

Southeast Asia

Key Aid Strategies

Promoting Regional Initiatives, Encouraging “Quality Growth,” Realizing a Peaceful and Secure Society, and Addressing Global Issues

The ASEAN Community was launched at the end of 2015. Southeast Asian nations have a total population of some 630 million. This huge market is expected to serve as an engine of the global economy.

Viewing Southeast Asian nations as the most important region for Japan in political, economic, and security terms, JICA focuses its development cooperation in, among other sectors, the development of human resources and

infrastructure that supports mutual growth. The specific fields of JICA’s cooperation include the development of soft and hard infrastructure designed to support “quality growth,” as well as regional initiatives aimed at narrowing the development gap within ASEAN and among its member states. In these and many other fields, JICA capitalizes on Japanese knowledge, technology, and experience.

Promoting Regional Initiatives

The Association of Southeast Asian Nations (ASEAN), an intergovernmental organization that comprises 10 of the 11 countries that make up Southeast Asia (Timor-Leste is the only non-member of ASEAN), continues its efforts to deepen regional integration even after the launch of the ASEAN Community. In order for ASEAN countries to develop and deepen integration, it will be necessary to strengthen connectivity within ASEAN member states, between ASEAN and Japan, and between ASEAN and the world, both in hard and soft aspects.

The original ASEAN member states (Brunei, Indonesia, Malaysia, the Philippines, Singapore, and Thailand) need to promote high-value-added industries and train human resources that support industrial development in order to sustain economic growth without being caught in the so-called “middle-income trap.”¹ The newer

ASEAN member states (Cambodia, Laos, Myanmar, and Viet Nam) have also been undergoing the development of economic corridors in recent years. Those are the fruits of the ASEAN integration and enable them to unleash their growth potential. They will need to achieve high economic growth and thereby improve people’s lives in order to further narrow the gaps with the original ASEAN member states.

JICA is participating actively in a joint public-private sector taskforce that comprises Japanese government ministries and private-sector organizations, established by the Japanese government in order to support the strengthening of ASEAN connectivity. Aligning itself with ASEAN’s various policies on and plans for deepening connectivity from the formulation

¹ An economic situation in which a fast-growing developing country has reached a middle-income level and successfully reduced poverty, but has lost its international competitiveness in export manufacturing and its past growth momentum, due mainly to rising wages.

JICA Programs in Southeast Asia (Fiscal 2015)



Concrete Initiatives

Region-Specific Activities and Initiatives

Issue-Specific Activities and Initiatives

Other Activities and Initiatives

stage through dialogue with ASEAN, JICA is providing support for economic and social infrastructure development, investment climate and business environment improvement, and legal systems development. Furthermore, JICA is also supporting ASEAN in its efforts to strengthen connectivity among the member states by cooperating with the member states, particularly the newer ASEAN member states, in improving basic education, governance, health, agriculture, and water supply, with a view to narrowing the prevalent development gaps within and among the member states. Where appropriate, JICA promotes such cooperation in the forms of South-South cooperation and tripartite or triangular cooperation.

JICA is currently contributing significantly to promoting government-to-government dialogue, most notably to fulfill Japanese government commitments mainly at the Japan-ASEAN Summit to implement development cooperation programs in the region. It also contributes to the ASEAN Economic Community (AEC) to establish economic partnerships, namely Trans-Pacific Strategic Economic Partnership (TPP) and a Regional Comprehensive Economic Partnership (RCEP), in line with the pertinent policies of the Japanese government.

With Timor-Leste, the only non-member state of ASEAN in Southeast Asia, JICA is cooperating in formulating a comprehensive urban master plan that covers multiple sectors, including transportation and water supply, needed for sustainable economic growth.

● Encouraging “Quality Growth”

JICA promotes development of “quality infrastructure” that supports sustainable growth in Southeast Asia, based on Japan’s initiative called “Partnership for Quality Infrastructure: Investment for Asia’s Future” to meet the growing need of infrastructure development in ASEAN by building “quality infrastructure,” which is easy to use, durable, environmentally friendly, and disaster resilient, as well as cost-effective in the long run. “Quality infrastructure” also supports significantly improvement of people’s lives through

enhancing connectivity among ASEAN member states, creating jobs for local people, increasing local skills, and providing better access to social services. JICA takes an inclusive approach to infrastructure development in which the process mobilizes a wide range of financial resources, including those from the private sector and development financial institutions, as well as strengthening partnerships with international organizations and private businesses. In addition, JICA considers life-cycle costs and implications for the environmental and social aspects in consideration of extending various types of assistance in human resources development, which include support for the development of industrial human resources, the empowerment of women, and the nurturing and networking of pro-Japanese individuals and groups. JICA also works to make the process of formulating each project prompt.

● Realizing a Peaceful and Secure Society

JICA’s bilateral assistance in this context focuses on strengthening governance and supporting the democratization process. This involves support for ethnic minorities in Myanmar and the prevention of human trafficking in Viet Nam [→ see the Case Study on page 33]. JICA also addresses regional issues, extending assistance in establishing legal and judicial frameworks and enhancing maritime security capabilities.

● Addressing Global Issues

JICA’s development cooperation in the health sector focuses on universal health coverage (UHC) in accordance with, among other policies, the ASEAN-Japan Health Initiative, which Prime Minister Shinzo Abe announced at the 17th Japan-ASEAN Summit in November 2014. JICA’s cooperation in disaster risk reduction, on the other hand, builds largely on the Sendai Cooperation Initiative for Disaster Risk Reduction, which was set out at the Third UN World Conference on Disaster Risk Reduction in March 2015. It seamlessly covers the whole cycle of natural disaster management, ranging from developing early warning systems and addressing climate

Case Study

Indonesia: Indonesia-Japan Project for Development of REDD+ Implementation Mechanism (IJ-REDD+)

Contributing to Building Mechanism for Climate Change Mitigation with Measures against Deforestation and Forest Degradation

JICA assists Indonesia, which is facing rapid deforestation and forest degradation, in building a structure for REDD+ implementation, including sustainable forest management in collaboration with the organizations and local communities concerned.

Developing an Implementation Model in a National Park

With the third-largest rainforest area in the world, Indonesia is endowed with some of the world’s rare biodiversity reserves. The country, however, is undergoing rapid deforestation and forest degradation due to conversion to farmland, illegal logging, forest fires, and other factors. The resultant increase in greenhouse gas emissions to an alarming level poses a global challenge in the context of addressing climate change.

JICA supports the development of a REDD+ implementation structure in West Kalimantan and Central Kalimantan provinces. REDD+ is twofold.

“REDD” signifies reducing emissions from deforestation and forest degradation in developing countries. The “+” symbol denotes the role of conservation, sustainable management of forests, and enhancement of forest carbon stocks in developing countries. REDD+ is a climate change initiative that offers financial and economic incentives for these two types of activity.

In this project, JICA works with local authorities and national park offices to gather forest carbon stock data, analyze the drivers of deforestation and forest degradation, and research biodiversity with a view to building a structure for monitoring carbon stocks in forests and peatlands as well as



A forest biomass survey by officials at a national park office

to developing associated capacities.

In Gunung Palung National Park, one of the project sites, local residents who lived on illegal logging and slash-and-burn farming were increasingly discontent with the clampdown by the national park office. JICA developed the facilitation capacity of officials at the park office, which in turn rebuilt the relationship with local residents through honest, down-to-earth dialogue. JICA now supports the introduction of the cultivation of organic vegetables and the breeding of ducks as alternative revenue sources. It also promotes collaborative management with various stakeholders. In this way, JICA supports the development of a model for implementing REDD+ in a national park.

change management in the mitigation and preparation phases, extending humanitarian assistance and strengthening community support in the response phase, and promoting Build Back Better in the recovery phase.

Country Overviews and Priority Issues

● Indonesia

Although Indonesia's real GDP growth rate in 2015 decelerated slightly to 4.8%, with the nation's young population of about 250 million, the growth is expected to remain strong in the medium term. To ensure Indonesia's stable economic growth, it is necessary to improve the investment climate and narrow regional disparity by promoting infrastructure development that supports economic activities as well as human resources development with advanced knowledge and skills.

JICA is also supporting infrastructure development through using the knowledge and know-how of the private sector. Some examples are the country's first subway project in Jakarta, aimed at easing traffic congestion in the metropolitan area, and the development of geothermal power generation, in which Japan has great technological advantages.

Indonesia also frequently suffers from natural disasters, and based on Japan's experience with similar disaster-prone settings, JICA is providing support for measures to reduce the risk of disasters as well as countermeasures for climate change issues by strengthening regional connectivity, promoting regional development, reducing regional disparity, and strengthening the social security system.

● Philippines

In 2015, the Philippines economy continued its steady growth with GDP rising by 5.8%. Philippines does, however, face a number of challenges for sustainable development, including insufficient infrastructure investment, frequent natural disasters, and the long-standing Mindanao peace process.

JICA's cooperation in the Philippines focuses on the following priority issues: (1) sustainable economic growth by promoting investment; (2) overcoming the country's vulnerabilities; and (3) support for the peace process in the conflict-affected areas in Mindanao.

In Metro Manila, JICA supports the development of mass transit infrastructure to address traffic congestion, among other urban problems, based on the Roadmap for Transport Infrastructure Development for Metro Manila, which calls for expanding the urban region north-south. This involves the construction of a commuter railway. JICA's assistance in disaster risk reduction is aimed at putting into practice Build Back Better, a concept agreed on at the Sendai Framework for Disaster Risk Reduction. To this end, JICA supports river improvement projects that will support urban areas and contribute to a better investment climate. It also assists in efforts to make the country more resilient to natural hazards by taking advantage of financial instruments. In Mindanao, JICA continued its technical cooperation designed to support the peace process. It also encourages private-sector activities aimed at increasing employment opportunities through innovative financial

mechanisms [→ see the Case Study on page 71].

● Thailand

With a GNI per capita of \$5,620 in 2015, Thailand has joined the ranks of upper-middle income countries. However, many issues still need to be addressed to achieve sustained social and economic development: making industries more competitive, measures for an aging population, and environmental problems and climate change. In addition, there are several issues common throughout the ASEAN region, such as strengthening ASEAN connectivity and narrowing the development gap.

JICA focuses on three priority areas. The first area is sustainable development of the economy and coping with a maturing society. In fiscal 2015, JICA continued its assistance for the development of a mass transit network in the Bangkok Metropolitan Area, designed to alleviate traffic congestion. An expert was dispatched to Thailand to provide advice in the overall transportation sector. Furthermore, JICA completed the construction of flood gates and rehabilitation of national roads in Ayutthaya in response to 2011 floods. The second area is coping with common issues in ASEAN countries. JICA extends a wide range of assistance, which includes extending support to the victims of human trafficking and supporting the development of human resources for addressing such issues as the tariff system and climate change. The third priority area is promoting cooperation with countries outside the ASEAN region. Behind this concept is the recognition that Thailand plays an increasingly important role as a springboard for extending assistance to other ASEAN countries and beyond. In this regard, JICA supports the acceptance of training participants from Africa and elsewhere.

● Cambodia

Cambodia's economy has been achieving steady growth with real GDP rising by an annual average of about 7% since 2010, and per capita GNI reaching \$1,070 in 2015. The poverty rate has been on a sharp decline. However, Cambodia still faces a number of development challenges. Infrastructure remains inadequate, especially power supply facilities and roads, which are fundamental requirements for industry and people's daily lives. Health and education are not faring well, either. Although indicators for these two sectors are on an upward trend, many remain relatively low within ASEAN.

JICA assists Cambodia in its nation building process to overcome these challenges and achieve steady and sustainable economic growth and balanced development at the same time. To these ends, JICA focuses on three priority areas: (1) strengthening the economy's foundations, (2) promoting social development, and (3) strengthening governance.

With the ASEAN Economic Community established, Cambodia has reached the stage where it can strive for further economic development through the diversification and upgrading of its industries. In providing support for the reinforcement of the Southern Economic Corridor extending from Ho Chi Minh City in Viet Nam to Bangkok in Thailand through construction of the Tsubasa Bridge and improvement of National Roads No. 1 and No. 5, JICA is contributing to strengthening connectivity within the Mekong region, and economic growth within Cambodia [→ see the Case Study on page 32]. JICA is also contributing to the

strategic and sustainable development of Cambodia through human resources development in various sectors.

● Laos

The real GDP of Laos has been increasing in a stable manner at an annual rate of between 7% and 8% as the country makes progress toward graduating from the ranks of least developed countries, with a GNI per capita of \$1,730 in 2015.

JICA provides cooperation for building a foundation for economic growth that will be a driving force for the country's self-reliant and sustainable growth. In detail, JICA focuses on cooperation for the following priority areas: (1) development of economic and social infrastructure; (2) agricultural development and forest conservation; (3) improvement of basic education; and (4) improvement of health care services. JICA is also involved in removal of unexploded ordinance and improvement of legal systems as a cross-sectoral issue.

Laos has recently been attracting attention for its investment opportunities. Accordingly, JICA has to date extended cooperation for improving the investment climate, including development of the East-West Economic Corridor through ODA Loans and Grants.

● Myanmar

In Myanmar, general elections were held in November 2015, paving the way for the inauguration of a new administration in March 2016. In anticipation of further economic growth and reforms toward democratization, JICA provides assistance based on three priority areas that are set out in the Japanese government's economic cooperation policy for Myanmar announced in 2012.

The first area is assistance for improvement of people's livelihoods. JICA focuses on assistance for ethnic minorities and regional development, support for the poor, development of the agriculture sector, and improvement of health care. The second is assistance for capacity building and institutional development to sustain the economy and society. JICA supports the nation's

democratization process, including assistance for economic reforms and legal and judicial development [→ see the Case Study on page 102]. The third area of priority is assistance for development of infrastructure and related systems necessary for sustainable economic development. JICA assists Myanmar in transportation, communications, water supply, and electricity, among other sectors. Apart from these three areas, JICA also provided emergency relief supplies, including mosquito nets, and supported the recovery of school facilities during fiscal 2015, in the aftermath of the torrential rains from July 2015 onward that inundated many parts of the country.

● Viet Nam

Viet Nam is continuing to achieve stable economic growth through the transition to a market economy and the policy of openness toward other countries under the Doi Moi (renovation) policy, with GNI per-capita of \$1,980 in 2015 and an annual real GDP growth rate of 5–6% in recent years. Meanwhile, abolishing customs within the ASEAN region by fiscal 2018 has made the strengthening of industrial competitiveness an urgent task for Viet Nam. There is also a need to redress regional disparities between urban areas and rural areas, which account for roughly 70% of the population; as well as to improve the urban hygienic environment; to reduce risks of natural disasters, including climate change; and to improve medical services.

The goal of the national development strategy of Viet Nam is industrialization of the country by 2020, putting priority on economic and administrative reforms as well as human resources and infrastructure development. In this regard, JICA is extending cooperation with a focus on (1) promotion of economic growth and strengthening international competitiveness; (2) response to fragility, the negative impacts brought by economic development; and (3) good governance. Specifically, JICA is extending cooperation over a broad range of fields, including infrastructure development, reforms of state-owned enterprises and the banking sector, enhancement of

Case Study

Cambodia: Infrastructure Development Assistance for the Southern Economic Corridor

Contributing to Better Connectivity for the ASEAN Economic Community

JICA's infrastructure development assistance for the Southern Economic Corridor contributes to improved physical connectivity for the ASEAN Economic Community, which was launched at the end of 2015, and supports economic development in the Mekong region.

Connecting Thailand, Cambodia, and Viet Nam

The opening of Tsubasa Bridge (known as Neak Loeng Bridge) in April 2015 means that Thailand, Cambodia, and Viet Nam are now connected by a single road. The bridge spans the Mekong River, which used to be the largest bottleneck for the Southern Economic Corridor, which connects the Thai capital, Bangkok; the Cambodian capital, Phnom Penh; and Ho Chi Minh City, the largest business center in Viet Nam.

As part of its support for the development of the Southern Economic Corridor, JICA has

assisted in the construction of the Tsubasa Bridge and the improvement of National Road No. 1 in Cambodia. The Southern Economic Corridor is now a major artery that supports economic growth in the Mekong region. The movement of people and goods along the corridor is increasing more than ever. A growing number of Japanese businesses operate in cities and special economic zones along the corridor.

National Road No. 5, which, together with National Road No. 1, constitutes the Southern Economic Corridor, is not only a vital trunk road for Cambodia but also an essential route for the Mekong region as a whole. JICA's ODA Loan



Rendering of the upgraded National Road No. 5

project is underway to upgrade the full length of National Road No. 5, which connects Phnom Penh and the Cambodia-Thailand border. Specifically, this project is designed to pave the road with asphalt and widen it to four lanes by 2020. The purpose of this road infrastructure development project is to meet the anticipated growth in traffic demand associated with progress in ASEAN integration, for safer and smoother traffic.

JICA will continue with its assistance for the development of quality infrastructure in the Mekong region, thereby contributing to better physical connectivity for the ASEAN Economic Community and supporting economic development in the region.

higher education and vocational training, improvement of the urban environment, countermeasures against climate change, promotion of high-value-added agriculture, development of the systems in the fields of the health care sector, and improvement of the judiciary and administrative functions [→ see Case Studies on pages 33, 82, and 96].

● Timor-Leste

In Timor-Leste, which achieved independence in 2002, a transition from post-conflict reconstruction to development is ongoing. Although its per-capita GNI reached \$1,920 in 2015 with stable economic growth, the reality is that the majority of national revenue depends on oil and natural gas. One of the urgent issues is to diversify industry and create job opportunities in order to reduce the overreliance on revenue from natural resources. In order to achieve all this, developing human resources is key.

JICA assists Timor-Leste in laying the groundwork for industrial promotion, revitalizing the rural economy, and developing human resources in general and building the capacity of the government in particular with a view to acceding to ASEAN. This assistance is provided under three cooperation programs: (1) the Program for Establishing a Foundation for Promoting Economic Activities, (2) the Program for Agriculture and Rural Development, and (3) the Program for Capacity Development of the Government and Public Sector. Specific focus is placed on the development of transportation infrastructure, such as roads; the training of high-level industrial human resources; technical cooperation and policy recommendations to promote agriculture; and technical cooperation for the government's capacity development in formulation and implementation of development plans.

● Malaysia

Due to low crude oil prices, Malaysia's real GDP slowed to around 5.0% for 2015. This did not, however, discourage Malaysia from continuing to seeking balanced development that is aimed at attaining two goals—sustainable economic growth with increased labor productivity, and environmental conservation and support for the socially vulnerable—at the same time, with a view to achieve

an advanced economy status by 2020, with a GNI per capita of \$15,000 or more.

Under such circumstances, JICA's cooperation to Malaysia focuses on three priority areas: (1) supporting balanced development toward Malaysia becoming a high-income nation and contributing to the mutually beneficial relations between Malaysia and Japan; (2) responses to common issues in the Southeast Asian region; and (3) Japan-Malaysia Development Partnership beyond the Southeast Asian region. JICA is implementing projects in the following fields: development of human resources for industry with advanced technological skills; higher education for utilizing advanced scientific technologies and development of human resources for industry; protection of socially vulnerable people including persons with disabilities; and cooperation for environmental conservation, including disaster risk reduction measures. JICA is also assisting Malaysia in providing South-South cooperation to ASEAN, African, and Islamic countries and supporting such countries by utilizing Malaysia's development experience.

● Singapore

After concluding the Japan-Singapore Partnership Programme in 1993, Singapore and JICA have been cooperating as partners in conducting approximately 10 to 15 training courses a year since fiscal 1994 covering various fields mainly for other ASEAN member states. In addition to courses provided with a view to the establishment of the ASEAN Economic Community, including courses on intellectual property rights, customs operations, maritime safety management, border controls, and other areas for strengthening ASEAN connectivity, and courses for newer ASEAN member states (Cambodia, Laos, Myanmar, and Viet Nam) aimed at narrowing the development gap within the ASEAN region, Singapore and JICA are also running courses for Africa, Small Island Developing States, and others. By fiscal 2015, around 360 courses had been conducted, with participation of about 6,300 trainees from 95 countries.

Case Study Viet Nam: Project for the Establishment of Anti-Trafficking in Persons Hotline

Preventing Trafficking in Persons

JICA supports efforts against trafficking in persons (TIP), which poses a challenge for the Mekong region.

Establishing and Operating an Anti-TIP Hotline

Viet Nam is undergoing economic development and, at the same time, seeing a widening gap between rural and urban areas. As more and more people move within the country and beyond, TIP is becoming more serious. The Vietnamese Ministry of Public Security has reported a total of 2,015 TIP cases for the six-year period from 2004 to 2009, with 4,924 persons being trafficked and 3,571 traffickers arrested for the same period.

To prevent such cases, the Vietnamese

Ministry of Labour—Invalids and Social Affairs (MOLISA) and JICA worked together to build a framework for operating a telephone counseling service, or hotline, that offers counseling and information specialized in relocation as a means of staying away from the possibility of falling victim to TIP.

Telephone counselors who have received counseling training now offer counseling in accordance with the guidelines that have been developed in this project. From October 2013 to March 2016, three hotline centers, in Hanoi and



A hotline counselor talks to a caller

An Giang and Ha Giang provinces, received a total of 5,257 calls. Among them, there was a call from the family of a girl who had been taken to a neighboring country for a forced marriage. This girl was rescued and taken into custody with the help of the local police.

This project also mounted an information campaign that involved awareness-raising materials, including about 240,000 copies of calendars, about 8,000 copies of leaflets, and standing signboards, as well as radio and TV advertisements. This campaign successfully raised the public awareness of the anti-TIP.