Poverty Alleviation is the Largest Common Agenda

Southwest Asia has about half of the world’s poor population. Although the economy itself is developing, per capita income is still low, and the need for development is very high. Poverty alleviation is the largest common agenda in this region. That is because, in combination with the low economy and income level and diversities in ethnicity, religion, language, and climate, poverty can aggravate political and social instability. To address poverty problems, each national government in Southwest Asia is actively pushing forward deregulation, investment, and export promotion policies for stable development of the economy.

Accordingly, cooperation for poverty alleviation is JICA’s basic aid policy for Southwest Asia, and common development issues in the region include; (1) improvement of basic living standards such as health care, education, and water supply systems; (2) agricultural and rural development; (3) response to environmental problems caused by urbanization and industrialization; (4) promotion of industries centering on small and medium-scale enterprises; (5) support for building social and economic infrastructure. With the increasing population, it is necessary to absorb and secure employment in rural areas and create new employment in urban areas for stable development of the society and the economy. At the same time, it is necessary to promote a well-balanced aid approach from both sides: improving basic living standards and developing the economy according to the actual situation of each country in the region.

In addition, in Southwest Asia there are countries that greatly affect the world’s peaceful and stable growth (India, Pakistan) as well as areas that are under pressure from issues related to post-conflict peacebuilding and reconstruction (Sri Lanka, Nepal). Contributions to solve these issues are also called for.
Current State of Development

- **Alleviating Mass Poverty**
  Southwest Asia consists of seven countries: Bangladesh, Bhutan, India, the Maldives, Nepal, Pakistan, and Sri Lanka. It has a population of approximately 1.38 billion, or one-fifth of the global population. Five hundred and sixty million people in the region, around half of the world’s poor, are classified as poor.

  For the past several years, the economic growth of Southwest Asia, excluding certain countries, has been progressing at about 5% annually. The growth seems comparatively good, but poverty still persists. In the region, factors such as ethnicity, religion, language, and climate are complexly related to politics and society, contributing to social and cultural diversity and depth as well as instability.

  In Southwest Asia, cooperation is mainly provided in basic living fields such as health and medical care, agricultural and rural development, and primary education aimed at poverty alleviation; in upgrading the infrastructure to stimulate economic and social activities; and in environmental conservation corresponding to population growth and economic development. Special attention is necessary to make sure that cooperation results reach the socially vulnerable, such as women and at the grass-roots levels, through aid corresponding to gender disparities that are apparent in the literacy rates and to the high death rate related to pregnancy and childbirth as well as joint projects with NGOs.

- **Support for Regional Peace and Stability**
  Following the terrorist attacks that occurred in the US on September 11, 2001, JICA has assisted Afghanistan in post-conflict reconstruction and extended support to Pakistan for regional stability. Also, post-conflict reconstruction assistance is under way in Sri Lanka, where peace negotiations are under way between the government and the Liberation Tigers of Tamil Eelam (LTTE) following the cease-fire agreement of February 2002.

  In January 2004, a top-level meeting of the South Asian Association for Regional Cooperation (SAARC) was held for the first time in two years in Pakistan. It is greatly expected that the tense relationship between Pakistan and India will gradually ease, and that the economic activities of each country in the region will be more stimulated, thus contributing to the stabilization of the region.

Addressing Priority Issues in JICA Programs

- **Effective Aid Reaching Residents—Bangladesh**
  Bangladesh, with the largest population among Least Developed Countries (LDC), face many problems, such as low educational levels, gender disparities, and deteriorating living environments, although it has achieved a certain amount of economic development.

  In Bangladesh, a close collaboration among the Japanese Embassy, the Japan Bank for International Cooperation, (JBIC) and JICA Office has been built. Rural development, health care, education, arsenic contamination control, and electric power have been selected as the five most important sectors, and organic collaboration for cooperation is being promoted. Working groups composed of members from each organization have been formed for each sector, and they have formulated Sector Programs which clarify directions of cooperation and implemented cooperation in collaboration and coordination with other donors.

  In rural development, the improvement of agricultural productivity, upgrading of infrastructure in rural areas, residents’ empowerment, and improvement of local administrative capability are all addressed. In Bangladesh, branch offices of the central government directly provide service to residents. To provide this public service effectively and efficiently to the residents, a model is constructed to establish a link between the residents and the government by organizing the residents. In the district where the cooperation has been provided, administration services have been efficiently provided with transparency and great results, and the expansion of districts for cooperation is now under examination.

- **Measures against Poverty, Environmental Conservation, Upgrading Economic Infrastructure—India**
  India has achieved stable economic development in recent years due to development of IT-related industries. On the other hand, there are problems such as the existence of a massive poverty group, which accounts for as much as one third of the population; environmental deterioration due to the rapid economic development; and domestic economic disparities.

  In the election for the House of People in May 2004, the Congress Party became the ruling party and a coalition gov-
government was formed with Prime Minister Manmohan Singh. Taking over the conventional economic liberalization and reform policy, the new administration has announced its key policy to place importance on agricultural and rural development and measures against poverty.

The Japanese government dispatched a policy dialogue mission to India in March 2002 and confirmed that the priority areas of cooperation for India are measures against poverty (health and medical care, rural development), environmental conservation, and upgrading economic infrastructure. With regards to environmental conservation, in particular, contamination of the Ganga River, the sacred river of India, is serious and it is regarded as a national issue. This issue was brought up in the Japan-India summit meeting, and Japan is implementing the Study on Integrated Pollution Abatement and River Basin Management Project for the Ganga Basin. In addition, as the field related to measures against poverty, Japan is continuously providing cooperation and carrying out projects in agricultural and rural development and health and medical care. In fiscal 2004, Japan’s country-specific plan for India is going to be formulated to implement more strategic support.

### Aid Reaching the Poverty Group—Nepal

Nepal has had very difficult conditions both in politics and security for the past few years. Violent acts by antigovernment guerrillas called Maoists have spread not only to rural areas but also to urban areas, and peace negotiations between the government and the Maoists are unlikely to be resumed.

The Nepal Development Forum (NDF) was held in the capital of Kathmandu in May 2004 for the first time in two years, and the government’s efforts for reforms under the severe conditions, the 10th five-year plan, implementation progress of Poverty Reduction Strategy Paper (PRSP)*, and harmonization of donors were all discussed there.

Setting poverty reduction as the primary objective of cooperation for Nepal, JICA places emphasis on health care service, primary education, socioeconomic infrastructure development, agricultural and rural development, environmental conservation, and reconstruction. In fiscal 2004, a study envisioning future cooperation activities in reconstruction support, water supply system development, and health care was conducted. In the governance field, an expert on aid adjustment will be dispatched to the Foreign Aid Adjustment Bureau of the Ministry of Finance, and a cooperation project to strengthen monitoring and evaluation systems will commence under the initiative of the National Panning Association. In this way, JICA will support strengthening administrative organizations and improving capacity. In addition, considering the fact that one cause of the conflicts is that the benefits of development were not widely given to the poverty group, approaches such as citizen participation and ensuring transparency to eliminate conflict factors are also being examined.

### Alleviation of Economic and Regional Disparities and Poverty—Pakistan

In Pakistan, the Musharraf administration, which came to power through a bloodless coup in October 1999, has implemented various reforms to accomplish national reconstruction and democratization. The conservative party supported by President Musharraf and the army became the government party in the general election of October 2002 and in January 2004, President Musharraf acquired a majority in the vote of confidence. Though Prime Minister Jamali resigned in June 2004, these reform and development lines have been followed so far. Since 2002, the real gross domestic product (GDP) growth rate has reached 5.1% and the Pakistan economy has achieved V-shape recovery from economic stagnation in the 1990s. The current task is how to connect this condition to sustainable social development.

In November 2003, a report of the third Pakistan Country Study Committee, held in cooperation with the Ministry of Foreign Affairs and the Japan Bank for International Cooperation (JBIC), was completed. The report proposes sustainable social development as the top goal, and places adherence to basic law and order, continuity and consistency of policies, ensuring equality of opportunity, and establishment and enhancement of high social monitoring capability as its basic condition. To achieve such goals and conditions, directions and central issues for regional development that combine both economic and human development were proposed.

In December 2003, the Ministry of Foreign Affairs started formulating the Pakistan country-specific plan, examining the medium- and long-term policies for cooperation for Pakistan in line with the directions specified in the report by the Country Study Committee.

While the above-mentioned medium- and long-term direc-
tions for cooperation of Pakistan are coming out, an ODA Task Force was established and preparation for examining the efficient cooperation for Pakistan among the members of Pakistan, the Ministry of Foreign Affairs of Japan, JBIC, JICA, and Japan External Trade Organization (JETRO) has been completed.

At present, technical cooperation is provided in the fields of good governance* (improvement of local administration services and support for police reforms), health and medical care (tuberculosis control, EPI/polio control), education (Punjab Literacy Promotion Project), environment (dispatch of experts), economic infrastructure (Balancing and Modernization of Workshop Facilities at PITAC, Lahore), and agriculture (dispatch of experts). For the future, in combination with grant aid and loan assistance*, Japan will assist the Pakistan government in addressing socioeconomic development, poverty alleviation, economic recovery, the realization of good governance, and the promotion of devolution to local administration.

**Cooperation for Achieving Peace—Sri Lanka**

In Sri Lanka, for the past 20 years civil conflict has continued. The conflict and terrorism has caused more than 65,000 deaths, as well as more than 800,000 internally dis-

placed persons and many other refugees.

However, in February 2002, the civil conflict was suspended indefinitely, and full-scale peace negotiations began between the parties concerned in September 2002.

In June 2003, the Tokyo Conference on Reconstruction and Development of Sri Lanka was held with participants from 51 countries and 22 international organizations, and the international community demonstrated a uniform commitment to the promotion of the peace process in Sri Lanka.

In 2004, the Sri-Lanka country-specific plan was formulated with two pillars: 1) support for the consolidation of peace and reconstruction; 2) support in line with the medium- and long-term development visions. Based on these pillars, JICA will provide cooperation mainly for human resources development, where JICA has comparative advantage, such as sup-

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**Front Line**

**Bhutan**

**Local Administration Project**

*Learn from Japanese Community-building*

**Technical Cooperation Project**

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**Decentralization in Bhutan**

In Bhutan, decentralization has been promoted since 1981. In 2002, based on the revised decentralization-related law, a wide range of authority and functions were transferred from the central government to local governments. In the same year the first local election took place and an institutional framework for decentralization was established. However, the framework is not functionally operable yet and further review of the institution and capacity development of local governments as receivers are urgently required.

In response, JICA started a local administration project in cooperation with the Ministry of Home and Cultural Affairs in March 2004. The project aims to spread the revised decentralization law, improve local administrative ability in a model prefecture, and improve the policy adjustment ability of the Ministry of Home and Cultural Affairs.

**Partnership between administration and residents**

In April 2004, the Ministry of Home and Cultural Affairs personnel and the prefectural governor, who play key roles in local administration, were invited to Japan to exchange opinions with local governments who work on innovative community-building and autonomous administration at the town and village levels. In particular, collaboration between the village office and the residents in an environmental and cultural conservation project in Shirakawa Village, Gifu prefecture, a regional resource conservation project lead by residents in Kitaharima, Hyogo prefecture, and information disclosure and administrative evaluation system of Takanazawa Town, Tochigi prefecture, gave them opportunities to see, share knowledge, and discuss problems, and helped them establish a vision in local administration for the Bhutan gov-
port for the resettlement of displaced persons, humanitarian support in areas affected by the conflict, and human resources development in the information technology field.

In the implementation of cooperation projects, the balance between areas and ethnicity groups will be considered so that all the people in Sri Lanka can receive the dividend of peace and thus the achievement of peacemaking will be pushed forward.

**Development for Gross National Happiness—Bhutan**

Bhutan is a kingdom with a population of 660,000, located on steep mountains in the eastern part of the Himalayan mountain range. Under a unique development principle declared by the King, Gross National Happiness (GNH), a development plan that will coexist with Bhutan’s traditional culture and natural environmental conservation, has been promoted alongside economic growth measured by gross national product (GNP).

Taking this policy of the Bhutan government into consideration, JICA has been implementing cooperation in the major fields of agricultural development and economic infrastructure upgrading (roads, communication, and electricity). Agricultural development is especially important, because agriculture is the major industry in this country, with 80% of the citizens engaged in farming. Japan, with experience in leading successful agricultural development in the western region of Bhutan in the past enjoys a great deal of trust. Currently, Japan has been providing cooperation mainly for rice farming technologies and agricultural road construction in the eastern region, where living conditions are harsh and where most of the poor reside.

In fiscal 2004, a local administration support project started, and cooperation has been provided for the purpose of institution-building in the decentralization reform promoted by the government of Bhutan and capacity development for local governments.

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**Sri Lanka**

**Mannar Prefecture Recovery and Reconstruction Project by Means of Community Approach**

*From Humanitarian Emergency Aid to Post-conflict Reconstruction*

**Technical Cooperation Project**

Joy of returning

“We got back from India a month ago,” said a member of a Tamil family. The whole family, who had returned home to Mantai West County, Mannar prefecture in the Northeast Province of Sri Lanka after seven years, were cleaning around the house and planting coconuts and cassava, even the children and the grandmother.

“In the refugee center in India, the children went to the local school, and I learned money to support my family. The happiest thing of all after coming back here is to know that the earth and even a twig on the ground are ours. The first thing we did after returning was cleaning the well of trash and then we even found a human bone there. War is a truly sad and unpleasant thing.”

In Sri Lanka the conflict between the majority Sinhalese (74% of the population) and the minority Tamil (18%) is the most serious problem. Liberation Tigers of Tamil Eelam (LTTE) continued their conflict with the government forces for the purpose of separation and independence of the Northeast Province for about 20 years. In February 2002 they agreed on an indefinite ceasefire with the government. About a million refugees and internally displaced persons were generated, and residents live in poor environments devastated by the conflict.

Community empowerment

The emergency humanitarian aid for repatriating and rehabilitation into society provided mainly by the Office of the United Nations High Commissioner for Refugees (UNHCR) must be taken over smoothly using development aid for recovery and reconstruction projects supported by development aid agencies. With the focus on the recovery of the basic infrastructure in the community that is necessary for the recovery of daily life, and the recovery and improvement of capabilities of the community in relation to socioeconomic activities required for sustainable development*, this project provides indirect support so that residents will be able to plan, implement, manage, and control the recovery and reconstruction project voluntarily and continuously.

The area for cooperation is selected from two counties in Mannar, where residents staying in the community and resettling residents are mixed, and about 50% of the population before the conflict has been recovered or new residential areas are specified. This project supports the independence of the community, and at the same time empowers the community to accept and support the resettlement of refugees in order to promote and facilitate the return and settlement of refugees for the future. More than 40,000 persons are expected to return from outside the prefecture and India.

*(JICA Sri Lanka Office)*