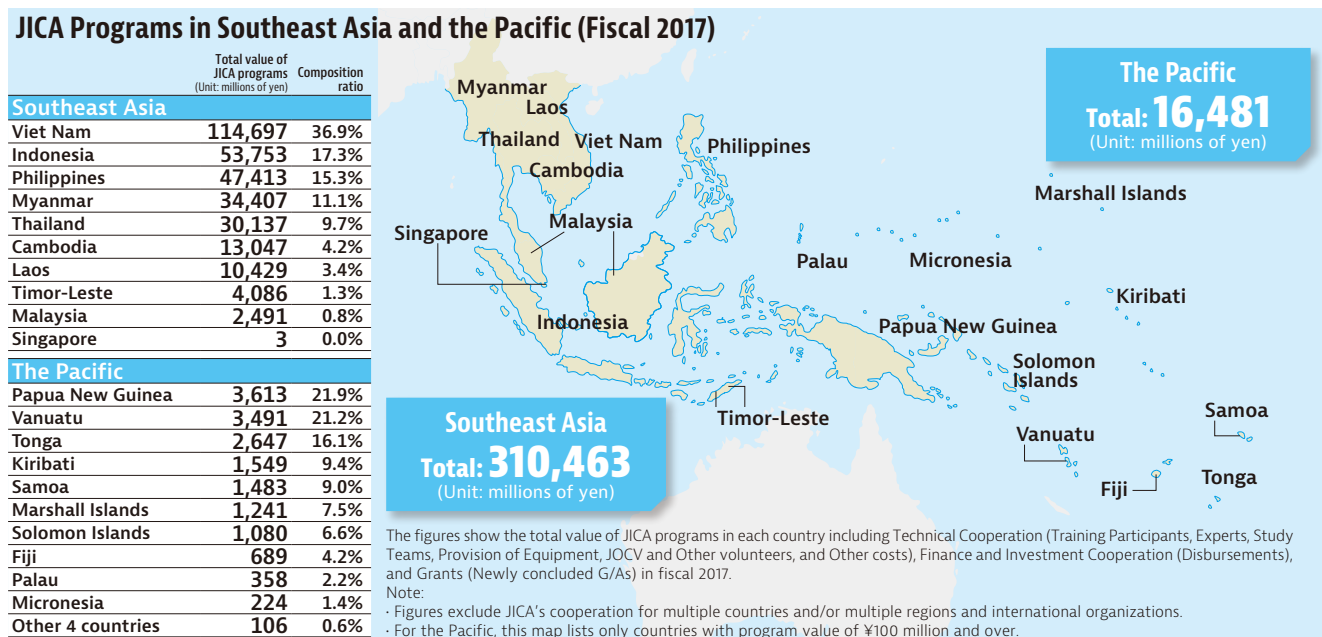


# Southeast Asia and the Pacific

Seeking to Improve Regional Connectivity, Reduce Disparities, and Achieve “Quality Growth”



## Southeast Asia

### Regional Issues

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 December, 2015. ASEAN celebrated its 50th anniversary in 2017 [→ see page 23]. While this being a major milestone, 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.”<sup>1</sup> 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.

In 2017 Timor-Leste celebrated the 15th anniversary of its independence. In 2011, the country issued the Strategic Development Plan (SDP) 2011–2030, and has moved from

the former reconstruction stage and to full-scale economic development.

### Fiscal 2017 Initiatives

#### 1. Promoting Regional Initiatives

In order to support the strengthening of ASEAN connectivity, JICA is aligning itself with ASEAN’s various policies on and plans for deepening connectivity from the formulation stage and is providing support for infrastructure development, investment climate and business environment improvement, and legal systems development [→ see the Case Study on page 39]. 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. JICA also promotes such cooperation in the forms of South-South cooperation and tripartite or triangular cooperation. JICA contributed to Thailand’s transition to a donor country with the conclusion of a partnership agreement (Partnership Arrangement) with Thailand International Cooperation Agency (TICA) in September 2017.

Toward Timor-Leste, JICA supports improvement of transportation infrastructure such as roads, human resource development for high-level industry, technical cooperation and policy recommendations for the promotion of the rural economy, and technical cooperation for capacity development

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.

of the government in formulation and implementation of development plans.

## 2. Encouraging “Quality Growth”

JICA encourages quality infrastructure development to meet expanding infrastructure needs, and also to facilitate sustainable and environmentally friendly “quality growth” that improves the lives of local communities through job creation and 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, 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 [→ see the Case Study on page 51].

JICA also works to make the process of formulating each project prompt. One example of this is the ongoing Construction of Jakarta Mass Rapid Transit (MRT) Project, in which the MRT is expected to begin services in 2019 [→ see the Case Study below].

## 3. 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. JICA also addresses regional issues, extending assistance in establishing legal and judicial frameworks, enhancing maritime security capabilities and development support for remote islands.

## Future Cooperation

In order to help achieve the Sustainable Development Goals



JICA is helping Viet Nam to build a system for producing measles-rubella vaccine. [Photo provided by Vietnam News Agency, Photo taken by Duong Ngoc]

(SDGs), JICA is aiming at promoting “quality growth” through means such as “quality infrastructure investment,” support for women’s empowerment and the development of human resources.

JICA will focus on programs and projects that will realize the initiatives the Japanese government has announced, including the Partnership for Quality Infrastructure in ASEAN and the Industrial Human Resource Development Cooperation Initiative.

## The Pacific

### Regional Issues

JICA provides assistance to 14 Pacific island countries. These countries have diverse languages and their own cultures and customs. While their development status differs, they face common issues derived from the common challenges unique to island countries: they are small, isolated, and remote.

Japan and the Pacific island countries have been holding a summit-level meeting called Pacific Islands Leaders Meeting

### Indonesia: Construction of Jakarta Mass Rapid Transit Project

## Employing Japan’s Railway Technology to Build Indonesia’s First Subway



Railcars delivered from Japan

In April 2018 the arrival of railcars exported to Indonesia from Japan attracted great attention.

The completion of the Mass Rapid Transit Project (MRT North-South Line) in Jakarta with Indonesia’s first subway is expected to alleviate severe traffic congestion, reduce air pollution and enhance the investment environment in the Jakarta metropolitan area, which is at the core of Indonesia’s rapidly expanding economy.

Under the Special Terms for Economic Partnership applied in this ODA Loan project,

the subway is being built using Japan’s advanced earth pressure balance shield tunneling method, while Japanese railcars and signaling system have also been adopted. The initial 15.7 km section is scheduled to be opened for service in 2019, and there are also plans to extend this service about 7.8 km to the north, so there are high expectations of Japan’s ongoing assistance.

JICA looks forward to working with the Indonesian government to promote the development of quality infrastructure using Japan’s leading technologies.



(PALM) every three years since 1997, where leaders discuss the various challenges faced by Pacific island countries. JICA provides a wide range of support for Pacific island countries based on PALM.

## Fiscal 2017 Initiatives

### 1. Maritime Cooperation

JICA provided technical assistance for improving coastal resource management capabilities in Vanuatu and the Solomon Islands. JICA supported port development in Tonga, Samoa, and Vanuatu, and also provided technical assistance for operation and maintenance of vessel and port facilities through the deployment of regional advisers to Fiji.

### 2. Environmental Management

JICA works with the Secretariat of the Pacific Regional Environment Programme (SPREP) to support institution building for sustainable waste management at the regional and national levels.

In the metropolitan coastal area in Papua New Guinea, untreated sewage was released into the ocean. JICA contributed to improving sanitation for residents and protecting the marine environment by developing a sewage treatment plant in the area.

### 3. Disaster Risk Management and Climate Change

JICA provided support for reinforcing meteorological training functions for the Fiji Meteorological Service for personnel in Pacific island countries, establishing the Pacific Climate Change Center in cooperation with SPREP, and enhancing resilience against climate change.

### 4. Stable Supply of Energy

JICA extended bilateral financial assistance and regional technical cooperation to promote the optimal introduction of

renewable energy while stabilizing electric power systems and making efficient use of diesel power generation [[→ see the Case Study on page 47](#)].

### 5. Human Resources Development

JICA provides government officials who will play a key role in Pacific island countries with the opportunity to study in Japan under the Pacific Leaders' Educational Assistance for Development of States (Pacific-LEADS). Following the initial 41 participants of the program in 2016, JICA accepted 41 new participants in 2017, and implemented internship programs for the participants at central or local governments.

## Future Cooperation

The Eighth Pacific Islands Leaders Meeting (PALM8) was held in Iwaki, Fukushima Prefecture on May 18 and 19, 2018, and the following cooperation and assistance initiatives were announced after discussions among the leaders of Pacific island countries and Japan.

(1) Assistance for maritime safety, including maritime law enforcement and management of marine resources based on a free and open sustainable ocean.

(2) Strengthening the basis for resilient and sustainable development through further promoting the introduction of renewable energy, and assistance in the field of climate change, the environment and disaster risk reduction, trade and investment, and tourism.

(3) Active people-to-people exchanges

JICA will provide comprehensive assistance under the cooperation and assistance initiatives adopted at PALM8.

## Samoa: Capacity Enhancement Project for Samoa Water Authority in Cooperation with Okinawa

### Utilizing Okinawa's Expertise to Provide Safe Water to Residents



JICA expert explains water quality testing to an SWA staff member

JICA has been working with water utilities in Okinawa to assist the capacity enhancement of the Samoa Water Authority (SWA) since 2006. In March 2013, JICA signed a comprehensive partnership agreement with Okinawa Prefecture—the first partnership agreement at the prefectural level—under which assistance utilizing the knowledge and expertise of Okinawa, which has many geographical and climate similarities with Pacific island countries, would be expanded.

Based on this, August 2014 saw the start of the Capacity Enhancement Project for Samoa Water Authority in Cooperation with Okinawa. This is one of the rare cases where

the name of a specific prefecture is included in the project name.

Under the project, JICA conducts training in Okinawa and dispatches experts from water utilities in Okinawa to assist in enhancing leak detection, leakage repair and other non-revenue water countermeasures, and strengthening the water quality monitoring system and management at the water treatment plant with a view to improving water quality and enabling SWA to provide a safe water supply to residents. Significant achievements have already been made, including the meeting of water quality standards set by SWA.



## 50th Anniversary of ASEAN

# Japanese Expertise and Technology Supporting “Quality Growth”

August 2017 marked the 50th anniversary of ASEAN.

Japan and ASEAN have formed an indispensable partnership.

Utilizing Japanese expertise and technology, JICA continues to support “quality growth” in ASEAN.

### ● Foundation in 1967 with Five Members

From five member countries with a GDP of roughly \$23 billion at the time of its foundation in 1967, ASEAN has today grown to become an enormous economic zone comprising the 10 member countries of Indonesia, Malaysia, Philippines, Thailand, Singapore, Brunei, Viet Nam, Laos, Myanmar, and Cambodia with a combined GDP of \$2.55 trillion as of March 2018.

Geographically close, Japan and ASEAN enjoy a strong relationship. Direct investment from Japan has expanded 5.1-fold over the past 20 years, and there are now more than 10,000 Japanese subsidiaries established in ASEAN. Moreover, in 2017 there were more than 81,000 students from the various ASEAN countries studying in Japan.

### ● Start of the ASEAN Community

The ASEAN Community was established in 2015 upon the three pillars of “Political-Security Community,” “Economic Community” and “Socio-Cultural Community,” and has been instrumental in forging deeper ties within the region.

The Community’s objective is for ASEAN to evolve into a “community” in the true sense, and to this end, ASEAN must continue placing even greater effort into resolving a range of issues such as strengthening regional connectivity and correcting development disparities.

### ● Working Together as Partners

JICA is implementing the following initiatives as a means of assisting ASEAN to develop as a single region and also for Japan to grow together with this development. ASEAN is a vital partner to Japan in various areas, and JICA will continue working together with ASEAN while further strengthening the bonds of trust and friendship.

#### 1. Encouraging the flow of goods and people

In addition to roads, bridges and other infrastructure development, JICA is providing assistance to establish customs systems to facilitate the flow of goods and people. For example, JICA is assisting with the local customization and introduction of Japan’s NACCS (Nippon Automated Cargo Clearance System) by Viet Nam (VNACCS) and Myanmar (MACCS). In this way, by improving the efficiency of customs procedures, JICA is helping to strengthen regional connectivity.

#### 2. Strengthening disaster response capabilities

Prone to natural disasters, Japan has a wealth



Thailand: Simulated patients being transported from a disaster area during joint training of Japanese and ASEAN disaster medical assistance teams (Project for Strengthening the ASEAN Regional Capacity on Disaster Health Management)

of experience and knowledge on disaster risk reduction and disaster prevention. Utilizing this expertise, JICA is working to strengthen cooperation in disaster risk reduction and disaster response within the ASEAN region, which also experiences frequent natural disasters.

The Project for Strengthening the ASEAN Regional Capacity on Disaster Health Management is one such initiative. In cooperation with the Thai government, JICA is providing assistance for training for disaster health management personnel in member countries, developing manuals for procedural integration, and enhancing the scientific network within this field in an effort to build integrated regional mechanisms for the disaster



Vietnamese customs officials carrying out customs procedures using VNACCS

health management sector in ASEAN.

This project was commended in the Chairman’s Statement of the 20th ASEAN-Japan Summit in November 2017 as contributing to the realization of the “One ASEAN, One Response” aim of a uniform response to all natural disasters by member countries, which was raised at the ASEAN Ministerial Meeting on Disaster Management in October 2014.

#### 3. Human resources development

Human resources development is critical for ASEAN countries to improve their growth potential and achieve sustainable growth.

JICA is implementing human resources development projects, including masters and doctorate courses in Japan in which government officials from ASEAN countries study various aspects of Japan’s development experience to apply in their respective countries. One such program is the Global Public Leadership Program, which was launched in 2017. This program enables promising young government officials to take PhD courses at Japanese universities, and is open also to countries that were not covered by the Project for Human Resource Development Scholarship by Japanese Grant Aid (JDS), such as Indonesia and Thailand.