

Central America and the Caribbean

Aiming for “Quality Growth” and “Correction of Disparities”

Key Aid Strategies

Improvement of the Economic Infrastructure, Response to Global Issues and Inclusive Development

The Central America and the Caribbean region, consisting of 23 countries — Mexico, Central America, and the CARICOM countries¹ — has generally been enjoying relatively steady economic development, while a portion of people still remain living in poverty and many countries in the region are vulnerable to natural disasters and other risks.

Taking into consideration the unique context of each

country as well as their respective countermeasures against common development issues, JICA is supporting the Central America and the Caribbean region based on the following three pillars of cooperation: (1) improvement of quality economic infrastructure that contributes to overcome the “Middle-Income Trap,”² (2) building a sustainable and resilient society by addressing global issues, and (3) advancement of inclusive development.

The Central American region was seriously affected by the armed conflicts that continued for more than 10 years from the late 1970s. With the progress of peace negotiations in the 1990s, democracy began to take root in the region. Today, most Central American countries are achieving stable economic growth. The Caribbean region is also maintaining a certain degree of economic growth supported mainly by the tourism industry and remittances from migrants residing in the United States.

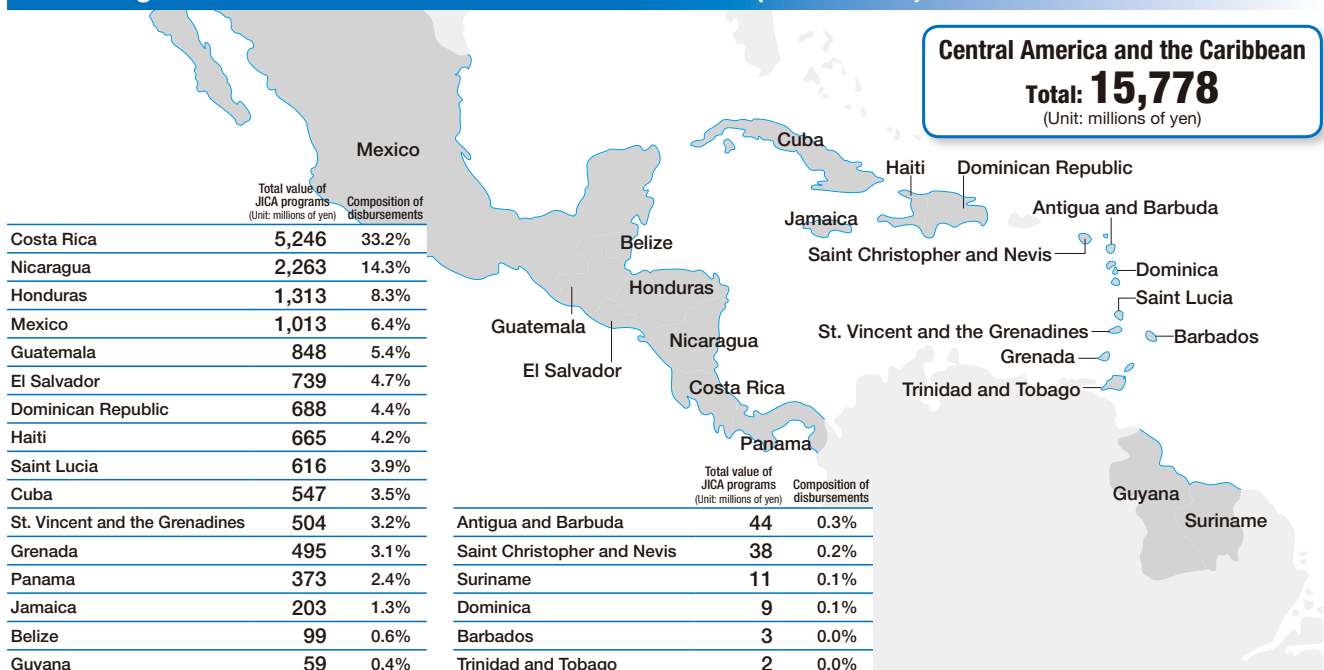
While many countries have broken out of extreme poverty and achieved medium income levels, some countries have faced an uncertain economic situation, mainly due to the delayed economic recovery of advanced Western nations. Even worse, some countries also have fallen into the “Middle-Income Trap;” in this context, JICA is engaged in supporting development of

quality economic infrastructure to help these countries get out of the trap.

In this region, with a number of natural disasters that include hurricanes, volcanic eruptions, and earthquakes, it is an urgent task to establish a sustainable and resilient society to also cope with climate change. Prime Minister Abe, who visited the CARICOM region for the Japan-CARICOM Friendship Year 2014, offered a new direction to support for ODA-graduate countries in consideration of such vulnerability to natural disasters and climate change specific to small island states. Addressing climate

1. Antigua and Barbuda, Bahamas, Barbados, Belize, Costa Rica, Cuba, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Saint Christopher and Nevis, Saint Lucia, Saint Vincent, Surinam, and Trinidad and Tobago.
2. A situation where a country that has overcome poverty and reached the middle-income level loses its competitiveness due to rising wages and other reasons.

JICA Programs in Central America and the Caribbean (Fiscal 2014)



The figures show the total value of JICA programs in each country including Technical Cooperation (Training Participants, Experts, Study Teams, Provision of Equipment, JOCV and Other volunteers, and Other costs), Loan Aid (Disbursements), and Grant Aid (Newly concluded G/A agreements) in fiscal 2014. Note: Figures exclude JICA's cooperation for multiple countries and/or multiple regions and international organizations.

change is a borderless global-scale issue. JICA is providing support for each country or more widely through cooperation with regional organizations, including Sistema de la Integración Centroamericana (SICA) and the Caribbean Community (CARICOM) as well as international organizations, such as the World Bank and the Inter-American Development Bank (IDB).

Despite the economic growth of the Central America and the Caribbean region, basic education, health care services, and safe water are still not provided to a number of people there. Coupled with other issues, such a disparity has also adversely influenced the growth quality of each country. Accordingly, advancement of inclusive development has been an important issue to allow people to enjoy the benefits equally and widely. Having conducted surveys on inclusive development in the region, JICA is currently planning to publish a report in 2015 jointly with SICA that summarizes the survey outcomes. Such an effort is expected to play a role in extracting findings and issues that can be utilized for our future cooperation activities.

Priority Issues and Activities

● Economic Infrastructure

In the situation where many countries have fallen into the “Middle-Income Trap” and faced sluggish economic growth, JICA has worked on developing tangible and intangible economic foundations, including infrastructure improvement and human resources development in order for each country to achieve quality growth. Furthermore, JICA has also promoted support with consideration for mutually beneficial relationships with each country, through utilizing Japanese companies’ outstanding technologies for addressing developmental issues.

In Mexico, cardiac diseases are the leading cause of death. Taking this situation into account, through the technical cooperation for the Project for Promotion of Minimally Invasive Techniques³ Focused on TRI Method,⁴ JICA carried out a detailed design survey in 2014 so as to assist in introducing minimally invasive medical techniques jointly with the Japanese private sector that can reduce patients’ physical burden and extra costs arising from long hospital stays.

In Panama, known as a logistics hub in Latin America and the Caribbean, JICA is currently initiating a project to develop the Metro Line 3 as a monorail system that connects urban areas at the western part of the canal with the downtown area. Monorail is a transportation mode that has demonstrated sufficient track records in Japan and elsewhere. JICA implemented a preparatory survey and submitted the survey results to the Panamanian government in September 2014. The Line 3 project is expected to progress with consultations between both governments to carry out the plan.

● Addressing Global Issues

Climate Change Countermeasures:

Renewable Energy and Disaster Risk Reduction

To contribute to addressing climate change in the Central America and the Caribbean region, JICA is promoting the shift toward renewable energy and energy efficiency for a stable

supply of electricity and reduction in dependence on fossil fuels. In January 2011, a memorandum was signed between JICA and the Inter-American Development Bank (IDB) to realize the enhancement of comprehensive cooperation, such as promotion of cofinancing and joint surveys in the fields of renewable energy and energy efficiency. In March 2012, both parties also agreed to the framework for implementing the Cofinancing for Renewable Energy and Energy Efficiency (CORE). Under this scheme, the following two ODA Loan projects commenced in 2014.

For Costa Rica, a loan agreement for the Las Pailas II Geothermal Project (Guanacaste Geothermal Development Sector Loan), was signed in August 2014. In this project, a geothermal power plant with an output of 55MW will be built in Las Pailas, Guanacaste Province. For Honduras, the loan agreement for Cañaveral and Río Lindo Hydropower Strengthening Project was signed in March 2015 for renovation and reinforcement of the existing hydropower plants in Cañaveral and Río Lindo.

In Central America and the Caribbean region, it has been pointed out that damage from natural disasters has been expanding due to climate change; therefore, mitigation of vulnerability to natural disasters has been a major issue in the region. JICA is working on projects intended to mainstream the concept of disaster risk reduction under the keywords *bosai* and *gensai*. In El Salvador, susceptible to hurricanes and earthquakes, JICA carried out a technical cooperation project from December 2012 to develop engineers for the Department of Adaptation for the Climate Change and Strategic Risk Management, as well as to build up the framework for disaster prevention, disaster reduction, and emergency recovery operations in the event of natural disasters. The seminar held in December 2014 at the completion of this project had a total of 230 participants, including deputy ministers and directors-general from both El Salvador and abroad, leaving a huge favorable footprint.

● Inclusive Development

In Haiti, which has been in transition from post-disaster recovery toward development since after the 2010 earthquake, JICA is extending support to improve the quality of public services and make recognizable achievements in the fields of health care and education. In the health care field, for example, JICA is assisting the restoration of the water supply system in Leogane, rehabilitation of the Hospital in Jacmel, as well as jointly working with the UN Children’s Fund (UNICEF) in order to reinforce cholera prevention through its Grant Aid projects. In the educational field, JICA has implemented a preparatory survey for a project for building primary and secondary schools in Central and Artibonite Departments and is also extending technical cooperation for necessary capacity building.

In the Central American region, JICA is assisting in developing infrastructure to provide public services for less-developed rural areas. In El Salvador, a loan agreement was signed in August 2014 for the San Miguel Bypass Construction Project that is intended to enhance the transportation capacity in the less-developed eastern region. Japan has, to date, constructed as many as 58 bridges in

3. Treatment technique that reduces patients’ physical burden as much as possible in medical tests and treatments.

4. Technique to insert a catheter from the blood vessel of the wrist.

the Central American region, including rebuilding and renovation projects. In Nicaragua, with poor roadway infrastructure due to past disasters, a bridge newly constructed under the Project for Construction of the Santa Fe Bridge was inaugurated in August 2014, contributing to accelerating international logistics for the country and the region. Moreover, through the Project for Construction of Paso Real Bridge in Nicaragua, the bridge on the major highway that connects the capital city Managua with the Caribbean seaside regions, is currently being rebuilt.

Regarding gender and development in Central America, there are good practices that include the government's one-stop service for women in El Salvador ("Ciudad Mujer"), and JICA is working with the Salvadoran Institute for the Advancement of Women (ISDEMU) on their efforts and dissemination to encourage women to be actively involved in their communities.

Lastly, 2015 marks the 80th anniversary of the Japan-SICA Friendship Year, commemorating the establishment of the diplomatic relations between Japan and the five Central American



The Santa Fe Bridge, spanning the border between Nicaragua and Costa Rica, is expected to play a role in accelerating international logistics. (Project for Construction of the Santa Fe Bridge in Nicaragua)

countries (Guatemala, El Salvador, Honduras, Nicaragua, and Costa Rica). In this milestone period, JICA will provide new cooperation programs focused on key aid strategies.

Case Study **Cuba: Accelerated Assistance for Cuba**

For Promotion of Public-Private Partnership in the Health Care Field

Since the announcement of diplomatic normalization talks between Cuba and the United States in December 2014, Cuba has been increasingly receiving global attention. JICA has commenced consideration of public-private cooperation in the health care field in addition to the conventional fields of agricultural development and environmental conservation.

Japan's first economic assistance for Cuba dates back to the 1960s, when Japan started to receive training participants from Cuba. In addition to this, JICA commenced a technical cooperation project from 2007 and has expanded its cooperation activities mainly into agricultural development and environmental conservation. Specifically, in the situation that Cuba's food self-sufficiency rate is around 20–40%, JICA has provided technical cooperation

to improve the productivity of rice as a staple food, strengthened countermeasures against saltwater intruding into underground water and the underground water control system, and also carried out technical cooperation in waste management in Havana.

Since 2011, the Cuban government has been working on easing the restrictions on the expansion of self-employed businesses, facilitating foreign investment in light of the New

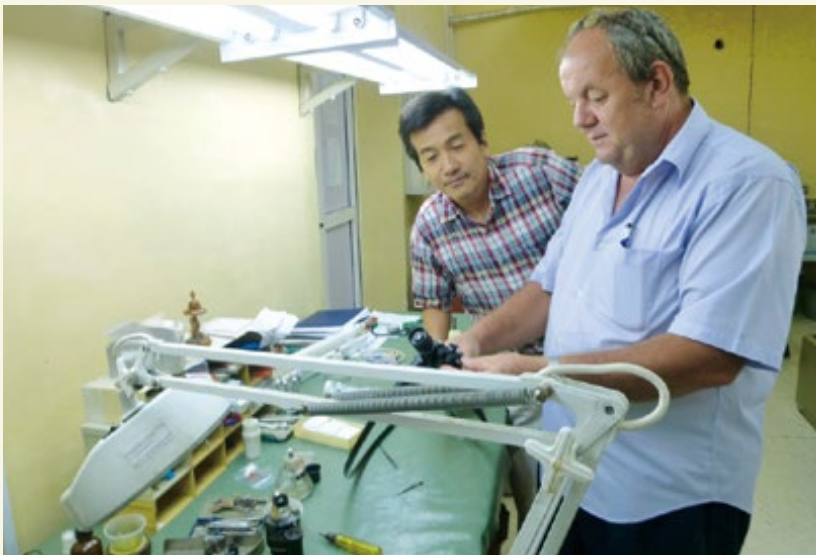
Foreign Investment Law that came into force in April 2014, and introducing new technologies in the fields of health care and renewable energy. In response to this movement, JICA has initiated consideration of private-public cooperation in light of the Cuba's prioritized development needs and the possibility of utilizing the Japanese private sector's highly advanced technologies and abundant experience.

High Expectations for Japan's Medical Technologies

One of the fields for which public-private cooperation is expected is the medical field, where Japan's technologies have been highly evaluated for more than 30 years in Cuba. In 2013 and 2014, Cuban high-level officials from the Ministry of Public Health and the Ministry of Foreign Trade and Investment were invited to Japan in order to enrich their understanding of the Japan's health care system and the latest medical technologies by visiting hospitals and several medical equipment manufacturers.

Foreign Minister Kishida, who visited Cuba in May 2015, announced the commencement of Grant Aid programs. JICA will conduct a survey for new cooperation in the medical field.

In addition to the medical field, Cuba also shows a strong interest in the JICA's cooperation activities in the fields of energy, transportation, and investment promotion. Along with reviewing possible cooperation activities for new fields, JICA will also contribute to building an environment where Japanese companies can help develop Cuba.



Japan's latest medical equipment and technologies have attracted a lot of interest.