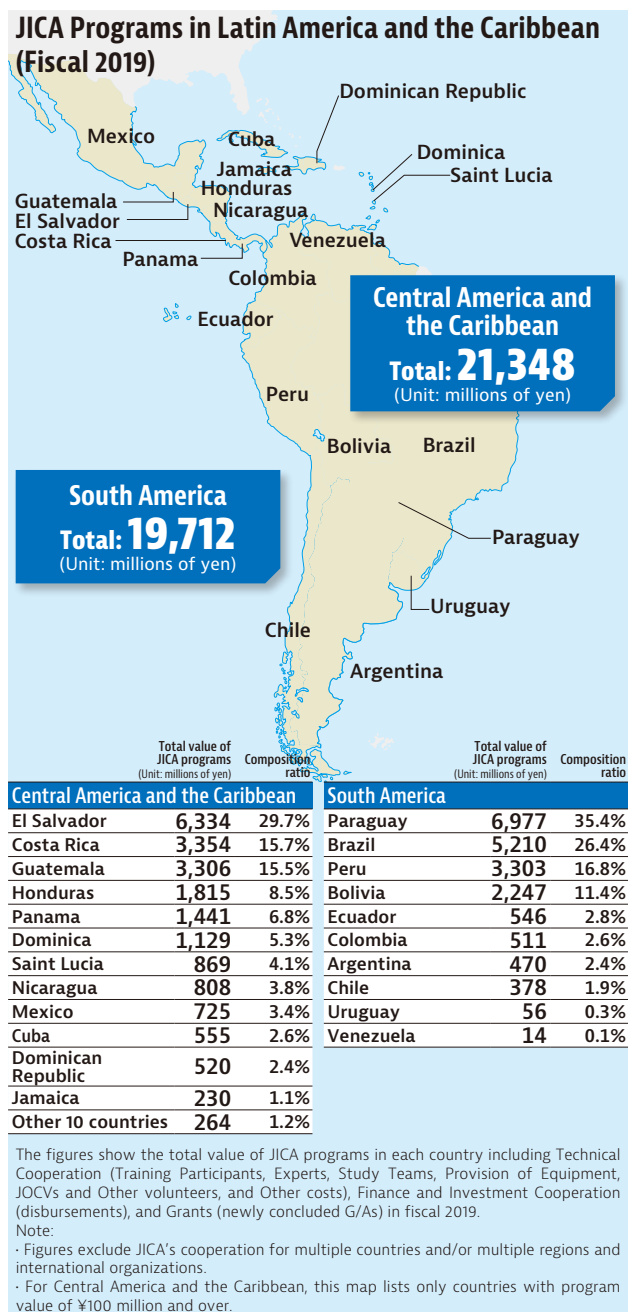


Latin America and the Caribbean

Deepening Partnerships



in Bolivia and Chile, the latter of which has been praised as an economic star performer in Latin America; (2) the immigration issue in northern Central America; (3) the vulnerability of island countries among others in the Caribbean to climate change and natural hazards; (4) the reduction of tropical rain forests in the Amazon Basin, South America; (5) economic disparities within each of the countries; and (6) an aging population, a challenge facing Japan as well.

JICA Initiatives

JICA's development cooperation with Latin America and the Caribbean aims to further strengthen friendly relations with Japan to take coordinated actions in the international arena under Japan's Initiative to Enhance Connectivity (connectivity of economies, values, and wisdom). The priority areas of cooperation include infrastructure development for a better investment environment, disaster risk reduction, climate action, and reduction of economic disparities [➔ see the case studies on pages 31 and 50]. JICA is also committed to developing human resources who are supportive of and knowledgeable about Japan and to strengthen ties with *Nikkei* (Japanese emigrants and their descendants) communities through inviting promising young scholars by offering opportunities to learn in Japan [➔ see page 64].

1. Infrastructure Development

Latin America and the Caribbean are highly urbanized; it is estimated that more than 80% of its population live in cities. Therefore, the development of sustainable and resilient cities is a matter of urgency to ensure safe and sound livelihoods and productive activities. The governments of Peru and Central American countries have shown interest in transit-oriented development (TOD) as practiced in Japan. In fact, Panama has already implemented a project aimed at introducing Japan's monorail technology. After seeing TOD cases in Japan, the Vice-Minister of Housing, Construction, and Sanitation of Peru expressed his recognition that it is important to promote TOD that suits the characteristics of the Lima Metropolitan Area. JICA will continue to support sustainable urban development while sharing Japan's knowledge and expertise.

2. Disaster Risk Reduction (DRR)

Tropical rain forests in the Amazon Basin were ravaged by wildfire between August and September of 2019. At the request of the governments of Brazil and Bolivia, JICA extended emergency disaster relief for the forest fires in the Amazon regions of the two countries. The conservation of the Amazonian rain forests, which are rich in biodiversity and home to many indigenous peoples, is one of the challenges facing the global

Regional Issues

Latin America and the Caribbean comprise 33 countries with a total population of 640 million, accounting for 8.4% of the world population.¹ The region's GDP accounts for \$5.24 trillion, approximately 1.8 times larger than that of ASEAN, as of 2018.² The region's income level is high on the whole, with Chile, Panama, Uruguay, and some Caribbean states being classified as high-income countries. Yet the region is faced with a number of challenges, including (1) political instability as represented by two incidents in 2019, i.e., the exodus of Venezuelans and riots

1. World Bank, World Development Indicators (2019).
 2. World Bank, World Development Indicators (2019) (excluding Venezuela).



A ceremony for the delivery of tents and other emergency relief supplies from JICA in response to the forest fires in the Amazon Basin

community. JICA will also continue to assist Brazil with early detection and forecast of deforestation by taking advantage of Japan's satellite data and AI technology.

3. Climate Change Measures

As signatories of the Paris Agreement, countries in the region work with Japan and other partners around the world to take climate action. In January 2020, JICA signed a dollar-denominated ODA Loan agreement totaling \$70 million in the form of co-financing with the Inter-American Development Bank (IDB). The aim is to support the advancement of the transition of Ecuador's energy matrix. This project was formulated under the Co-financing for Renewable Energy and Energy Efficiency (CORE) framework between JICA and IDB, which was agreed in 2011. It marks JICA's first dollar-denominated loan for South America. By the end of fiscal 2019, five CORE projects were approved for Central America and the Caribbean and two others for South America.

4. Reducing Economic Disparity

JICA assists the region in rural development with a view to narrowing economic disparities between urban and rural areas. Through accepting technical training participants in Japan

and the dispatch of experts to Costa Rica and the Dominican Republic, JICA has encouraged community-based endogenous development in the region by supporting the introduction and spread of the Life Improvement Approach. In fiscal 2019, JICA studied good practices by communities in Costa Rica and assessed how they helped to achieve individual items of the Sustainable Development Goals (SDGs). It also developed a system whereby information on good practices is continuously accumulated, analyzed, and utilized. It is hoped that the good use of this system in the Life Improvement Approach and the spread of improvement activities will lead to better living standards in rural areas.

5. Human Resources Development with a Training Program That Offers Opportunities to Study in Japan

JICA invites young government officials and scholars from the region to study in Japanese graduate schools in an effort to develop highly skilled human resources. Furthermore, in aiming to strengthen the ties with *Nikkei* communities that are undergoing generational transition, JICA supports and offers young Japanese descendants (*Nikkei*) who will likely be future leaders in respective countries opportunities to complete their postgraduate education in Japan. Through the scholarship programs, JICA aspires to build favorable relationships between the region and Japan over a longer term.

Based on the Japanese government's policy concerning Latin America and the Caribbean, JICA will continue to work together with diverse development partners such as the IDB and private companies, and extend its cooperation in developing economic infrastructure, promoting renewable energy and energy saving, training human resources for DRR, and environmental conservation. It will also strive to reduce social disparities, including immigration and refugee issues. Moreover, JICA is committed to strengthening cooperation with *Nikkei* communities for fostering networking between Japan and the region.

Six Central American Countries: Project to Strengthen Capacities in the Collaboration of Regional Master Plan for Mobility and Logistics for Sustainable Regional Development in the Framework of Central American Economic Integration

Supporting integrated logistics and infrastructure planning for revitalizing the regional economy



Guatemala: Inception report consultation with the Secretariat for Central American Economic Integration (SIECA)

Central America constitutes the isthmus connecting the two Americas and comprises seven countries with a total land area about 40% larger than that of Japan. Land and sea routes that run through these countries play a pivotal role in intra- and inter-regional trade as well as in economic activities that support people's lives there.

Yet these countries are beset with complicated and time-consuming customs procedures and high distribution costs due to aging infrastructure (roads, bridges, harbors, airports, etc.). To effectively dissolve these urgent problems, Central America needs to develop region-wide logistics and infrastructure plans.

In fiscal 2019, JICA launched assistance in logistics and infrastructure planning as well as in institution building and human resources development in cooperation with the Sectorial Council of Transport Ministers of Central America (COMITRAN),³ whose membership includes six Central American countries (Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, and Panama). JICA will continue to extend development cooperation to Central America that will help address some of its cross-border issues.

3. The transport section of the Central American Integration System (SICA), an inter-governmental organization aimed at promoting the economic integration of Central America.