

# East Asia



## Toward Reinforcing Partnerships and Mutual Understanding between Japan and the Surrounding Region

China launched its open and reform policy at the end of the 1970s. Japan has been supporting China in promoting this policy since 1979, and has for three decades contributed significantly to the realization of that nation's remarkable economic development. In recent years, however, many issues attributable to rapid economic growth have arisen in China. These issues include regional disparity in the levels of economic activity; serious exposure to global issues, including environmental problems and infectious diseases; and delays in the development of social and economic infrastructure.

For its part, Mongolia took the first step toward its democratization and transition to a market economy in 1990. Since then, as Mongolia's leading donor country, Japan has provided maximum support. The areas of support have ranged from rural development, environmental protection and infrastructure development to human resource expansion aimed at supporting the transition to a market economy. JICA will continue to extend efficient and effective cooperation to East Asia, a region that maintains close ties to Japan from each of the geographic, historic, political and economic perspectives.

### Pillars of Aid Supporting Stability and Sound and Sustainable Development in East Asia

In providing its support to China, JICA focuses on the three priority areas listed below. In terms of actual activities, JICA emphasizes not only the transfer of technology and human resource expansion, but also intellectual support, which involves the development of various policies and systems.

- 1) Cooperation towards resolving environmental and other global issues (measures against environmental pollution, infectious diseases)
- 2) Assistance to the open and reform policy (promotion of sound governance, transition to a market economy, etc.)
- 3) Promotion of mutual understanding

Also, in response to the Great Sichuan Earthquake, which occurred in May 2008, JICA provided humanitarian assistance and emergency relief, including the dispatch of the Japan Disaster Relief Team. Even today, JICA is continuously providing non-structural support in the areas of disaster prevention and post-disaster reconstruction, based on the lessons Japan has

learned through its having experienced a number of natural disasters.

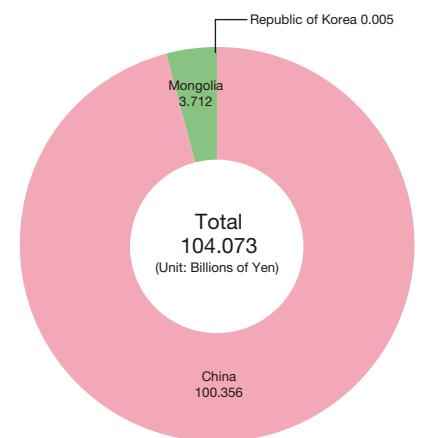
With regard to Mongolia, JICA focuses on providing support in the following four priority areas:

- 1) Institution-building and human resource expansion necessary for promoting a market economy
- 2) Rural development
- 3) Environmental protection
- 4) Development of infrastructure to promote economic activity

In addition to its ongoing focus on these four priority areas, JICA is supporting Mongolia in its shift from a natural resource-dependent economy to one underpinned by diverse industries. JICA is also helping to solve urban problems in Ulaanbaatar, which is experiencing a concentration of its population in certain areas. Furthermore, JICA is extending assistance to improve basic social services within the country, including in rural communities.

### Scale of JICA Projects by Country in East Asia (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

## Priority Issues and Efforts

### ■ China

Having recorded a 20-year average real economic growth rate exceeding 9%, China is sustaining its rapid economic growth over the long term. In 2008, the country's per capita GNP reached US\$3,266. On the other hand, the level

of economic growth has caused some distortions to emerge across Chinese communities. Accordingly, there are increasing calls for solutions to be found for the many social contradictions and problems on the way to realizing a balanced, harmonious society. In particular,

China is facing such major issues as environmental pollution and the lagging development of its social and economic infrastructure. With the aim of helping China solve such issues, JICA is actively providing support that draws on Japan's experience, knowledge and expertise.

## 1. Measures against Environmental Pollution, Infectious Diseases

Collaborating with other international organizations, JICA is supporting the search for solutions to such serious, global-scale issues as environmental pollution and infectious diseases.

In combating environmental problems, JICA provides policy and technical support to prevent global warming and promote a circulating economy. Through the Technical Cooperation project, "Promotion of Circular Economy Project," JICA extends assistance by providing impetus for eco-conscious projects, improving the environmental awareness of Chinese people, promoting appropriate waste management and implementing other initiatives geared toward the establishment of a circulating economy. Also, through ongoing ODA loans, JICA is tackling environmental protection from a variety of angles, including the establishment of water supply and drainage systems, prevention of water and air pollution, promotion of afforestation and reforestation and the launch of antidesertification projects.

In order to address infectious diseases, JICA is drawing on its experience in having contributed to the eradication of polio in China as it cooperates in combating HIV/AIDS in partnership with the World Health Organization (WHO). Moreover, JICA's efforts reach out to individual communities, supporting the improvement of their sanitary and health services.

## 2. Promotion of Sound Governance, Transition to a Market Economy, etc.

China has achieved dramatic economic growth, which has resulted in the Chinese economy having a significant influence on the global economy. However, the country still has many issues to address before completing the establishment of a market economy system that complies with international rules. In addition to helping China fully develop fundamental rules—such as the legal systems necessary for healthy economic activities and food inspection frameworks—JICA is supporting the country in establishing a sound market economy through such initiatives as expanding the human resources required for the appropriate administration of established systems and frameworks. In step with these initiatives, JICA is helping to enhance governance with a view to reducing the economic dispari-

ties among central and regional cities that have resulted from the country's rapid economic expansion.

## 3. Promotion of Mutual Understanding

Promoting mutual understanding between the peoples of Japan and China forms the basis for a sound, long-term relationship. To solidify this basis and in an effort to assist NGO activities, JICA dispatches volunteers and promotes exchange between local governments. At the same time, JICA conducts training programs for the young as well as for young and mid-level executives in Japan. In addition to these activities, JICA is undertaking the ODA loan-supported "Higher Education Project" with the aim of advancing higher education particularly in inland regions. Through these and other endeavors in China, JICA is working to nurture human resources who have a better understanding about Japan. At the same time, by expanding opportunities for direct interaction, JICA assists in enhancing the understanding of the culture and society of each nation.

## 4. Reconstruction Assistance Following the Great Sichuan Earthquake

The number of deaths and missing persons after the May 2008 Great Sichuan Earthquake, which inflicted enormous damage on the country's society and economy, reportedly reached 90,000. Following a decision by the Japanese government, JICA dispatched the Japan Disaster Relief Team International Emergency Assistance Activities and medical teams to affected regions while providing emergency supplies. The activities of the international disaster relief teams were widely reported in the Chinese media. In July 2008, Hu Jintao, President of the People's Republic of China, who was visiting Japan to attend the G8 Hokkaido Toyako Summit, expressed his gratitude for Japan and other nations' support in that regard. These disaster relief activities have contributed to the deepening of mutual understanding between Japan and China.

Also in July 2008, the Japanese government announced its post-Great Sichuan Earthquake reconstruction measures. Based on the government reconstruction plan adopted following the Great Hanshin-Awaji Earthquake, these measures incorporated Japan's

experience in post-earthquake reconstruction and emphasized the importance of non-structural support, including the provision of expertise and Technical Cooperation. In line with the government's measures, JICA is now assisting with expanding human resources in the area of earthquake-resistant construction and with the offering of mental healthcare to earthquake victims. More recently, JICA has been making preparations to provide assistance in damaged forest recovery and enhancing the capabilities of local human resources involved with disaster relief activities.

## 5. Deepening Ties with External International Cooperation Organizations

In January 2009, JICA and the Export-Import Bank of China held a joint workshop on economic cooperation. By their very nature the operations of the Chinese government-run financial institution have many aspects in common with the ODA loan services provided by JICA. Therefore, it is important for both parties to deepen mutual understanding about each other's operations and to reinforce their cooperative relationship. At the workshop, officials from JICA and the Export-Import Bank of China exchanged opinions on wide-ranging subjects and provided overviews of their respective project formation and evaluation methods and risk management mechanisms.

China, the Republic of Korea, Thailand, Malaysia and other developed countries in Asia are accelerating activities in support of the developing countries in the region. Through the provision of intellectual support, including the holding of joint workshops, JICA is endeavoring to strengthen its relationship with China in the area of economic cooperation.

### ■ Mongolia

Mongolia introduced a market economy system in 1990. Since then, despite certain periods when it experienced serious economic situations attributable to supply shortages and disasters caused by heavy snowfall, Mongolia maintained a high average economic growth rate of around 9% during the three-year period from 2004 to 2007. In fact, Mongolia's per capita GNI reached US\$1,690 in 2008. Meanwhile, the global economic crisis in 2008 caused

a sudden plunge in natural resource prices, seriously affecting the country's economy, which has depended on copper and other resources. Today, all international organizations and donor countries recognize that the reform groundwork toward Mongolia's transition to a market economy has been completed. However, what is now required is to strengthen the country's economic foundation through, for example, industrial diversification.

Against the backdrop of a rapid demographic shift from rural areas to Ulaanbaatar—the nation's capital, which accommodates 40% of the entire population—and interregional disparities, nearly 35% of Mongolia's

population is living in poverty. These movements have caused rapid urbanization and, consequently, serious urban problems, particularly in the Ger districts where most of the immigrants from rural areas reside. These problems include delays in constructing basic infrastructure and environmental pollution.

### 1. Institution-Building and Human Resource Expansion Necessary for Promoting a Market Economy

Now that Mongolia has completed the groundwork for its transition to a market economy, the future essentially hinges on stable economic growth. Accordingly, JICA is focusing on the provision of assistance in the establishment

of legal systems required for a market economy, the invigoration of the private sector and the fostering of the human resources necessary for these activities. Major projects in the establishment of the legal system include the reinforcement of taxation functions and the introduction of settlement systems. In private-sector invigoration, JICA extends medium- to long-term loans to small and medium-sized enterprises (SMEs) and holds business seminars. In human resource expansion, JICA is supporting the maintenance of elementary school facilities and the improvement of teaching methods with an emphasis on basic education.

#### Example

### China Reconstruction Assistance Following the Great Sichuan Earthquake

#### Promoting Earthquake-Resistant Construction and Expanding Mental Healthcare Services for Reconstruction in the Truest Sense

As part of its post-disaster reconstruction efforts in the aftermath of the Great Sichuan Earthquake, JICA started a Capacity Building of Earthquake-Resistant Construction Training Project in May 2009, a year after the earthquake had struck Sichuan Province. That the earthquake had left many people dead and missing was mainly due to the collapse of their houses. Bearing this fact in mind, in September 2008, JICA dispatched a project formation study team to disaster-stricken areas, the study team engaging in deliberations with

related organizations, such as the Ministry of Housing and Urban-Rural Development of the People's Republic of China. These deliberations revealed the need to establish systems, under which national earthquake-resistant construction standards are strictly observed in actual housing design and construction, and to enhance the earthquake-resistant design capabilities of structural engineers. In this project—formed as a result of these findings—JICA will conduct training programs both in Japan and China, and dispatch Japanese experts to China. Through these activities, JICA will make proposals for nurturing technicians, administrative officials and other human resources and for improving the relevant standards and legal systems. To prevent further earthquake tragedies, JICA aims to spread earthquake-resistant buildings throughout China.

In earthquake-hit areas, reconstruction activities, particularly for infrastructure, are steadily being undertaken. Nevertheless, inhabitants in

these areas are still suffering from psychological trauma, which in some cases is disrupting people's daily lives. Some children who experienced the earthquake have nightmares or have difficulties in concentrating during school lectures. These situations have uncovered such major issues as the shortage of human resources specifically trained to provide care for these children and the unavailability of such care services over the long term. Japan has a track record in this area, having provided long-term mental healthcare services to the victims of the 1995 Great Hanshin-Awaji Earthquake. Deriving the maximum benefit from such experience, JICA began the five-year Project for Capacity Development on Mental Health Services for Reconstruction Support of Sichuan Earthquake in June 2009. Through this project, JICA will continue to support teachers, medical personnel, social workers and other people who are involved with mental healthcare services.



Seminar participants practice relaxation methods to be used for schoolchildren.



A Japanese elementary school teacher from Hyogo Prefecture communicates with children living in temporary housing.

## 2. Rural Development

Behind rapid economic growth, the disparity between Ulaanbaatar and rural areas continues to widen. Compared with the nation's capital, that part of the population made up of the poor is nearly 10% larger in rural areas. Moreover, the establishment of social services in rural areas is lagging far behind the capital. In order to reduce these disparities, JICA is providing support for improving the income of farmers and livestock farmers by invigorating the livestock and agriculture sector—Mongolia's key industry. At the

same time, JICA is assisting with the establishment of social service systems, in particular those relating to education, medicine and water supply.

## 3. Development of Infrastructure to Promote Economic Activity in Ulaanbaatar

In recent years, Ulaanbaatar has experienced a number of urban problems attributable to the rapid influx of immigrants, such as deterioration in living environments and environmental pollution. JICA has been helping the city to formulate an urban development

plan since 2007. Based on this plan, JICA will provide assistance in institution-building and the human resource expansion necessary to advance urban development and improve the living environment. Furthermore, JICA will actively assist the city in enhancing its general urban functions through the construction of an international airport and roads.

### Example

#### Mongolia Ulaanbaatar Waste Management Capacity Building Project in Mongolia

##### Toward the Realization of an Autonomous Eco-Conscious Waste Management System

Being Mongolia's capital, Ulaanbaatar is experiencing a rapid increase in its population. In line with changes in the consumption behaviors of the city's residents, accompanied by the nation's transition to a market economy, the volume of waste generated is also increasing. Until recently, Ulaanbaatar had no waste management capabilities. This was because the city's waste management facilities and equipment, which were fairly old, together could not provide sufficient capacity. To make matters worse, waste had been simply dumped, without the use of any sanitary landfill methods. These activities have led to serious problems, including a negative impact on the periph-

eral environment. In response to such situations, JICA conducted development studies over a three-year period from 2005 and proposed certain areas for improvement based on the results. Thereafter, the city has seen significant improvements in waste collection systems, related administrative systems and organizational structures. During fiscal 2008, a new waste management facility was constructed, and new materials and equipment required for the facility's operation were supplied. However, two proposals made as a result of the development studies have yet to be put into action—namely, the implementation of sanitary landfill and the promotion of the 3Rs\* principle. To sum up, there are still many aspects to be improved in terms of the specific goal of establishing a waste management system that runs in sync with environmental protection activities. Accordingly, the city has asked Japan for Technical Assistance.

The expansion of organizations, the upgrading of related systems and the introduction of such new concepts as recycling have all occurred

too quickly. Ulaanbaatar has thus been unable to make efficient arrangements with the various organizations involved with waste management projects. With the aim of making a breakthrough, the city launched an Environmental Pollution and Waste Management Bureau in January 2009. This bureau has facilitated the solution of the inter-organizational arrangement issue. Building on this success, JICA conducted studies in preparation for the formulation of a second plan in April 2009. Through new projects in accordance with this plan, JICA and Ulaanbaatar aim to improve the general urban environment and public hygiene. Also, by placing the utmost priority on human resource expansion, JICA is supporting the establishment of a structure that enables the city's adequate, sustainable and autonomous use of facilities and equipment that have been introduced with Japan's cooperation.

\* Signifying key environmental factors in reducing waste, the 3Rs principle represents "Reduce" (reducing waste generation), "Reuse" (reusing materials recovered from waste) and "Recycle" (recycling waste).



Some of the vehicles supplied to facilitate appropriate waste collection



Top: A local staff member practices sanitary landfill using heavy machinery provided by JICA.

Above: On-site vehicle maintenance training program