

# Concrete Initiatives of JICA's Programs in Fiscal 2010



Laotian junior high school students

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# Southeast Asia

## Strategic Cooperation for Sharing Prosperity between Japan and Southeast Asia

Southeast Asian countries have shaken off the 2008 global financial and economic crises with minimum impact, and continue to record steady economic development as one of the growth centers of the world. The Association of Southeast Asian Nations (ASEAN) has agreed on a roadmap for establishing the ASEAN Community by 2015, and is taking steps to achieve economic integration, including the elimination of tariffs within the region. In this context, it is necessary for Japan to build new partnerships for realizing growth together with the Southeast Asian countries.

Meanwhile, growth has brought widening disparities within the ASEAN region, along with individual countries which also face serious concerns about increasingly evident urban and environmental issues as well as disparities within a country. Furthermore, the region continues to confront many challenges, including the prevalence of natural disasters and civil unrest. JICA is addressing these new issues to contribute to sustainable growth in Southeast Asia, which also is critical for Japan.

### Key Aid Strategies

Achievement of Regional Economic Growth and the New Growth Strategy, Promotion of Inclusive Development and Efforts toward Common Issues within the Region

#### Regional Economic Growth and the New Growth Strategy

With Asia deemed as the center of global economic development, Japan's relations with Southeast Asia have become ever more imperative for the future of Japan. JICA aims to support the development of Southeast Asian countries, and is reinforcing its links with the New Growth Strategy and the Asia Strategy of the Government of Japan.

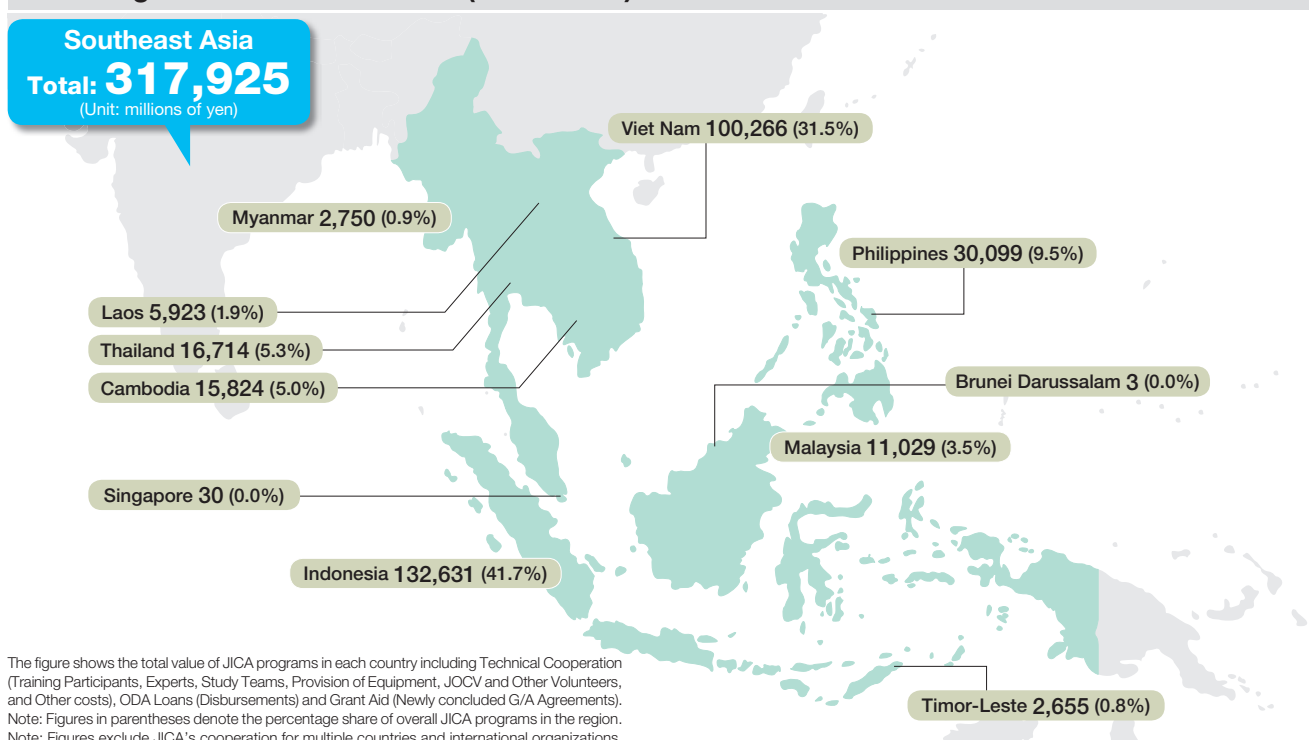
Specifically, JICA supports the economic and social development of Southeast Asian countries through a variety of projects, namely: infrastructure development, including roads, railroads, ports, airports, and water and sewerage systems;

improvement of investment climate and development of the supporting industry; and strengthening partnerships with private funds and corporate activities through the development of the Public-Private Partnership (PPP) scheme. In addition, JICA strives to develop and strengthen the basis of the activities of Japanese companies which contribute to the development of Southeast Asian countries.

#### Promotion of Inclusive Development

JICA supports the economic growth of the region as well as its inclusive development. In other words, it extends support to remedy two types of disparities: disparities within the region and

### JICA Programs in Southeast Asia (Fiscal 2010)





disparities within the country.

The disparities within the region include the disparity in development between the ASEAN's original member countries—comprising Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei—and its newer members, namely Cambodia, Laos, Myanmar and Viet Nam. In the latter countries, in order to enhance the foundations of socioeconomic development (basic education and health care) and promote growth by capitalizing on the economic growth of the Southeast Asia region, JICA actively advances soft and hard infrastructure development as well as industry-related human resources development that are in line with each country's stage of development.

Meanwhile, in ASEAN's original member countries with a higher level of socioeconomic development, disparities exist within the countries, and taking into account their potential to become destabilizing factors for society, JICA takes measures to remedy and prevent disparities.

### Addressing Common Issues within the Region

In endeavoring to achieve regional economic growth and the New Growth Strategy as well as inclusive development, JICA has bolstered regional cooperation towards common issues within the Southeast Asia region, in addition to its traditional cooperation for individual countries. For example, in order to strengthen regional “connectivity” needed to promote cross-border economic and social activities, JICA has enhanced “physical connectivity” through the development of hard infrastructure, such as roads, ports, and airports, as well as “institutional connectivity” through the development of soft infrastructure, such as capacity building of customs and harmonization of systems of each country. Furthermore, “human connectivity” has been enhanced through strengthening partnerships between the universities of ASEAN countries and Japan.

Additionally, in promoting measures towards common issues within the region, the aim is to further deepen JICA's partnerships with ASEAN's original member countries by capitalizing on the assets of JICA's cooperation of many years to these countries.

## Priority Issues and Efforts

### Assistance for ASEAN's Original Member Countries

ASEAN's original member countries have continued to record steady economic growth. However, in order to sustain growth,



Lying on lowland terrain and susceptible to frequent flood damages, the Kamanava area in the Metro Manila, the Philippines, was installed with floodgate (photo) and drains, etc. by ODA Loans.

urban issues arising from rapid urbanization require an urgent resolution. JICA's activities are, therefore, designed to create cities which are efficient, environmentally harmonious, and pose little burden on the environment. This is achieved by supporting the formulation of urban master plans, establishment of urban planning systems to control development, and technological transfers and necessary infrastructure development, including Japan's public transportation system, energy supply, water supply, and waste disposal system.

In addition to the issues related to the development of “hard” infrastructures, a variety of issues also exist with respect to “soft” infrastructures (systems). In more industrialized countries, in order to overcome the “trap of middle income countries”<sup>\*</sup> and achieve sophistication of industries, it is deemed essential to add value by enhancing human capital and strengthening the protection of intellectual property rights, among other measures. JICA has, therefore, also bolstered its initiatives for tackling these challenges.

Furthermore, countries such as Indonesia and the Philippines have experienced a wave of natural disasters in the form of flooding and earthquakes, which are impediments to sustained economic growth. JICA provides humanitarian assistance when natural disasters occur, as well as reconstruction and development assistance such as for the development of economic infrastructure, and assistance for mid- to long-term disaster prevention such as for the development of early warning systems. In addition, JICA also is taking measures to address climate change, which it deems as a critical challenge facing this region. They range from forest fire prevention and development of geothermal and other renewable energies to the development

<sup>\*</sup> Many developing countries, after escaping from the “poverty trap,” achieve high growth temporarily. However, when the per capita gross domestic product (GDP) reaches middle-income level, economic growth tends to stagnate in these countries, due to distortions accompanying rapid development, including a widening gap between the rich and the poor and increased prevalence of corruption.

of urban high-speed rail in order to alleviate traffic and reduce exhaust gas emissions, as well as adaptive measures to address the region's vulnerability to the effects of climate change.

### **Cross-Border Development of the Mekong Region**

The Mekong River region in the Indochinese Peninsula, including Myanmar, Laos, Thailand, Cambodia and Viet Nam, is called the Mekong region. Of these countries, newer ASEAN members—comprising Cambodia, Laos, Myanmar and Viet Nam—fall behind in economic development, and to this day are struggling with high poverty rates. In order to achieve ASEAN's integration by 2015, the intra-regional disparities between the original and newer ASEAN members pose a major challenge.

However, this region in recent years, particularly Viet Nam, has become a prominent investment destination for Japanese firms. Its continued high economic growth leads to expectations for further development in the future and even stronger ties with Japan.

In the Tokyo Declaration adopted at the Mekong-Japan Summit held in Tokyo in November 2009, Japan pledged to provide more than ¥500 billion in ODA Loans to five Mekong countries over a period of three years. In the Mekong-Japan Action Plan 63 announced simultaneously, Japan also committed its assistance for the "A Decade toward the Green Mekong" initiative.

Based on the policy of the Japanese government, JICA is implementing a broad range of projects in partnership with other countries such as Thailand that drive the development of the region, in order to remedy the intra-regional disparities of ASEAN and further develop the Mekong region.

## **Country Overviews and Priority Issues**

### **Indonesia**

Despite its poverty rate of 13.3% (2011, World Bank) as of 2010, Indonesia's real GDP growth rate reached roughly 6.0% in 2010 (2010, International Monetary Fund [IMF]), and with a population of 240 million people, the country is emerging as a driving force for the ASEAN regional economy. In recent years, there is a growing need in Indonesia for an improved investment climate, including infrastructure development; responses to global issues, including climate change; as well as safe and secure society-building through remedying disparities and disaster prevention.

Based on the cooperation needs of Indonesia, JICA carries out initiatives in the capital city of Jakarta which confronts serious infrastructure shortages. Notably, JICA provides cooperation for improving the investment environment through concepts such as the Metropolitan Priority Area (MPA) for Investment and Industry in JABODETABEK area. Furthermore, in order to promote the entry of private companies, JICA undertakes efforts to enhance the institutional development of PPP (Public Private Partnership) [→ See the Case Study on page 11].

Regarding climate change measures, JICA supports



The sabo dam constructed with JICA cooperation preventing debris flow after the eruption of Mt. Merapi (Indonesia)

improvements to Indonesia's policy framework in this area through the provision of the Climate Change Program Loan. JICA also promotes comprehensive measures in the field of climate change through the implementation of individual projects, including forest preservation and geothermal power generation projects [→ See the Case Study on page 14].

In addition, JICA has long implemented disaster prevention and reconstruction assistance for Indonesia, which, like Japan, is plagued by damages from volcanic eruptions and earthquakes. Support in both structural and non-structural measures have been provided continuously, including assistance for the capacity building of engineers and the establishment of an early warning system [→ See the Case Study on page 109]. The sabo facilities constructed with JICA cooperation when Mt. Merapi erupted in October 2010 contributed to the significant reduction of damages from pyroclastic flow.

### **Philippines**

The Philippines faced temporary economic stagnation as a result of the effects of the financial crisis of 2008 after having registered 7.1% economic growth in 2007, which was the highest in the past 30 years. Nonetheless, the Philippine economy demonstrated a remarkable recovery in 2010, recording economic growth of 7.6% (in real terms). The poverty incidence has also improved from 33.1% in 1991 to 26.5% in 2009. Nevertheless, compared with other original member countries of ASEAN (Indonesia, Thailand, Malaysia), the Philippines' GDP growth rate over the past 50 years is low and the progress of poverty reduction is slow, while income disparities continue to be high. The country also faces the challenge of supporting a growing population with an annual average growth rate close to 2.0%.

The Government of the Philippines aims to become a middle income country alongside the other original member countries of ASEAN. In order to further drive economic growth and create employment, the Government actively promotes infrastructure development through utilization of private financial resources and improves the investment climate. In addition, the country is vulnerable to external factors, including soaring food prices and natural disasters, and the Government provides direct assistance especially for the poor who are concentrated in rural areas to include them into the development process.

## Contributing to Regional Development

Through the transportation network development program, JICA extended assistance to enhance the logistics and transportation infrastructure in the non-conflict affected areas in Mindanao and to strengthen the competitiveness of small and medium-sized enterprises (SMEs) in the region, and thereby, contributes to the development of the region.



In the banana industry cluster, a federation of cooperative associations was launched to establish a new banana production center for export.

### Promoting Logistics Network through Construction of Container Terminal

The Cagayan de Oro Port served as the entry port of Northern Mindanao, which mainly handled cargoes of the nearby PHIVIDEC industrial park (where Japanese companies are also located). Due to the overcrowding of the Port, however, ships were forced to wait offshore for a longer period of time and logistics and transportation in the area had become inefficient.

In response, the Mindanao Container Terminal was completed in 2004 within the PHIVIDEC industrial park supported by an ODA Loan, in order to resolve the congestion of the Cagayan de Oro Port and promote smooth logistics and transportation.

Since the Terminal's completion, the volume of imported container cargo increased by 3.3 times, while the volume of exported container cargo increased by 28% from 2008 to 2009. To meet the increasing demand, maritime freight forwarders with offices at the terminal increased from 7 companies (as of the commencement of the Terminal's operation in 2004) to 19 companies (as of 2010). This contributed to establishing an active logistics network in the area and to the improvement of the business environment for local companies.

Excluding 2009 when the global economic crisis was severely felt, exports from the area have increased especially for major industries in sectors such as food and mining products. Thus, the Terminal also had a positive impact on the regional economy.

### Promoting SMEs Development through Industry Cluster Activities

Meanwhile, in Davao, the largest city in Mindanao, the Davao Regional Development Council has been striving to revitalize regional industries based on the "industry cluster"\* approach to achieve regional economic growth. Since October 2007, JICA has implemented a Technical Cooperation project to promote this approach as well as to build capacity of the agencies concerned.

Clusters are created for each of the eight major industries of the region (banana, mango, coconut, seaweed, timber, mining, tourism, and information and communications technology [ICT]) in Davao. SMEs, government agencies, universities and research institutes shared their knowledge and experiences with addressing common issues to develop the industries. JICA has provided technical assistance for

developing strategies, making work plans, and implementing pilot projects. Through the implementation of actual work plans, JICA also assisted to strengthen the capacities of cluster team members, government agencies, and staff of local governments to enhance the implementation of the cluster approach.

### Project Wins ODA Best Practice Award

The Technical Cooperation project as described above has helped to jump-start the activities of the cluster teams. In the mango industry, in order to improve the yield ratio of mangoes, pesticide management methods were improved as a pilot project for clustering activities. Training programs were also provided to promote the planned production of mangoes, so as to prevent overlaps in production and shipment periods with other regions. In the banana industry, local farmers have joined together to launch a new federation. The federation conducts market research of Japan and other countries and is working on creating a new exporting channel.

Furthermore, joint development activities among clusters have increased. New ideas are actively proposed, and information is proactively exchanged. Various spillover effects have been observed, which were not initially expected.

The project was completed in June 2010. Its outcomes and impact were highly acknowledged, including the promotion of exports of bananas, timber, and other products. The project consequently won the ODA Best Practice Award given by the National Economic Development Authority (NEDA) of the Philippines in December 2010. Some members of the cluster teams have received inquiries from Japanese companies regarding further business opportunities.

As described above, the development of a central port in Mindanao and the revitalization of local industries are expected to activate intra-regional transportation and to promote economic development.

\* The industry cluster approach aims to improve the regional business environment through the development of a network of organizations, including SMEs, venture companies, and research institutions.



Mindanao Container Terminal

JICA's cooperation to the Philippines focuses on the following priority issues: 1) sustainable economic growth aimed at creating employment opportunities; 2) support for the self-reliance of the poor and improvement of their quality of life; and 3) peace and stability in Mindanao. Under the above priority issues, JICA provides assistance for: infrastructure development through Public Private Partnership; policy and institutional improvement aimed at improving the investment climate; disaster risk reduction and management; and community development in the conflict affected areas of Mindanao [ → See the Case Study on page 35].

## Thailand

The Government of Thailand is pursuing the 10th National Economic and Social Development Plan (2006–2011), which aims to enhance human resources and policies to facilitate adaptation to future change, and achieve further globalization. With this aim, Thailand is taking steps to strengthen international competitiveness, boost domestic demand and strengthen grassroots economies. The GNI per capita of Thailand has reached US\$3,760 (2009), as the country shifts its focus to development that addresses challenges in working toward becoming an upper-middle-income country.

JICA is extending its cooperation to Thailand in three priority areas: 1) Enhancement of Competitiveness for Sustainable Growth to drive further development; 2) Adaptation to the Development Issues in a Maturing Society with a view to resolving the challenges that come with growth; and 3) Joint Cooperation to Third Countries, taking into account Thailand's shift to becoming a donor nation.

Based on these three priority areas, JICA is taking both hard and soft infrastructure initiatives. These initiatives include development of human resources and institutions for industrial promotion, development of infrastructure such as the Mass Transit System in Bangkok, support for strengthening environmental management systems and climate change-related policies, measures for remedying the disparities between urban and rural areas, cooperation on development issues for the aging society, support for the socially vulnerable including measures against human trafficking and cooperation on promotion of South-South



Chulalongkorn University, one of the universities responsible for the region cooperation, ASEAN University Network / Southeast Asia Engineering Education Development Network (AUN/SEED-Net). The project aims to develop human resources who will support industry.

Cooperation [ → See the Case Study on page 37].

## Cambodia

The Cambodian economy is recovering since 2010, after losing momentum in 2009 from the highs of over 10% per year due to the effects of the global financial crisis. Nominal GDP in 2010 was US\$11.6 billion (IMF estimate)—nearly twice as high as five years ago. However, Cambodia continues to rank low among the ASEAN countries on various development indexes, including per capita GNI and infant mortality rate. In view of ASEAN's integration by 2015, in order for Cambodia to achieve further economic development and overcome poverty, the country must develop its economic and social infrastructure and continue to engage in institutional building and human resources development in a variety of sectors. To meet these needs, JICA is providing support for the development of both hard and soft infrastructure.

Specifically, JICA is assisting with the development of critical economic infrastructure, such as ports, major arterial roads and bridges and electric power facilities, as well as the establishment of special economic zones to stimulate the private sector. JICA is also providing assistance to improve investment-related services, as well as develop irrigation facilities and improve distribution for raising the productivity of the key agricultural sector [ → See the Case Study on page 117]. To realize inclusive development, JICA is extending assistance in rural areas for the establishment of water supply, the enhancement of healthcare services, and human resources development in the education sector [ → See the Case Study on page 101]. JICA also continues to help strengthen the nation's economic foundation and enhance governance as the backbone for social development. These initiatives include assistance for improving the legal system; improving administrative capabilities including for local government; and strengthening national taxation- and customs-related capabilities.

## Laos

Laos is the only landlocked country in ASEAN. With a population of just 6.3 million people in a country about the size of Japan's Honshu island, the population density is extremely low. Meanwhile, Laos is also a multiethnic country comprised of 48 ethnic groups. Some 80% of the country's workforce is engaged in agriculture. Laos is designated as a least developing country (LDC) by the United Nations (UN) in the context of its low per capita GNI and economic vulnerability. Mountainous terrain comprises 80% of the landmass in Laos, and along with an undeveloped infrastructure, communities tend to be isolated, making it difficult for people to access social services. Based on these circumstances, the Government of Laos is promoting market economy principles. Identifying poverty reduction as a national goal, Laos aims to achieve the Millennium Development Goals (MDGs) by 2015 and graduate from LDC status by 2020.

JICA's approach to extending assistance to Laos revolves around: support for the steady achievement of the MDGs; support for building a foundation for economic growth that will serve as a driving force for the country's independent and sustainable growth; and support for capacity development as a prerequisite

## Maximizing Community Strengths

Thailand is facing a rapidly declining birthrate and aging society. For an expected project period of four years beginning in 2007, JICA and the Government of Thailand are developing a model for providing sustainable care for the elderly. This model, rooted in community practices, will draw on the strengths of the community, including community members, volunteers and senior persons' clubs.



Elderly persons participating in community health exercises (Khon Kaen)

### Rapidly Aging Society

In Thailand, the ratio of elderly persons over the age of 65 has already reached nearly 10%. Due to the extremely rapid pace of population aging in the country, the proportion of elderly persons is expected to surpass 14% in 2023 and make Thailand an “aged society” as defined by the United Nations.

The project is being implemented jointly by the Ministry of Public Health, which oversees health care services, the Ministry of Social Development and Human Security, which oversees social welfare, and JICA, with the cooperation of the local municipalities and community members. Through model activities, the project is intended to establish an integrated health care and welfare services model for elderly persons. In the future, the model is expected to be expanded across the whole country. Specifically, community members are implementing activities in the four project sites by taking into account community needs and available resources, with support from the project.

### Expanding the Model Across the Country

In Surat Thani in the south, access to health care and welfare services is poor due to the lack of transportation means, among other reasons. In light of these circumstances, the Mobile One-Stop Services model has been developed and

is implemented every month. Under this model, health care and illness prevention staff, welfare staff, and community volunteers jointly visit each village and offer consultation on health checks and welfare.

While project activities differ by each project site, they all share the basic framework, namely, “community members, including volunteers, play a large role,” “relevant organizations, including local governments, provide technical assistance,” and “community members and local governments work together.” In addition, through the dispatch of short-term experts for providing technical courses for central government employees in dementia care and care management, as well as training for community members on basic nursing care skills, human resources are developed at both the levels of the central and local governments.

In August 2010, a national conference was held in Bangkok to share the outcomes of the activities in the four project sites. An active exchange of views took place with the participation of 260 people from 50 provinces across the country.

By the project's termination in November 2011, JICA will summarize the achievement of model activities as the lesson to be applied to other activities for the care of elderly persons and create a manual which explains the details of the activities at each project site. A compilation of recommendations which will

offer practical know-how for leading further successes will also be created. Through these efforts, JICA aims to expand the outcomes of the model activities across Thailand.

#### From Our Expert

**Keiji Takebayashi**  
Chief Advisor

In Bang Si Thong Town, Nonthaburi Province, the senior peoples' club and community members played key roles in the startup of illness prevention and health promotion activities. Furthermore, they helped to establish a rehabilitation center with the cooperation of the town (while it sounds fancy, it is really an ordinary home). Community members who have received training provide rehabilitation services as volunteers.

These activities stem from the firm belief of the community members that services provided by nonprofessionals are better than not having any services at all.

At the end of 2010, the vice chairman of the senior peoples' club in the community, who was a central figure in these activities, suffered a cerebral hemorrhage. Because of his daily involvement in health activities, perhaps, the vice chairman detected the abnormality himself, took a taxi to the hospital, and on the way became unconscious. Although he has paralysis of the right side of the body, he was discharged from the hospital and has started rehabilitation with volunteers—a service he himself helped to organize. And now, he is able to walk with the use of a cane.

I believe things would have been a lot more worse had he not quickly gone to the hospital or had he not quickly started rehabilitation (and I believe the majority of the people in Thailand fall under this worse-case scenario). It gave me hope that even with scarce medical resources, something can be done to a certain extent with the strengths of the community and the people.

I believe this is one of the outcomes of the project.



Mr. Takebayashi, JICA expert, visiting the house of an elderly person with a volunteer

for Laos to achieve self-reliant efforts. JICA is providing a variety of cooperation for the following priority areas: improved access to basic education, expansion of healthcare services, rural development, social and economic infrastructure development, strengthening of the private sector and improvement of administrative capabilities [ → See the Case Study on page 10].

With Laos falling behind other ASEAN countries in development, JICA commenced the Laos Pilot Program (LPP) as a new initiative for remedying intra-regional disparities toward ASEAN's integration by 2015. In partnership with the ASEAN Secretariat, the project aims to extract the charms of Laos, a country rich in nature, and promote its sustainable development based on the concept of "Clean, Green and Beautiful Laos" [ → See the Case Study below]. Also, the many unexploded ordnances that remain in Laos not only hinder its development but also take the lives of many people. JICA has started taking countermeasures, drawing on its experience in mine cleaning in Cambodia.

### Myanmar

Myanmar held its first general election in approximately 20 years in November 2010, and a new administration was launched under former Prime Minister Thein Sein as President in March 2011. Japan, while closely following the progress of democratization and improvement of human rights situations in Myanmar, will consider and implement on a case-by-case basis projects centering on basic human needs which would directly benefit the people.

Specific assistance includes cooperation for: the prevention of the three major infectious diseases of malaria, HIV/AIDS and



The Project for Strengthening Capacity of Training Teams for Basic Health Staff (Myanmar)

tuberculosis; the provision of water supply to villages in the central dry zone that face a critical water shortage; drug control measures in northern Shan State; the preservation of agricultural lands and mangroves in the Ayeyarwady delta which were heavily damaged by Cyclone Nargis; and the provision of cyclone warnings.

### Viet Nam

Viet Nam has achieved steady economic growth of about 7% in recent years, and per capita GDP registered over US\$1,000 in 2009. Poverty reduction has progressed with the share of people living on less than US\$1.25 a day (poverty rate) declining from 50% in 1998 to 12.3% in 2009. Meanwhile, the development of a high quality workforce to support the economic growth, as well as basic infrastructure, such as electricity and transport, have not sufficiently caught up and serve as bottlenecks to growth.

## Case Study

## Laos Pilot Program for Narrowing the Development Gap towards ASEAN Integration (LPP)

### A Cooperation Scheme for Remedying Intra-regional Disparities Toward ASEAN's Regional Integration

**Remedying intra-regional disparities is one of the key challenges for ASEAN's regional integration by 2015. JICA and the ASEAN Secretariat have therefore begun providing cooperation to support the efforts made by Laos, a country that falls behind other ASEAN countries in development, toward integration with ASEAN. Through this assistance, JICA and the ASEAN Secretariat jointly aim to develop a scheme for supporting newer ASEAN members in order to remedy the intra-regional disparities within ASEAN.**

#### Capitalizing on the Strengths of Nature-rich Laos

The cooperation started in October 2010 based on the "Clean, Green and Beautiful Laos" concept in the following three areas: Tourism promotion; Promotion of safe agricultural

products; and Environmental management. The partnership between JICA and the ASEAN Secretariat is a feature of this program, which, through specific assistance, will aim to develop a tripartite cooperation mechanism (JICA, ASEAN, and counterpart government) for newer ASEAN member states and standardize the procedures for project planning, implementation, monitoring, and evaluation. This "pilot" program will be expanded to other ASEAN countries in the future.

The program office was established in the capital city of Vientiane, and the first steering committee meeting was held in March 2011. With 2012 the Year for Tourism in Laos, the tourism component has been jumpstarted with the JICA project team and the Lao National Tourism Administration holding a meeting in February and three provinces being selected as pilot provinces.



JICA and ASEAN concluded an MOU between Secretary General of ASEAN Surin Pitsuwan (right) and President of JICA Sadako Ogata in June 2008.



Furthermore, income disparities between urban and rural areas and environmental degradation also pose challenges. Governance should also be strengthened to tackle these development challenges.

JICA is engaging in a wide range of cooperation focusing on the following priority areas: 1) promotion of economic growth and strengthening of international competitiveness; 2) improvement in living and social conditions and corrections of disparities; 3) environmental conservation; and 4) strengthening of governance. The cooperation covers various issues, such as: improving business environment and development of supporting industries; infrastructure development of highways, railways, water and sewerage systems; improving healthcare services; disaster prevention; and climate change measures [ → See the Case Studies on pages 10, 83, 87, 129, 113].

### ■ Timor-Leste

Timor-Leste will soon celebrate its 10th anniversary of its independence, gained in 2002. In the last several years, the country has achieved a rapidly stabilizing security situation and double-digit economic growth since 2008. In July 2011, Timor-Leste announced the Strategic Development Plan that sets out a vision toward 2030, and the country has begun taking steps to graduate from the “reconstruction” stage and to embark on full-fledged economic development.

JICA has been providing assistance to Timor-Leste in the following priority areas so far: human resources development and institution building; improvement and maintenance of infrastructure; agricultural and rural development; and consolidation of peace. However, with the stabilization of the security situation, JICA is shifting its assistance from “consolidation of peace” to give greater focus to the development of economic infrastructure which contributes to economic opportunities promotion. The sustainability of the country requires the development of industries that can replace the revenues from oil industry. JICA’s assistance aims to create a more favorable environment to this end. In addition to the above, JICA will continue to make efforts in the following: rural development that contributes to poverty reduction (one of the key development



Roads are frequently blocked due to road surface damages from heavy rainfall during the rainy season (photo is of the Government’s restoration work). JICA supports capacity building in road maintenance work (Timor-Leste).

challenges of Timor-Leste); assistance to improve agricultural technology; and development of human resources whose lack of skills also serves as a severe bottleneck to development [ → See the Case Study on page 97].

### ■ Malaysia

Malaysia is on a steady growth path as one of the most developed ASEAN nations. It was among the first to escape from the calamity of the world financial crisis and is back on a stable growth track. The Malaysian government announced the New Economic Model (NEM), a long-term economic roadmap, in March 2010. The NEM plan outlines policies that aim to increase annual per capita income to US\$15,000 by 2020 by shifting to knowledge-intensive industries, among other strategies. In June 2010, the Tenth Malaysia Plan was announced, which establishes guidelines on the development budget allocations for the next five years.

In response to these actions taken by Malaysia, JICA has been providing assistance in order to forge cooperative relations as a more equitable partner of Malaysia, with a focus on the following four priority areas: 1) enhancement of mutual benefits between Japan and Malaysia; 2) overcoming challenges associated with rapid growth; 3) overcoming regional issues; and 4) strengthening aid implementation capacities and promoting Japan-Malaysia aid coordination.

Some examples currently being implemented through ODA Loans include the Pahang-Selangor Raw Water Transfer Project for supplying water to the Malaysian capital of Kuala Lumpur and the Higher Education Loan Fund Project, or HELP3 initiative, which gives local students a chance to study science and engineering in Japan. Other examples being implemented through Technical Cooperation are the Bornean Biodiversity & Ecosystems Conservation Programme Phase II (BBEC II) initiative in Sabah and the Improvement of Ability in Maritime Safety and Security project aimed at enhancing the capabilities of the Malaysian Maritime Enforcement Agency (MMEA).

Based on the above new development policy trends, etc., JICA is now conducting a country analytical work to study how JICA’s ODA to Malaysia should be implemented in the next few years.

### ■ Singapore

Singapore has achieved remarkable economic development. The country, which “graduated” from JICA’s ODA assistance in fiscal 1998, and Japan have been cooperating with each other not as a donor and an aid recipient but as a partner, and carrying out approximately 20 training courses a year mainly for other ASEAN nations. Since the launch of the Japan-Singapore Partnership Programme (JSPP) in fiscal 1994 and up to fiscal 2009, more than 250 training courses were implemented with the participation of over 4,600 training participants from 87 countries.

Since fiscal 2009, as a new initiative, JICA has been dispatching a research fellow to the Lee Kuan Yew School of Public Policy of the National University of Singapore to build networks with relevant organizations which can enhance JICA programs, through such activities as joint research and seminars.