools." While referring to the textbooks used in a similar project in Honduras, JICA developed mathematics textbooks for children in the 1st–3rd grades that ran parallel with Guatemala's curriculum (i.e., teacher's guidebooks, workbooks for children). Steps were also taken to introduce training programs to help teachers in textbook

use. JICA was requested for repeated support by the country's government because of the striking improvement in children's grades, and from April 2006 for a period of three years JICA started a program with the goals of producing 4th–6th grade mathematics textbooks as well as realizing human resource development in the Ministry of Education of Guatemala. As was the case in Honduras, Japanese-style mathematics education is taking root in Guatemala.



Students learn from textbooks developed during the project.

Example

Nicaragua "Project to Strengthen the Civil Security Network for Youth and Family"

Protecting Youth and Women from Crime by Connecting the Community with Its Administration

In Nicaragua, the number of crimes committed by youths is rising yearly, becoming one of the country's most serious problems. According to police statistics, the incidence of crime increased threefold by 2003 from the 28,005 reported cases in 1990, while two out of three crimes were committed by youths under 25 years of age, with one in twelve crimes committed by a minor under 18

years of age. Furthermore, it is said that 600,000 youths countrywide are confronted by violence, with little or no respite from the increasing trend of sexual abuse against women.

Under these circumstances, the country's Ministry of Family (governmental organizations that promote and regulate a series of social protection programs) is deciding on and promoting strategies for action to prevent violence. The reality, however, is that these efforts are insufficient to meet pressing needs.

For its part, JICA dispatches specialists who are experts in such fields as social protection, youth crime, social psychology and policy system support. We provide aid to minimize risks against the young and women, typical targets of crime, as well as their families and local communities.



A scene from a training session. Participants create charts regarding zone risks.

Through these efforts, JICA aims to have administrations and local residents establish crime prevention systems, and to incorporate the experience of model regions into the ministry's policies.

In the field of education, we put top priority on cooperation that helps to extend basic education, and through the implementation of Technical Cooperation projects, the dispatching of volunteers and acceptance of technical training participants. JICA is working at improving the quality of primary education in particular. With the Project for the Improvement of Teaching Methods in Mathematics which started in Honduras in 2002, as a part of bilateral aid that included developments in instructor manuals and children's workbooks, JICA's efforts continue to spread to the region's other countries including Guatemala, El Salvador, Nicaragua and the Dominican Republic in the form of regional cooperation.

In the areas of health services as well as sanitation, JICA is working on a preferential basis to address such issues as the reduction of infant mortality rates, mother-child health and reproductive health in an effort to improve conditions for expectant and nursing

mothers. Other issues of concern include policies on infectious diseases targeted at people living in poverty, the improvement of regional health and medical services such as nurse's training and the supply of safe drinking water. As is the case with the field of education, JICA utilizes experts and volunteers. A representative example is the Chagas Disease Control Project that has been implemented in Guatemala, El Salvador, Honduras and Panama. Our endeavors to halt the spread of Chagas Disease infection in Guatemala was recognized by the World Health Organization (WHO) and other international organizations, on November 19, 2008 (more information on page 101).

Looking at the region as a whole, most of the economies rely on the manufacture of primary goods based mainly on agriculture and exports, with a large proportion of the population active in the agricultural and fishing industries. In this context, a majority of the

region's populace live in poverty. JICA is therefore focused on poverty reduction. JICA aims at cooperation in adopting a theme that places considerable weight on the development and promotion of manufacturing technologies for income improvement and the promotion of rural development based on a model of citizen participation. In this sector, there are also many experts and volunteers working in the field.

Support for Sustainable Economic Growth

The scars from long-running civil wars run deep, while basic infrastructure that remains unattended acts as an impediment to economic activity, and thus an obstacle to reconstruction. JICA is mainly focusing on financial cooperation (loans and grants) and promotes coordination with the IDB and other donors to target the construction and restoration of necessary roads and bridges in order to realize sustainable economic growth.

Example

Central America and the Caribbean Region

"Project for Productivity Improvement" and "Project for the Improvement of Facilitator Capability as Related to the Advancement of Quality and Productivity in Small and Medium-Sized Enterprises" (Central America and the Caribbean Region)

Supporting Management Consultant Training Necessary to Strengthen the International Competitiveness of Small and Medium-Sized Enterprises

The countries of the Central American region have accepted economic globalization and progress

from the conclusion of the Free Trade Agreement, and are setting forth policies that aim to increase international competitive power and improve productivity. To fulfill this economic growth as well as development needs, JICA cooperated with all countries. In this regard, the "Project for Productivity Improvement" (2001-2006) in Costa Rica highlights the results to be gained in quality, manufacturing and business management from the application of the Japanese production management system that encompasses with the 5S methodology and *kaizen*.

One result of the transfer of technology was the introduction of the Accredited Management Consultant System that targeted the counterpart of the Technical Instructor and Personnel Training Center (Centro de Formación de Formadores y de Personal Técnico para el Desarrollo Industrial de

Centroamérica: CEFOP), the organization implementing the program. Based on the JPC's (Japan Productivity Center) confirmation, 11 of the counterpart's members were certified as management consultants (at the senior level).

In the future, JICA will employ management consultants trained during the project as core personnel, and with this year's Project for the Improvement of Facilitator Capability as Related to the Advancement of Quality and Productivity in Small and Medium-Sized Enterprises (2009-2012), utilizing the scheme of third-country training (eight countries in Central America), JICA will support human resource development for the advancement of quality and productivity, while continuing to contribute to the reinforcement of industrial development and international competitive power throughout the region.

From Our Expert "Our Counterparts' Enthusiastic Ideas are Reflected in the Project."

For 15 long years, our counterparts learned about Japanese-style productivity and quality improvement technology. Presently, they are trained to lead enterprises, and are a great source of pride. Every time there are surveys done for each country's needs, I feel humbled when ministers and directors speak proudly of this Japanese success story. They truly respect the Central American values and are passionate about building favorable relations with other Central American countries, which is most certainly reflected in the project.

As five years have already passed since the completion of cooperation for the last third-country training conducted in 2004, CEFOP management consultants, the core of this project's implementation, are extremely excited. I could sense their strong desire to contribute to the strengthening of other countries' small and medium-sized enterprises.

Eizo Uegaki, Long-Term Expert
(Chief Advisor/Coordinator)



With Guatemala's "Zonapaz Road Improvement Project," the National Highway RN-7 East that crosses the peace region ("Zonapaz," where civil war damage was especially prominent), and roads leading to local government and rural roads were repaired through the provision of ODA loans. This necessarily supported improvements in the living standards of local residents as well as the region's economic activity.

Meanwhile, the impact of the world's financial and economic crisis affected the region due to its close relations with the United States. This caused direct investments from abroad to greatly decrease. Furthermore, the decrease in remittances from fellow citizens living in the U.S. to mainly Mexico is also serving to slow economic growth. Under these circumstances, it is important to continue promoting an infrastructure that ties in with the enhancement of economic activity within the region.

For instance, El Salvador's "La Union Port Development Project" was based on the provision of ODA loans. In combination with Technical Cooperation, the project will continue to support the advancement of El Salvador's east-

ern region development, triggered by improvements in infrastructure. Moreover, those fishing people living in the region, who support themselves by gathering ark shells and native oysters, were greatly affected by the confusion that arose in the aftermath of civil war which forced many inland residents to lose their means of living. Because of migration to the coast, excessive fishing continued, creating a drain on fishing resources. To resolve these types of problems, JICA developed technologies for shellfish cultivation, an activity that is deeply rooted in the area. At the same time, we worked to stimulate a mindset that would allow fishing people to gather shellfish resources, and implemented Technical Cooperation projects to support lifestyle improvements.

Support for Environmental Conservation and Tackling Climate Change

Along with the concentration of population in urban areas as well as manufacturing activities aimed at economic development, responses to waste disposal and water pollution in urban areas are becoming issues that require urgent attention. At the same time,

conservation of the rich natural environment that is characteristic of the region and that serves as a valuable tourist attraction is also a matter of importance.

Complementing its efforts toward environmental conservation, JICA is also actively involved in climate change, a global-scale issue that surpasses geographic borders. Turning to the "Cool Earth Partnership," member countries (11 of 90 are from Central America and the Caribbean as of August 2009) aim to support mitigation measures that emphasize renewable energy and energy saving, as well as adaptation initiatives for village water-supply systems. JICA is presently preparing to provide Grant Aid to support Guatemala's small-scale hydroelectric power generation capabilities as well as for other environmental programs.

Example

Jamaica

"Water Facilities Maintenance and Management Project (Technical Cooperation Project)"
"The Kingston Metropolitan Area Water Supply Project (ODA Loan Project)"

Supporting System Building for a Safe and Efficient Water Supply Using the Synergy of Technical Cooperation and ODA Loan

Plumbing operations in Jamaica are managed by the National Water Commission (NWC) which divides the area into east and west, and then again into four regions. Each region receives water from approximately 350 water purification plants. In 2003, widespread waterworks use reached 71%, but only 35% of the 291 million m³ of planned clean water was revenue water volume. This was mainly attributable to leakage from degraded water supply pipes, supply to areas where fees cannot be applied and water theft. Accordingly, the level of water facility equipment and maintenance is clearly inadequate.

JICA received a request from the government of Jamaica on Technical Cooperation to strengthen the capability of NWC staff in water facility maintenance. On this basis, a Technical Cooperation project which focuses on three main areas, namely the operation and maintenance of water purification plants, water quality maintenance and water supply pipe planning (water operations) is being implemented. By training staff involved in waterworks and providing for a basic transfer of technology, JICA is promoting the independent and sustainable growth of developing

countries and fulfilling its role to provide aid for the resolution of global issues. On the country's water issues, ODA loan totaling ¥6.64 billion was approved for the "Kingston Metropolitan Area Water Supply Project" in 1996, which is now being implemented for the development of water resources as well as the restoration and expansion of water supply facilities, and thus to eliminate serious water shortages. This is one of the invaluable practices that reflect the synergy benefits gained between Technical Cooperation and ODA loan.



The Spanish Town Water Treatment Plant completed in August 2008 through the provision of ODA Loan