



Pillars of Aid East Asia in a Phase of Change—Aid Needs Keep Changing

● China

Japan has provided the utmost cooperation in China's efforts toward modernization since the launch of its open reform policy based on the recognition that China's stable economic growth is in Japan's national interest. Recently, due to rapid economic growth and changes in the socioeconomic structure, China's aid needs have changed and Japan's prolonged economy recession has made it necessary to reduce aid financing. Under these circumstances, aid for China has been reviewed.

With regard to medium-term aid policies for the future, based on the proposal put together in December 2000 by the Meeting on China's Economic Cooperation toward the 21st Century chaired by Isamu Miyazaki, former Director-General of the Economic Planning Agency, the China Economic Cooperation

Plan issued by the Ministry of Foreign Affairs in October 2001 serves the basic guidelines.

The Plan specifies the following six areas as priority areas in cooperation for China.

- 1) Cooperation towards resolving environmental and other global issues*
- 2) Assistance for an open reform policy
- 3) Promotion of mutual understanding
- 4) Assistance for poverty alleviation
- 5) Support for private sector activities
- 6) Promotion of multilateral cooperation

● Mongolia

Cooperation with Mongolia stresses the following four areas.

- 1) Intellectual support and development of human resources for transition to a market economy:

Structural improvement and human resources development provide support for the market economy system.

- 2) Upgrading economic infrastructure* and conditions for the promotion of industry:

The focus is primarily on support for the Mongolian Railway, which is a major means of transportation in Mongolia, and support for a stable supply of energy.

- 3) Promotion of livestock-farming and agriculture:

Livestock-farming and agriculture is a key industry that accounts for nearly 25% of Mongolian GDP. Since the majority of local residents who are engaged in livestock-farming and agriculture live below the poverty line, in relation to poverty reduction, this area is important as well.

- 4) Support for basic living environments:

Cooperation is provided for education, health and medical care, and rural infrastructure, which are fields that were subject to drastic budget curtailment after the political changeover.

Current State of Development

■ Widening Disparity in the Chinese Economy

Since the launch of the open reform policy in 1978, China has recorded exceedingly high economic growth, on average about 10% per year, and accomplished rapid economic development. On the other hand, in recent years not only has economic disparities between regions become evident and environmental degradation more serious, but the establishment of a market economy has not corresponded to the rapidly expanding economy, thus creating structural problems in the system.

The 10th five-year program (2001-2005) implemented in 2001 addresses greater adjustment of the stalling economic structure with more focus on the agricultural sector. In addition, improvements in the lives of citizens, social security, and Western Region Development were added to the plan. Consequently, a priority has been placed not only on economic growth, but also on creating a stable society through the elimination of disparities between urban and rural areas and between various regions.

The most significant recent development in the economic field is China's entry into the World Trade Organization (WTO) at the end of 2001. China's great challenge right now is to promote the necessary economic structural reforms through economic globalization and the introduction of an international economic system, and the primary task is to improve the domestic economic system that accompanies WTO membership.

On the other hand, the country's rapid economic growth for the past 20 years has brought about large domestic economic disparities within China. The average income disparity at the provincial level between coastal areas, where rapid economic

development has been achieved, and inland areas, where basic economic conditions lag behind, is more than tenfold. Furthermore, more than 200 million people living at the level of absolute poverty (i.e., living on one dollar or less a day) reside in the inland areas.

Environmental issues, which have emerged in the course of the promotion of the open reform policy, can be divided into three categories.

- 1) Environmental pollution, such as water pollution of the major rivers and lakes, air pollution of the cities, acid rain extending to over 30% of the country, waste disposal problems, etc.
- 2) Conservation and the creation of forests, which are currently losing tree coverage; implacable desertification; large-scale migration of yellow sand; and deterioration of ecosystems and the environment due to frequent flooding.
- 3) Sustainable use of water resources, which are closely related to environmental issues and are subject to pressure from population growth and urbanization.

In spite of active environmental countermeasures carried out by the Chinese government, the worsening environment has become a serious problem that undermines steady economic development and social stability.

■ Mongolia Needs to Maintain and Manage Infrastructure

Mongolia has extremely low population density, with approximately 2.5 million people living in an area four times the size of Japan. It features a severe climate of little precipitation and a long midwinter due to its inland location at a high latitude. Three quarters of the country's territory is grasslands, with the remaining area occupied by deserts or mountains. In order to adapt to such natural environments, people have lived nomadic lives since ancient times.

With its incorporation into the economic sphere of the Council for Mutual Economic Assistance (COMECON) in the 1920s, Mongolia began to serve as a supplier of raw materials, and mining and light industry as well as livestock-farming and agriculture started to develop. Another characteristic of this country was its level of basic living conditions (such as education and medical care), which was higher than that of other developing countries, thanks to substantial economic



Poverty program project implemented with the cooperation of a Japanese NGO in Guizhou Province

aid from the former Soviet Union.

Around the time of the collapse of the Soviet Union in 1991, Mongolia changed over from a communist system to a democratic system with a market economy. The economic disorder that arose as a result of this changeover was, to some extent, remedied by the economic stabilization policies of the Mongolian government and economic aid from the International Monetary Fund (IMF) and various countries.

However, lack of funds has created difficulties in maintaining and managing a wide range of socioeconomic infrastructure, and repair and renovation of this infrastructure have become important tasks. The development of human resources needed for the market economy is another urgent priority. Further problems that have surfaced recently include



Opening ceremony of an elementary school in Mongolia built with the support of Japanese ODA

the widening gap between the rich and poor, and a decline in the standards of education as well as health and medical care, especially in rural areas.

Front Line

● China The Model Afforestation Project in Sichuan

Deforestation as the Cause of Massive Flooding

Technical Cooperation Project

Afforestation in the upper waters of Chang Jiang

There was a massive flood in the Chang Jiang River basin in the summer of 1998. One of the causes of this flood is believed to be deforestation at the upper reaches of the river. The need for afforestation in the upper waters for flood control was acknowledged.

For this purpose, a five-year project started in July 2000. Specific activities in the Anning River basin, a branch river of Chang Jiang, which is situated in Liangshan Yizu Autonomous State, Sichuan, are as follows:

- 1) Nurseries are being built to carry out various experiments in Xichang City and Zhaojue County, which are located 1,560m and 2,950m above sea level, respectively, in order to develop technologies to produce seedlings in tropical, temperate, and high-altitude regions.
- 2) A 500ha model forest is being built to develop afforestation technologies with an aim to preserve wet soil suit-

able for dry and high-altitude regions.

- 3) Training is provided to develop human resources engaged in management, implementation, and dissemination of seedling, nursing, and foresting activities.
- 4) Seedling cultivation and afforestation technologies will be disseminated in order to help local residents understand the importance of forest conservation and implement their own self-sustainable afforestation activities.

Technical transfer to local residents

This project is implemented in the form of technical transfer where experts train local residents directly on site on seedling nursing and afforestation techniques. This project is carried out at different locations, including nurseries, afforestation sites, and villages, according to the expert.

Since most of the experts' activities take place not in an office but on site,



Local ethnic minority people participating in the afforestation project

they first have to deal with the language difficulty by writing messages to communicate with their counterparts*. However, they are now fluent in the Sichuan dialect and making progress in the project as communication improves.

(JICA China Office)

Addressing Priority Issues in JICA Programs

Environmental Issues and Infectious Diseases

—China

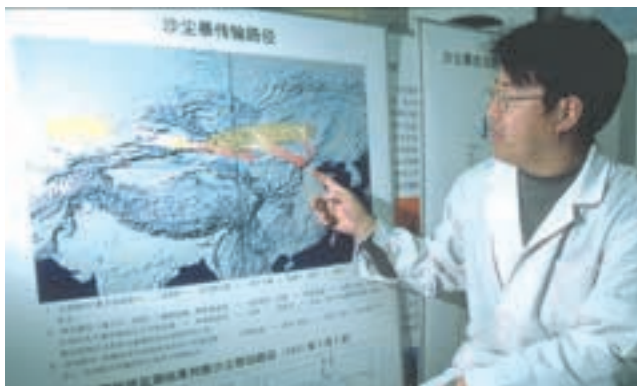
Activities for addressing environmental issues and infectious diseases that cross borders require international cooperation, and have become the highest priority issue of JICA programs.

With respect to environmental pollution, the Japan-China Friendship Environmental Protection Center plays a central role in supporting the establishment of an environmental information network and the promotion of the Japan-China environmental model city plans. The center also provides support related to formulation of environmental policies such as technical support through analysis of and solutions for acid rain and yellow sand storms, and the establishment of a pollution control administrator system.

As far as infectious disease control is concerned, JICA has made a large contribution to the eradication of polio in China, and presently emphasis is being placed on cooperation for tuberculosis control.

Next, the greater globalization of the Chinese economy through the support of China's transition to a market economy is deemed a priority. To support reform and open-door policies, it is carried out to establish tax, trade, and intellectual property right protection systems in accordance with the rules of the international community. In addition, Japan transfers its specific experiences in the areas of policy, financial systems, and small and medium-scale enterprise promotional support systems.

Thirdly, it is important to improve mutual understanding between the citizens of both countries as it will become the basis for a long-term sound relationship. Expansion of



The Japan-China Friendship Environmental Protection Center Project, Phase 3, addresses yellow sand problem

exchange between young people in Japan and China, the training of China's young executives in Japan, and the encouragement of exchange between local governments are being promoted.

Finally, it is important to address poverty, a common problem for all developing countries. Although dealing with the poverty issue primarily concerns Chinese domestic income distribution, in the areas that Japanese experience and technology can be exploited, national land planning to correct disparities between regions is introduced and support for persons with disabilities is provided.

Human Resources Development in the Private Sector—Mongolia

In Mongolia, JICA provides intellectual support to government sectors to strengthen taxation functions and legislative measures in order to develop human resources who can lead the transition from socialism to a market economy. In addition, JICA focuses on human resources development in the private sector with the help of the Japan-Mongolia Center for Human Resources Development Cooperation. Furthermore, JICA engages in technical assistance in the areas of railroads, road construction, and power supply, all of which are the basis for industrial development.

JICA is cooperating in administration for livestock-farming and agriculture through facilitating statistical information. A natural disaster known as *DZUD* (snow damage) killed many livestock in 2003, as it did from 2000 to 2002. The great number of deaths was partly caused by deterioration in grass quality due to a sudden increase in the number of livestock and a lack of disaster planning capabilities. To respond to these problems, it is important to build institutions and organizations that can carry out sustainable management of livestock-farming.

Changes in the political system have brought about a sudden deterioration in social services such as education and health and medical care. Rural areas, in particular, are seriously affected by shortages in financial and human resources. JICA therefore plans to extend cooperation for rebuilding schools and communications networks, and to extend support for education on information technology (IT) as a step toward the future, while placing emphasis on improvements in rural living conditions.

Also, the need for proper protection and management of the valuable natural resources found throughout Mongolia's vast land expanse has become heightened along with greater interest in international conservation, namely, biological diversity* and global warming issues. JICA will explore possibilities for cooperation in this environmental conservation area.



The moment when the Japan Center in Mongolia recorded its 30,000th visitor after opening on February 27, 2003

Front Line

● Mongolia Assistance for Wildlife Conservation and Research for Compiling a Catalogue of Useful Plants

Conservation of Biological Diversity Rooted in the Traditional Culture of Falconers

Dispatch of Technical Cooperation Experts

Starting from an understanding of natural conditions

In the 1990s, the Mongolian government successively joined major international conventions in the field of conserving biological diversity, including the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), as part of its environmental conservation policies. However, the development of judicial systems and implementation of environmental conservation administration, which should have been in place before joining the conventions, lag behind. Financial difficulties and a shortage of human resources, combined with expectations for commercial activities such as tourism, pose the question of how to develop actual conservation policies. Experimental data, which had been gathered during the socialist era, are now scattered or lost, and they lack credibility. Expertise, which enables them to conduct scientific studies and monitoring, is in short supply. All of these factors hinder the understanding of accurate natural conditions as a basis of the conservation policies.

Global interest in conservation of the natural environment in Mongolia is high, and international NGOs and international organizations provide support for the designation of wildlife sanctuaries and the protection of rare animals. JICA also provides assistance in the form of dis-

patch of individual experts in order to help develop the domestic systems in line with the Washington Convention and compile a catalogue of useful plants through the research support fund.

Gel workshops

Generally speaking, research and monitoring of habitat conditions of wildlife and plants require cooperation from local residents. Since there are not enough nature inspectors to cover the vast land of Mongolia, local residents are expected to participate in monitoring. Therefore, residents' participation is the key to improving sustainability of conservation activities. In that sense, the experts have set their eyes on nationally recognized traditional hunters and Kazakhstani falconers who live in the west. They possess a philosophy of the sustainable use of wildlife, which is similar to that of the Japanese "Matagi" culture, and enjoy the respect of local residents.

Experts held a workshop in a gel (the nomadic tent house) to encourage the participation of residents. Falconers shared their experiences in the workshop, and experts provided technical assistance, including data sheets for research into habitat conditions. As a result, some local NGOs such as the Wolf Preservation Association and the Golden Eagle Preservation Association were founded. Data collected by these associations will be stored at the Ministry



A Kazakhstani falconer living in western Mongolia

of Nature and Environment and used for further research as basic data on habitat conditions.

Long-lasting cooperation

Although understanding the habitat conditions may sound simple enough, it actually requires long-term efforts including the development of human resources to collect basic data and analyze them. Natural environment and diverse wildlife in Mongolia are attracting many tourists from all over the world, not to mention Japan. The abundant natural environment and biological diversity of Mongolia can be raw material for the development of Mongolia including tourism. In order to preserve these profound natural resources for many years to come, we must nurture technical cooperation by combining the experience of Japan and the wisdom of Mongolia.

(JICA Mongolia Office)