

JBIC TODAY

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FOCUS

Infrastructure Development and Poverty Reduction

— *Fifty Years of ODA Have Laid the Groundwork for New Types of Development Assistance* —

Promoting Learning Opportunities for Sustainable Growth

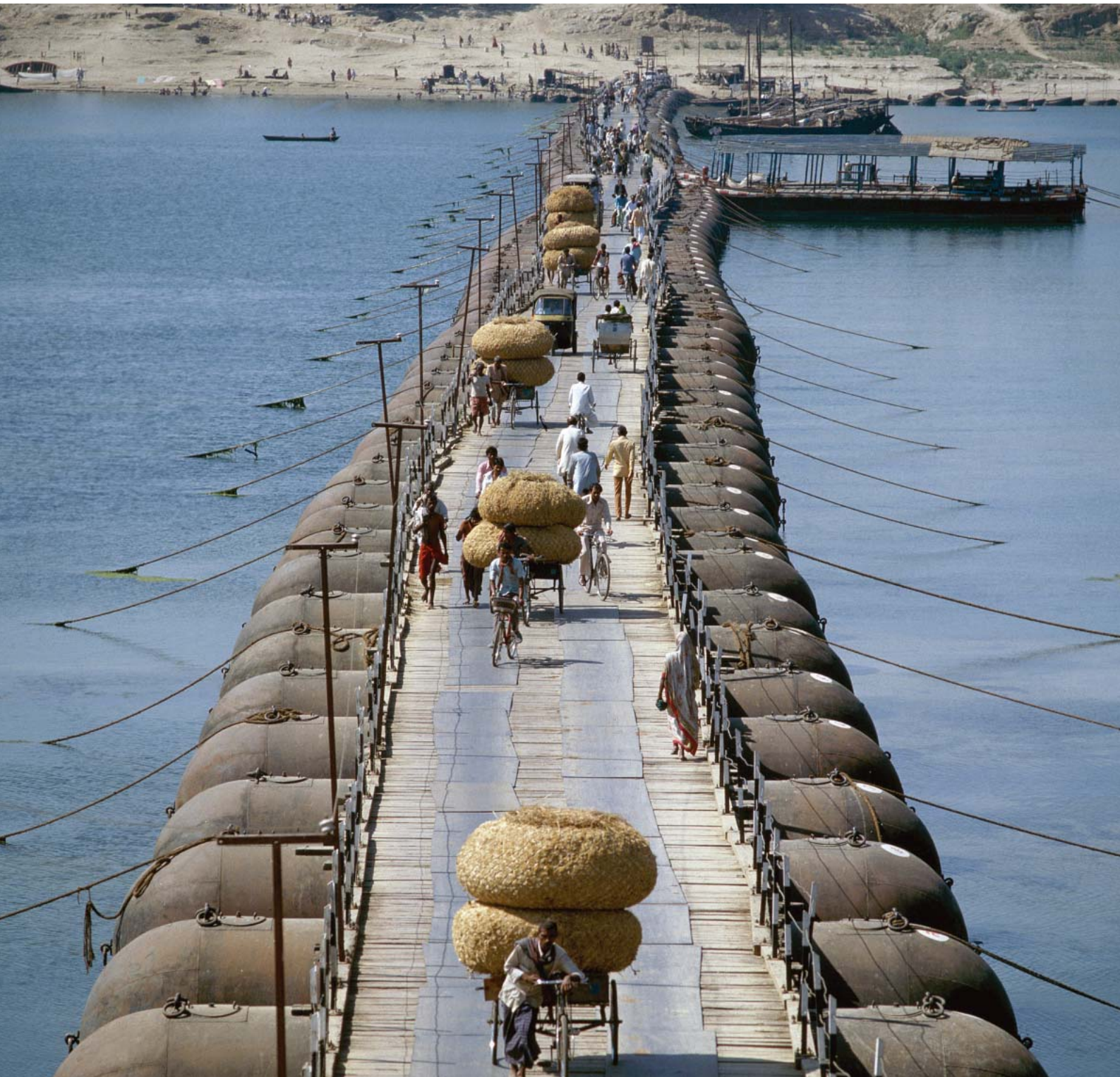
— *Education and Human Resource Development* —



JAPAN
BANK FOR
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JBIC

JBIC Celebrates 5th Anniversary on October 1, 2004



Infrastructure Development and Poverty Reduction

—Fifty Years of ODA Have Laid the Groundwork for New Types of Development Assistance—

This year marks the 50th anniversary of Japan's Official Development Assistance (ODA) programs, which began in October 1954.

Since the late-1990s, assistance from the world's development community has tended to focus mainly on poverty reduction. The Millennium Declaration, adopted by the United Nations in 2000, called for every effort to be made to ensure international peace and security. The Declaration articulates a set of goals known as the Millennium Development Goals (MDGs), and the most important of these goals is poverty reduction.

Assistance organizations in most donor countries have tended to place priority on projects that will directly benefit the poor, especially projects promoting public health and medical care. Japan, too, supports such projects, but also promotes economic growth through infrastructure development, since this will help reduce the percentage of people living in poverty. Large infrastructure projects have sometimes been criticized as not improving the living standards of local people, but infrastructure development is now accepted as an effective approach that not only promotes economic growth but also reduces poverty.

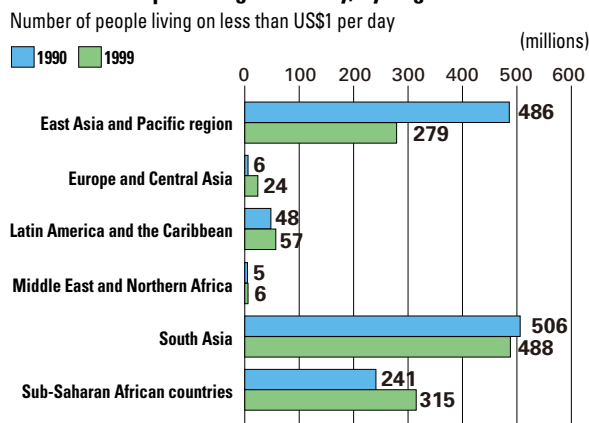
ODA loans from the Japan Bank for International Cooperation (JBIC) have played an important role in Japan's ODA programs, and this issue of *JBIC TODAY* will examine JBIC's role in promoting projects that are designed to develop infrastructure while reducing poverty.

About 20% of the World Population Lives in Poverty

Of the total world population of more than 6.0 billion, about 1.2 billion subsist on the equivalent of less than US\$1 per day. Most of these people are in developing countries. This \$1 a day standard, which is one method used to identify the percentage of people below the international poverty line, indicates that about one person in five lives in poverty. Of these, 65% are in South and East Asia. Among this group, women especially suffer from a lack of job and education opportunities, because of traditional social values. They are therefore more likely than men to fall into poverty.

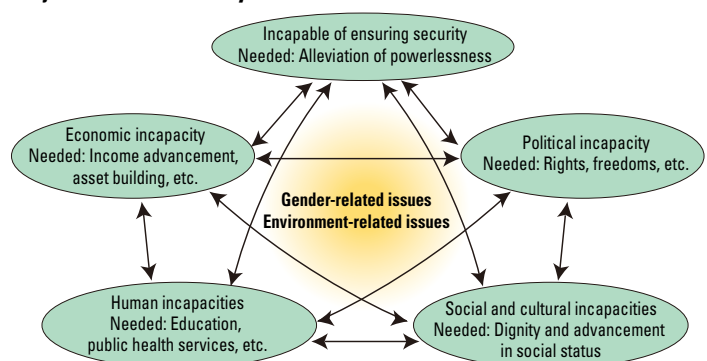
The term "poverty" implies more than just low income. Poverty must be seen from a broader perspective: it also means a lack of job opportunities, restricted access to public services (especially schooling, public health programs

Number of People Living in Poverty, by Region



Source: *Global Economic Prospects 2003*, published by the World Bank

Major Causes of Poverty



Source: JBIC



and medical treatment), rudimentary socioeconomic infrastructure, the existence of social and cultural discrimination, and an inability to participate in the political process or efforts to improve living standards. The winner of the Nobel Prize in Economics, Amartya Sen, defines poverty as a deprivation of the basic capacities people are bestowed with as human rights — in other words, the absence of freedom, which makes it impossible for individuals to choose how they wish to live.

Many people living in poverty depend for their livelihood on the natural environment, and this leads to practices such as slash-and-burn agriculture. Droughts or other abnormal weather conditions therefore have an immediate negative effect on their livelihood. This type of powerlessness is another factor in poverty. Domestic political instability and conflicts also aggravate poverty.

Millennium Development Goals

There is a growing movement within the international community calling for joint efforts in tackling poverty in developing countries. The United Nations adopted the Millennium Declaration in 2000, and this led the following year to a detailed plan to achieve the Declaration's ideals. The plan embodies the Millennium Development Goals (MDGs), the most important of these being reducing the proportion of the world's people living in poverty to half the 1990 level by 2015 — from 28.3% to 14.2%. International organizations and the governments of developed countries are promoting a range of measures to achieve this goal.

The Japanese government has taken an active role offering humanitarian assistance to people worldwide who are suffering



Children are benefiting from the Greater Colombo Flood Control and Environment Improvement Project.

from hunger and poverty. This assistance is provided in accordance with the ideals embodied in Japan's Official Development Assistance Charter (ODA Charter), which was drawn up in 1992. The Charter has guided efforts to enhance assistance mechanisms for poverty-reduction measures and social development. The original Charter's ideals have been continued and enhanced in the New ODA Charter (adopted in 2003), which identifies poverty reduction as a key development goal.

In its Medium-Term Strategy for Overseas Economic Cooperation Operations, defining the policies for ODA loans, JBIC determines one priority area when implementing economic assistance projects overseas should be strengthening poverty reduction efforts. In FY2002, 15% of all ODA loan projects were focused on poverty reduction, and people living in poverty gave their input in the project formation phase of 71% of these. Examples of such projects include small-scale infrastructure developments in poverty-stricken areas to construct and improve irrigation and water supply systems, local roads and local electric power connections. To increase the positive ripple effect for people living in poverty, the opinions of local residents were embraced from the pre-implementation stage. During the infrastructure development stage, microfinancial measures were introduced to provide the capital needed to stimulate the development of cottage industries in farming communities.

Millennium Development Goals (MDGs)

- 1 Eradicate extreme poverty and hunger**
- 2 Achieve universal primary education**
- 3 Promote gender equality and empower women**
- 4 Reduce child mortality**
- 5 Improve maternal health**
- 6 Combat HIV/AIDS, malaria and other diseases**
- 7 Ensure environmental sustainability**
- 8 Develop a global partnership for development**

From Aid Recipient to Developed Country

Positive results of ODA loans: The Republic of Korea

The Korean War that broke out in 1950 devastated a wide area of the Republic of Korea. However, by the early 1960s the country was striving hard to achieve solid economic growth.

In 1965, the Agreement Between Japan and the Republic of Korea Concerning the Settlement of Problems in Regard to Property and Claims and Economic Cooperation set the stage for Japan to begin providing ODA loans to the Republic of Korea. The period from the 1960s to the mid-1970s was a time when the Republic of Korea recognized a need to strengthen its industrial base, and ODA loans supported the development of economic infrastructure for numerous projects, including the railway linking Seoul and Pusan, long-distance telephone networks, the Soyanggang Dam, and the Pohang Iron and Steel Co., Ltd.

After 1970, the Republic of Korea entered a period of rapid economic growth called the Hangan Miracle. ODA loans from Japan provided assistance for infrastructure projects such as the subway system in Seoul and the Chungju Dam. The loans were also used to improve public health services, medical treatment facilities and education.

After the beginning of the 1980s, greater emphasis was placed on social services such as water supply and sewage systems. By the time the last ODA loan was extended in 1990, Japan had provided an accumulated total of approximately ¥600 billion in loans for more than 90 projects. It was around this time that the Republic of Korea left its status as an aid recipient.

In 1995, the Republic of Korea joined the World Trade Organization (WTO). The following year, it became the second country in Asia, after Japan, to join the Organisation for Economic Cooperation and Development (OECD). These and other advances indicate that it is now in the ranks of developed countries. The country weathered the currency crisis of 1997, further developed its economy through the efforts of its world-class high-tech industries, and now enjoys standards of living, public health, medical care and education that are recognized internationally as being very high.



Scene at a hospital that has benefited from the Medical Facilities Expansion Project

Infrastructure Development as a Tool for Poverty Reduction

The international community recognizes that poverty reduction is one of the most pressing challenges today. There are generally two approaches taken when tackling this challenge: (1) promoting education opportunities for those living in poverty while improving their public health and medical care services, or (2) promoting economic growth for specific regions or the country as a whole, in order to boost the incomes and living standards of the people, including the poor. For Western countries, one ideal is charity for the disadvantaged, so their poverty-reduction efforts tend to follow the former approach, assistance directly benefiting the poor. In addition to offering direct assistance to the poor, Japan also believes it is important to support the development of infrastructure that will serve as a foundation for economic growth and higher national living standards, the final result being economic self-reliance.

In 1954, Japan joined the Colombo Plan, an international organization established to promote economic and social development in South and East Asia. The following year, Japan began offering developing countries technical assistance, including dispatching specialists and accepting trainees. In 1958, Japan provided the first ODA loan to India, for the development of infrastructure for electric power facilities, shipping and factories. Since then, Japan has continued to emphasize the development and improvement of socioeconomic infrastructure for many purposes, including electricity generation, ports, roads, water resource systems. The infrastructure then serves as a base for economic growth. ODA loans were used, for example, to finance the development of about 30% of the expressways in Bangkok and about 20% of all the telephone circuits in the Philippines.

A number of Asian countries are now enjoying dramatically higher levels of economic growth. This growth has greatly reduced poverty rates and the number of people living in poverty, far more than in other regions. These positive results are due, in good measure, to infrastructure development.

Infrastructure Development

Case study: Transport Infrastructure Projects in Northern Viet Nam

Because northern Viet Nam was less developed than the south, the Vietnamese government considered it important to bring further economic development to the north. Since 1994, Japan has provided ODA loans for two major projects: improvements to National Highway No. 5, which links the capital Hanoi in the interior with the city of Hai Phong, which has the largest port in northern Viet Nam; and a rehabilitation project to modernize Hai Phong Port. Because the highway had only one lane each way, traffic congestion was common and travel between the two cities often took three to four hours. The highway has been widened to three lanes in each direction, reducing intercity travel time to less than two hours. Hai Phong Port was shallow and its facilities were outdated, but the port rehabilitation project has made it possible to handle almost four times more cargo than in 1992.

The Vietnamese government has introduced policies promoting foreign investment, and has constructed industrial parks to encourage commercial enterprise. Hanoi's industrial park has attracted a major Japanese manufacturer of office equipment and several

high-tech industries. Industrial parks constructed beside the highway have also attracted foreign companies, creating more jobs and reducing poverty considerably in the area.



A ship in dry dock at the modernized Hai Phong Port



National Highway No. 5, before the improvement project



The same highway after the improvement project

Effective Support for Infrastructure Development

Estimates indicate that total infrastructure demand in developing countries will rise to a total of US\$230 billion between 2005 and 2010. Obviously the international community must offer its support. JBIC intends to continue assisting in the development of infrastructure that will promote economic growth in such countries. The key to ensuring that infrastructure is even more effective in reducing poverty is to invite the poor to participate in development projects, beginning at the planning stage, and to ensure that the infrastructure and services benefit all the people, including those living in poverty.

Infrastructure Development

Case study: Agrarian Reform Infrastructure Support Project in the Philippines

Boosting rice production was a major goal for the Philippines' agricultural sector because the country was not self-sufficient in rice, its staple food. In 1987, the Comprehensive Agrarian Reform Program announced by the government of then-President Corazon Aquino called for the redistribution of agricultural land. To ensure the success of reforms, it was considered important that farmers who received land through the redistribution process would

Japanese Technology for Comprehensive Development of the Brantas River Basin

— ODA loans at work in Indonesia —

The Brantas River in eastern Java flows through one of the leading grain producing regions on the island. Surabaya, Indonesia's second largest city, obtains its domestic and industrial water from the river. The Brantas used to flood frequently, creating considerable damage. In 1961, the Indonesian government's comprehensive development plan for the Brantas River basin called for the construction of dams and erosion control systems, modification of river courses, and development of irrigation systems. Japan supported the infrastructure projects identified in the plan for more than 30 years, mainly through ODA loans.

The plan has reduced flood damage and greatly improved the production of rice and other crops. It has also created a stable supply of hydroelectricity, which has led to industrial development, which has in turn led to more jobs.

Also noteworthy was the friendly give-and-take among Japanese and local technical staff as they worked together to overcome numerous difficulties. The Japanese technicians lived night and day with their Indonesian counterparts, and this too created learning opportunities that produced many skillful local technicians. Indonesian technical staff members became capable of implementing projects on their own, and were finally able to train others on later projects.

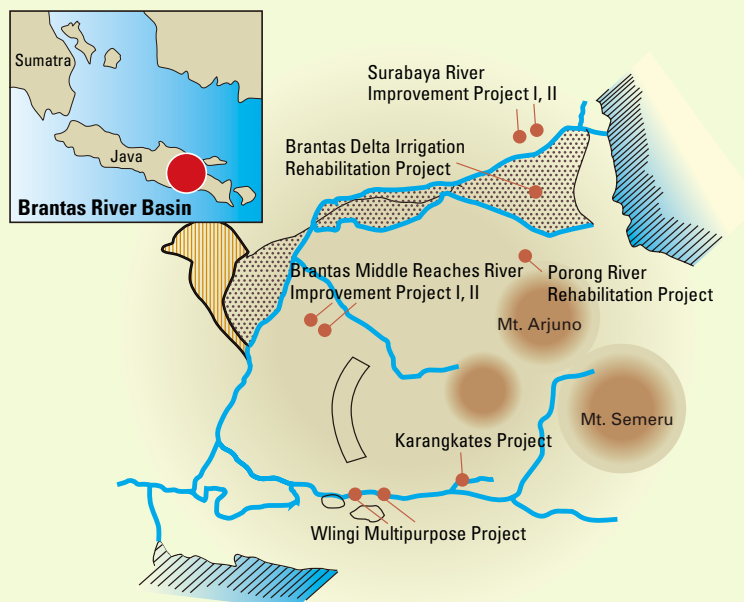
The fervor they exhibited was later called the Brantas spirit, and today local people are likely to say, "Do it with the Brantas spirit!" when facing some difficult challenge.



Irrigated farmland



A dam on the Brantas River



continue farming the same land, on their own. This meant that, after receiving land, they would need training in farming techniques, and their communities would need better irrigation systems and road connections to transport the rice to market.

As one answer to these challenges, Japan provided grant aid that permitted the Philippine government to construct a rice research institute in 1991. The institute developed improved varieties of rice and cultivation techniques suitable for small-scale farming operations. ODA loans from JBIC for the comprehensive development of farming communities were used to construct irrigation systems, treatment facilities for harvested crops, and roads to transport those crops to market. JBIC cooperated with NGOs in supporting training programs and strengthening the organization of Agrarian Reform Communities (ARCs, autonomous organizations composed of farmers benefiting from the agrarian reforms).

Positive results from these efforts include: much higher agricultural productivity; greater organizational efficiency for autonomous organizations such as the ARCs and water-use associations; and higher income levels for farming families. This indicates the importance of mechanisms to ensure that people living in poverty benefit as much as possible from the development of infrastructure such as irrigation systems.



Harvested rice drying in the sun

Fifty Years of ODA Loans

Early economic cooperation (1954 - 1960)

Japan joined in the Colombo Plan in 1954, and provided its first ODA loan in 1958, to India. Japan's participation in the OECD, beginning in 1964, signified that it had become a developed donor country.

Development issues receive greater attention; ODA loans take on a greater role (1961 - 1975)

ODA loans were provided mainly to India and Pakistan until 1965, after which countries in East Asia and ASEAN also began receiving them.

Assistance at levels befitting a major donor country; planned expansion of ODA loan programs (1976 - 1990)

Developed nations agreed in 1978 that their first medium-term ODA target should be to double ODA in three years. This marked the beginning of a period of planned increases in the monetary value of assistance programs. In 1987, Japan steadily expanded ODA loan programs within the so-called "Financial Recycling Scheme" framework, sharing with developing countries the benefits of its trade surplus. This led to a quantitative expansion of projects, greater collaboration with international organizations, and surveys to ensure that assistance was geared to need.

Dramatic change in the international order; measures to deal with the Asian currency crisis (1991 - 1999)

A new world order appeared after the Cold War, with new challenges to be met through ODA loan programs: tackling global problems, supporting democratization and market economy transition, and furthering poverty-reduction efforts. After the onset of the Asian currency crisis, which was triggered by the Thai baht's fall in 1997, Japan provided assistance to a number of Asian countries under the Japanese government's New Miyazawa Initiative.

Environmental and social issues receive greater attention; more strenuous efforts aimed at poverty reduction (2000 -)

Environmental protection has become an important global issue, and poverty reduction is the most important of the Millennium Development Goals. Recognizing this, in 2002 JBIC compiled new Guidelines for Confirmation of Environmental and Social Considerations. JBIC places priority on poverty reduction and environmental improvement.



Promoting Learning Opportunities for Sustainable Growth

— Education and Human Resource Development —

Education is essential to ensuring sustainable growth in developing countries, but poverty and other social problems prevent even primary education from reaching all areas in many countries.

The Millennium Declaration, adopted by the United Nations General Assembly in 2000, embodies the Millennium Development Goals (MDGs), and one of the most important of these goals is achievement of universal primary education. Japan's Official Development Assistance Charter (ODA Charter), which was newly formulated in 2003, also commits Japan to strengthening its support for the education sector.

Japan began offering ODA loans to support education and human resource development in 1977. These efforts have received greater impetus since JBIC identified support for human resource development as a priority for its Medium-Term Strategy for Overseas Economic Cooperation Operations. Today, ODA loans promote learning opportunities in many ways, through both infrastructure-oriented and expertise-oriented programs. This issue of *JBIC Today* examines assistance for education and human resource development.

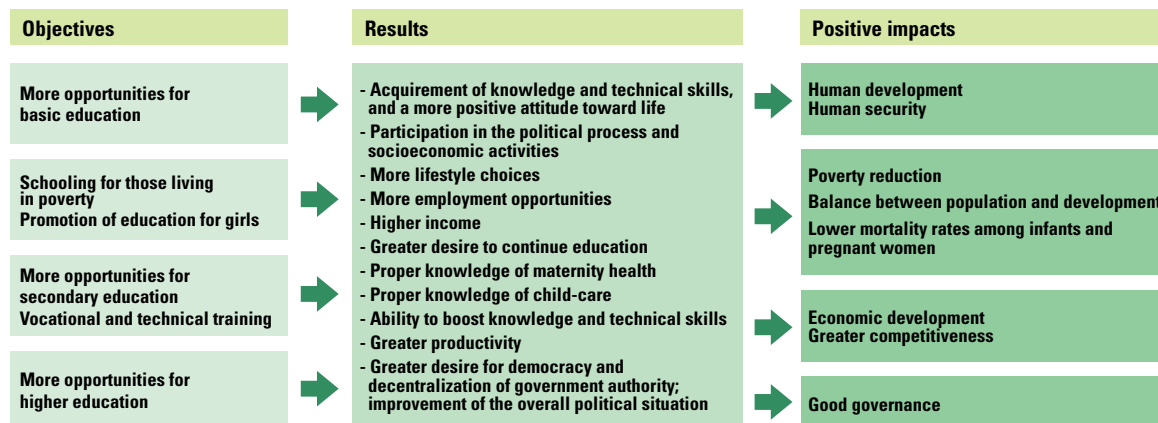
Increasing Education Opportunities: The Key to Poverty Reduction and Economic Development

In the developing world, more than 100 million children do not attend primary school. Of these, almost 60% are girls. The percentage of children not attending school is highest among the poor, minority ethnic groups, people with disabilities, refugees and other underprivileged groups, and the gap between school attendance in rural and urban areas is alarmingly wide. Often, poor families need children and women to work, eliminating the chance for them to receive an education. Another major hurdle is inadequate systems for promoting education — for example, there may be no nearby school and a lack of textbooks, teaching materials and teachers.



Outdoor class in Pakistan

Investment in Human Resource Development, Results and Positive Outcomes



Source: JBIC

To invigorate their economies and achieve sustainable growth, developing countries and more developed countries (MDCs) need to offer their citizens not only basic education but also secondary and higher education, specialized vocational classes, and technical training. This would result in a superior workforce, which in turn would encourage foreign investment, a more diversified and advanced industrial base, international competitiveness, and higher living standards.

Studies have shown that per-capita income rises in tandem with increased secondary school attendance. However, in low-income countries, more than half of all children are not given an opportunity to go on to secondary education, and the same is true for about one-third of all children in MDCs. Even in some East Asian countries enjoying high economic growth, fewer than one-tenth go on to higher education.

Investment in the education sector does not produce results as quickly as investment in electric power stations, roads and other economic infrastructure, and this partly explains the lag in education investment. Because of this lag, human resource development cannot keep up with industrial and social requirements, leaving developing countries with an inadequate workforce for the future.

Global Focus on Improving the Education Sector

At the World Conference on Education for All (Thailand) in 1990, representatives from 155 countries and 150 organizations agreed to commit to providing Education for All (EFA) by 2000. Their pledge was that children, youth and adults would “benefit from educational opportunities designed to meet their basic learning needs.” The World Declaration on Education for All, adopted at the conference, represented a significant new global commitment to education.

Two of the most important Millennium Development Goals (MDGs) embodied in the 2000 Millennium Declaration are to: (1) ensure that all children everywhere will be able to complete a full course of primary schooling by the year 2015; and (2) eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015.

Likewise, the 1998 UNESCO World Conference on Higher Education recognized a need to work for such goals as: modernization of higher education systems and educational institutions; expanded school capacity; stronger links between higher education and the business world and other sectors of society; the participation of women; establishment of an environment conducive to research and development; improved teacher capabilities through better training; and transparent education systems. Against a backdrop of rapid economic globalization, the Conference declaration led to reaffirmation of the importance of higher education, and this encouraged developing countries to improve their higher education systems.

In tandem with these developments, since the 1990s a sectoral approach is being chosen more frequently as the most effective way to support the education sector. As a general trend, problems facing the education sector in developing countries are now being addressed comprehensively, rather than through the former approach of individual project assistance.

Japan’s Commitment to the Education Sector

One priority commitment embodied in Japan’s ODA Charter, newly formulated in 2003, is assistance to the education sector and for human resources development, aimed at poverty reduction and sustainable growth. Today, this has become an integral part of Japan’s assistance policy for the education sector in developing countries.

At the 2002 G8 Kananaskis Summit in Canada, the Japanese government announced support for education valued at more than ¥250 billion over the next five years, in keeping with its proposition of the promotion of a “Decade of Education for Sustainable Development.”



Elementary school children in the Philippines

JBIC Support for Learning Opportunities

After the Japanese government's adoption of the policies mentioned above, support for human resource development became an essential component of JBIC's Medium-Term Strategy for Overseas Economic Cooperation Operations. JBIC has supported projects promoting learning opportunities from primary through higher education, as well as vocational and technical training.

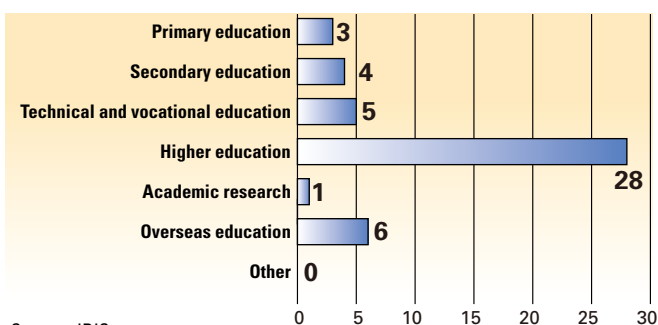
ODA loans for the education sector began in 1977, with the Equipment Supply for Research Laboratories Project in Indonesia. By fiscal 2003, JBIC had contributed a cumulative total of approximately ¥400 billion in 64 projects. Much of this assistance went to ASEAN countries, but in recent years the focus has been extended also to supporting the needs of countries outside that region, such as Uzbekistan and Morocco.

This assistance extends to many facets of primary and secondary education as well as vocational and technical training. The main focus is on higher education, agriculture, health/medical services, and scientific and technical fields. ODA loans are also used for a major program inviting foreign students to study in Japan — about 3,000 students have participated in this program so far. After returning to their home countries, the students play an active role in many sectors, including government administration, education and specialized fields.

Over the last few years, JBIC has focused on comprehensive support for both infrastructure-oriented and expertise-oriented programs, including in-country and overseas training programs, the construction and rehabilitation of school buildings, research activities, technical support, policy development, and organizational enhancement. Other JBIC projects focus on support for poverty-stricken areas.

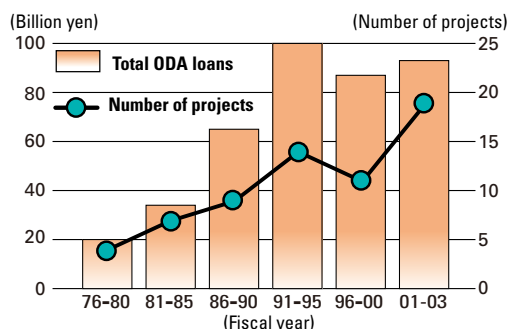
Education and Human Resource Development Support, by Category

(Number of projects, cumulative totals from fiscal 1990 to end of fiscal 2003)



Source: JBIC

Education and Human Resource Development Project Commitments, by Number and Amount



Case study 1: Uzbekistan Senior Secondary Education Project

JBIC provided an ODA loan of about ¥6.3 billion to Uzbekistan in 2001 to support a Senior Secondary Education Project.

An urgent need facing the educational sector in Uzbekistan is to improve the educational system to a level capable of developing young people who will support the socioeconomic transition in moving toward a market economy. The government of Uzbekistan therefore enacted the National Program for Personnel Training in 1997. The government wants to foster human resources with the basic and professional expertise necessary to diversify and modernize industries in a market economy. Its central focus is vocational senior high schools, and in particular, special education in agriculture, because it is the most important industry in the country.

JBIC plays a role in this educational sector reform through ODA loans for human resource development programs and the improvement of educational equipment, at 50 agricultural schools that have a particularly high need for aid. One component of this support is to invite teachers to Japan for a training program in school management and the use of agricultural equipment. This provides them with knowledge of Japanese agricultural technology.

Case study 2: Indonesia

Bogor Agricultural University Development Project

To improve and expand Bogor Agricultural University (a national university in Indonesia), JBIC provided ODA loans valued at about ¥6.9 billion and ¥7.7 billion in 1989 and 1994, respectively.

Agriculture is one of Indonesia's most important industries, and about 45% of the labor force works in this sector. Modernization has boosted demand for agricultural researchers and technical personnel, leading to increased human resources development in this sector. A master plan was developed to expand the scale of Bogor Agricultural University, which had played an important role as a leading institute in educational and research activities, and to improve the quality of its curriculum and teaching staff.

JBIC's support for these goals was seen in its provision of ODA loans that had a number of objectives, primarily: construction of university buildings; procurement and installation of educational materials and equipment; technical assistance for the Faculty of Fishery and Marine Sciences and the Faculty of Animal Husbandry; and overseas training for teaching staff attached to those faculties. These efforts contributed to agricultural development in Indonesia and the promotion of environmental conservation policies.

The university is now graduating skilled agricultural experts, and promoting research activities to develop new agricultural methods and superior products.



On the campus of Bogor Agricultural University

Case study 3: Malaysia

"Twinning" Program: University Credits Recognized in Both Malaysia and Japan

With the growing economy in Malaysia, the government there has placed increasing emphasis on human resources development in scientific and research fields. In 1992, JBIC provided ODA loans to permit Malaysian university students to study in Japan under the Higher Education Loan Fund Project (HELP).

A second such project (HELP II) was launched in 1999 and is also financed through ODA loans. HELP II introduced a "twinning" program to raise the effectiveness of the overseas study plan. Students receive part of their university education in Malaysia, and their courses are recognized as valid credits by the Japanese university that admits them. This permits shortening the time they spend in specialized studies. The program was made possible through the understanding and collaboration of the admitting Japanese universities.

HELP is contributing well-educated human resources for the medium- and long-term development of Malaysia's economy.



Students in Malaysia preparing for their study program in Japan



Balochistan Middle Level Education Project

Mr. Javed Iqbal,

*Project Director for the Project, Department of Education,
Government of Balochistan, Pakistan*

Balochistan province has large area which is 43% of Pakistan. However, literacy and school participation rate are very low. Especially, girls' school attendance was only 2% at the early 90s.

The background of this problem is complicated factors of geographical features, cultures of many tribes and religious issues. Circumstance is difficult because there are traditional customs, religious practice and closed society of the province. However, primary school education has improved for the past decade. Now, huge gap between primary school education and middle school education is highlighted. School facilities are not sufficient in Balochistan. For instance, in the case that 20 kilometer distance and no transportation, people do not send their children to school.

I am working as a project director of the Balochistan Middle Level Education Project, BMLEP, for which loan agreement was signed in 1997. BMLEP aims construction of 200 new middle and high schools, establishment of 52 technical trade centers in the selected middle schools, establishing 25 hostels for female middle school teachers, providing furniture, educational materials, equipment and science kits and teacher training and other component in the project.

In the early stage of the project, there was a general feeling that JBIC procedure was complicated and troublesome, however, now it is understood that the procedure is consistent and systematic. It is also transparent procedure.

Even Japanese funded and with-Japanese consultant, Balochistan people should have ownership of the project. We think Japan is our friend.

Middle school education affects people socially, economically and psychologically. Education also provides job skill, knowledge and good opportunity of job. Furthermore, it improves lifestyle and attitude of people.





From the Journal of
an Overseas Staff Member
By Manabu Sawa

Pakistan



Coordinated, Steady Support

A Moderate Islamic Country

The Indus River, which flows through the middle of Pakistan, gave birth to the Indus Valley Civilization in ancient times. For many Japanese, Pakistan is a little-known, distant land, but after September 11, 2001 it entered the public eye as a moderate Islamic country. Since the present administration came to power in 1999, sound macroeconomic management has produced favorable results and the country has achieved most of the targets it agreed with the IMF. The future is viewed more and more positively — for example, Pakistani citizens who were residing abroad have begun returning, and this is further stimulating corporate activities. The World Bank and the Asian Development Bank are both actively expanding their operations.

To ensure that this favorable situation continues, and to raise the living standards of those living in poverty in rural areas, it is important that coordinated support be offered on a continual basis. Support provided by JBIC has extended to a wide range of sectors.

Working as Partners

The Balochistan Province borders on Iran and Afghanistan. The Balochistan Middle Level Education Project (BMLEP), which is supported by JBIC, aims to raise the percentage of children attending middle school and to give more students the opportunity to obtain at least a basic education. The project includes components such as upgrade and rehabilitation of existing schools, establishment of a pilot technical education center, and training of teachers. In addition to this project, JBIC has also been working to assist with the capacity building of the Education Department of the Government of Balochistan, which is our partner in project implementation.

We have faced a number of difficulties while implementing the project, especially because of the geographical conditions of the province: some project sites are quite out of the way. However, whenever I travel for project supervision, meeting with students who are full of energy at school gives me a stronger sense of affinity with the project. The progress of this project has yielded some unintended effects on other school; school-related staff once told me, “After this school was upgraded, religious

schools in the same area are now trying to compete with us to attract more students, and this has increased the overall percentage of children attending school in our area.”

We continue working for the local people in other sectors as well: we are supporting rural roads construction and improvement, in order to enhance distribution networks to farming villages; and, through an irrigation project, we are supporting the development of farmers’ organizations and the improvement of waterways.

For Better Living Conditions in Rural Areas

From around April to October, in central and southern Pakistan temperatures hover above 30°C. In the plains, the thermometer sometimes rises close to 50°, and then it is almost unbearable. Even in Islamabad, the capital, it can be more than 40°. During this time of the year, when I go to rural areas, it reminds me of the challenges nature throws at us. But the local food, with its energy-sustaining spices, keeps me going after a day in the sun.

The temperature drops a little at night, and that brings lots of people outside in cities and towns. When I was new here, it was surprising to see families with small children at 9 or 10 o’clock at night crowding into fast food restaurants and food stands. But now that my family and I have spent two summers here we sometimes follow their example and go out late in the evening.

Over the last year and a half I have noticed that store and restaurant signs in the cities have become a lot more attractive. This is one simple example of how there are visual improvements to life here. But when I travel on my job to different parts of the country, I keep thinking about the day better living conditions will come to rural areas.



The author visiting a project being implemented in partnership with the provincial government



Students in an upgraded school in the province of Balochistan

Cover: Pontoon Bridge at Varanasi, India



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For inquiries, please contact:
JBIC Public Relations Office
4-1, Otemachi 1-Chome, Chiyoda-ku, Tokyo, Japan 100-8144
Tel. +81-3-5218-3101
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