

Chapter 2

Current State of Japan's ODA



School children using donated desks and chairs at Stung Mean Chey primary school



Chairs donated by Japan, some indicating the names of the students who used them



Students sitting at recycled desks and chairs donated by Japanese schools

"The Project to Provide Secondhand School Equipment to Primary Schools in Mean Chey District, Phnom Penh"

"The Project to Provide Secondhand School Equipment to Secondary Schools in Phnom Penh": Cambodia

Key Points

- In August 2003, the government revised the ODA Charter for the first time in 11 years. Since then, Japan has developed ODA in line with the revised ODA Charter.
 - For steady implementation of the ODA Charter, the government continues to make various reform efforts.
 - The government actively promotes the perspective of "human security" and assistance for peace-building (reconstruction assistance to Iraq, etc.), which is a new priority issue.
 - Japan hosted summit-level meetings in Japan, such as the ASEAN-Japan Commemorative Summit Meeting, the TICAD III, and the Pacific Islands Forum (PIF).
 - Japan continues to promote efforts for strengthening collaboration with NGOs and other aid-related entities and increasing public participation.
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Chapter 2 reports the ODA disbursement² during fiscal year 2003 in accordance with the composition of the revised ODA Charter. In addition, each section below explains the status of the implementation of the ODA Charter while reporting the ODA disbursement during fiscal year 2003, in line with the statement in the revised ODA Charter that the status of the implementation of the charter would be reported in the White Paper on Official Development Assistance.

Section 1 Changing Japan's ODA

This section explains some characteristic points of the status of the implementation of the ODA Charter. Specifically, this section explains strengthening of a country-specific approach, evaluation and revision of the Medium-Term Policy on ODA, revision of JICA (Japan International Cooperation Agency) Guidelines for Environmental and Social Considerations, formulation of a Guideline of Project Assessment for Japan's Grant Aid, structural reform of the Ministry of Foreign Affairs, and JICA's organizational restructuring.

■ Strengthening of a Country-Specific Approach

The framework of Japan's ODA policy is composed of the following three kinds of documents: (1) the ODA Charter, which is a basic document clarifying the philosophies, principles, etc. of development assistance, as the top policy; (2) the Medium-Term Policy on Official Development Assistance (hereinafter "Medium-Term Policy on ODA"), which shows guidelines for desirable assistance with a shorter assistance period in mind; and (3) Country Assistance Programs, which serve as guidelines for selecting specific projects as Japan's assistance programs for each country.

The revised ODA Charter of August 2003 stipulates that in order to ensure that the government in its entirety implements ODA efficiently and effectively in a unified and coherent manner, Country Assistance Programs will be drawn up for major recipient countries based on Japan's aid policy and reflecting the recipient countries' true assistance needs.

Country Assistance Programs have been drawn up for 16

countries since 2000 up to June 2004.³ In particular, the revision of the Country Assistance Program for Vietnam and the formulation of the Country Assistance Program for Sri Lanka were formally decided under the revised ODA Charter by the Council of Overseas Economic Cooperation-Related Ministers in April 2004 after going through discussions at the Board on Comprehensive ODA Strategy. As of July 2004, the formulation of a new Country Assistance Program is in progress for four countries, Mongolia, Indonesia, India, and Pakistan. Within the next one to two years, Japan also plans to formulate new Country Assistance Programs for Laos, Uzbekistan, Kazakhstan and Ethiopia, and to revise Country Assistance Programs for Bangladesh, Ghana, Thailand, Egypt and the Philippines.

Country Assistance Programs are formulated with the active involvement of Country-based ODA Task Forces and based on the opinions of various aid-related persons, which are obtained through discussions initiated by a program formulation task force for each country that is comprised of intellectuals, consultations with related government ministries and agencies, exchange of opinions with NGOs (Non-Governmental Organizations), the business world and aid implementing agencies, and hearing of opinions from the government, the business world, NGOs and other relevant parties in recipient countries. Before formulating a Country Assistance Program, country program evaluation is conducted in advance wherever possible, and the results and recommendation thereof are used as references for formulating the Country Assistance Program.

The Japan External Trade Organization (JETRO), the Japan Foundation and other government-affiliated organizations are requested to participate in Country-based ODA Task Forces, which play an important role in formulating Country Assistance Programs, where necessary, and the Task Forces operate with staff at the overseas offices of JICA and the JBIC (Japan Bank for International Cooperation) as well as embassy staff engaged in economic cooperation as major constituent members. Major activities are (1) understanding and analyzing trends in the development of recipient countries; (2) implementing policy consultation with recipient

2. The subject period is fiscal year 2003, but efforts up to the beginning of August 2004 are described with respect to matters that have made significant progress, such as the status of implementation of the charter.

3. Eight Asian countries (Bangladesh (March 2000), Thailand (March 2000), Vietnam (June 2000; revised in April 2004), Philippines (August 2000), China (October 2001), Malaysia (February 2002), Cambodia (February 2002), and Sri Lanka (April 2004)), four African countries (Ghana (June 2000), Tanzania (June 2000), Zambia (October 2002), and Kenya (August 2000)), two Latin American countries (Peru (August 2000) and Nicaragua (October 2002)), and two Middle Eastern countries (Egypt (June 2000) and Tunisia (October 2002)).

In recent years, the environment surrounding Ghana has undergone significant changes, such as the formulation of the Ghana Poverty Reduction Strategy (GPRS) and the intensification of aid coordination on a local level. In particular, triggered by participation in the Enhanced HIPC Initiative in 2001 (see Part II, Chapter 2, Section 3, 2-(7)), Ghana has become subject to debt relief, and it has become difficult to newly provide aid by Yen loans, which had accounted for a relatively large proportion of cooperation up to then. This urged Japan to implement a fundamental review of Japan's assistance policy to Ghana.



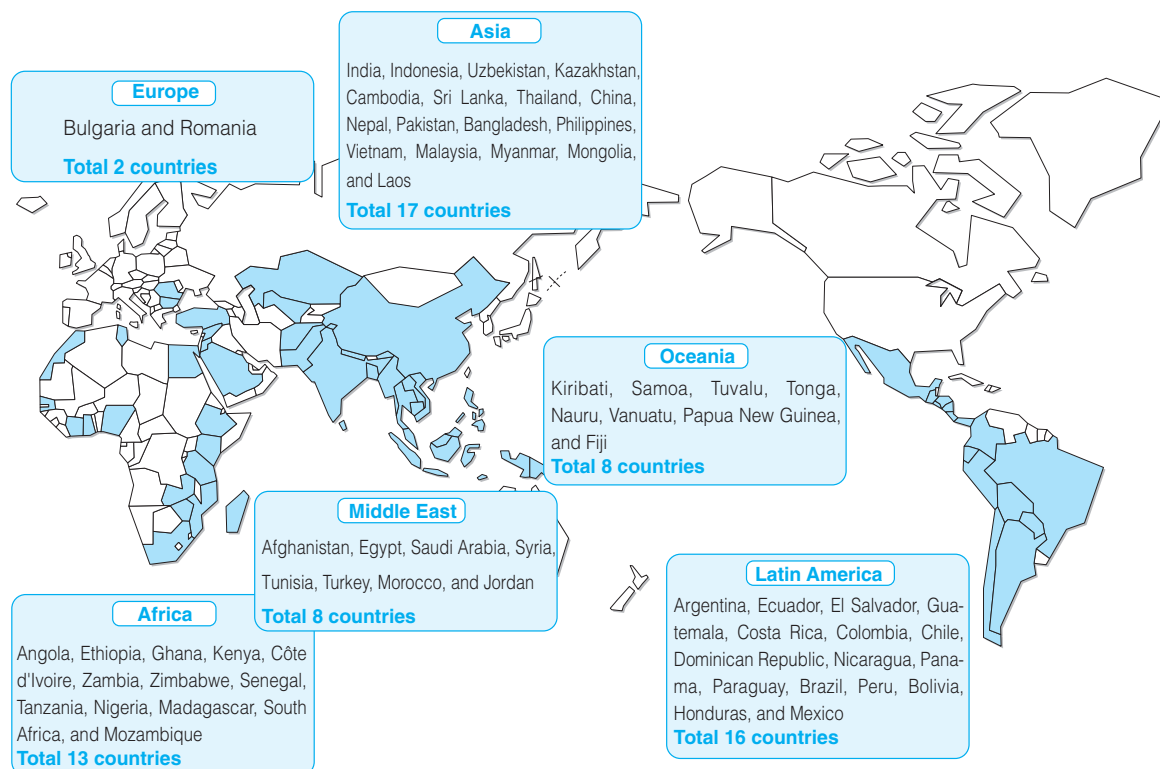
Policy consultation in Ghana

The Japanese Embassy and JICA overseas office in Ghana were alarmed by such change, and started joint work to revise the aid policy for Ghana in a way that meets the current situation of the country, which is in line with the "country-specific approach" emphasized in the revised ODA Charter. Specifically, Japan confirmed the development needs of Ghana under the GPRS through repeated policy dialogues with government officials, intellectuals and economists in Ghana. At the same time, Japan has narrowed down the direction of Japan's development assistance to assume among development goals under the GPRS from the medium and long-term viewpoints (3-5 years) in consideration of its own weaknesses and comparative advantages. Such restructuring of development assistance through strengthening collaboration at the field level takes in advance the idea of "Country-based ODA Task Forces," which is now being promoted under the revised ODA Charter, and it was a continuing process of trial and error.

As one example, Ghana faces a problem of how to respond to accelerating aid coordination. Ghana is a country whose national budget largely depends on assistance from donors. For such a country, donors are required to cooperate with each other to enhance medium and long-term prospect for assistance (this is called predictability) in line with the formulation process of national budget for the purpose of efficient and effective utilization of donors' support. On the other hand, Japan's ODA is implemented based on a one-year budget, so it is necessary to contrive a way to establish a medium and long-term prospect. To overcome this problem and take active part in aid coordination on a local level, the Country-based ODA Task Force in Ghana has made efforts to enhance the "predictability" of Japan's assistance by relating several of Japan's ODA one-year budget-based projects in different fiscal years with each other.

In this way, the activity of the Country-based ODA Task Force also constitutes the process of finding what Japan should do to make its support meaningful to both donors and recipient countries, by frankly considering the weaknesses and comparative advantages of Japan's ODA and by giving feedback to Japan's development assistance policy through overcoming, improving and strengthening of these weaknesses and advantages. Country-based ODA Task Forces in Ghana and other countries continue their operations at the very front lines of Japan's ODA reforms.

Chart II -10 Countries Where a Country-based ODA Task Force Has Been Established



governments on a local basis; (3) being involved in the process of formulating and reviewing Country Assistance Programs; and (4) collaborating with the local aid community. As of July 2004, Country-based ODA Task Forces had been established in 64 countries, and they are working to improve the strategic value, transparency and efficiency of Japan's ODA. (For Country-based ODA Task Forces, also see Part II, Chapter 2, Section 6, 1-(5) of this white paper and page 71 of the ODA White Paper 2003.)

The activities of Country-based ODA Task Forces in 64 countries across the world vary depending on the situation of recipient countries, but the Country-based ODA Task Force in Bangladesh is one of those playing an active role.

In Bangladesh, working groups are set up for each sector to share and accumulate each sector's knowledge in an organized way, and assistance programs are prepared for each sector. In addition, a session for studying the situation of Bangladesh is held once a month to understand Bangladesh's needs in major sectors, which are the biggest issues when implementing assistance. Moreover, regular consultation is held once every six months between the Ministry of Finance and other related ministries and agencies in Bangladesh and the Japanese Embassy, JICA, and the JBIC to share aid policy and cooperate with each other in relation to individual projects.

Together with eight other countries, Bangladesh was

selected by the Board on Comprehensive ODA Strategy as one of the countries for which a Country Assistance Program will be formulated or revised within the next one to two years. The active Country-based ODA Task Force in Bangladesh is expected to play an increasingly important role in the future.

■ Evaluation and Revision of the Medium-Term Policy on ODA

Formulated in 1999, the Medium-Term Policy on ODA is one of the documents that constitute the framework of Japan's ODA policy. In fiscal year 2003, in line with the revision of the ODA Charter, the Ministry of Foreign Affairs held the Advisor's Meeting on Evaluation of ODA Medium Term Policy consisting of intellectuals and evaluated the current Medium-Term Policy in order to verify the past efforts, and use the results as references for its revision.

The Advisor's Meeting evaluated the Medium-Term Policy on ODA from the viewpoint of (1) whether the Medium-Term Policy on ODA is consistent with the "ODA Charter of 1992 (former ODA Charter)", which is the upper ODA policy, and with the development needs of the international community; (2) whether the Medium-Term Policy on ODA is steadily reflected in sector-specific and country-specific assistance policies; and (3) whether efforts have been made to appropriately implement and verify the

Medium-Term Policy on ODA. As a result, the Medium-Term Policy was evaluated as basically consistent with the ODA Charter of 1992 and with the development needs of the international community, reflected in sector-specific and country-specific assistance policies, and maintaining a coordination and verification system as a whole. In addition, the following recommendations were made from a broad viewpoint based on these results and recent trends in aid.

The following recommendations were made in terms of the Medium-Term Policy on ODA as a whole. (1) Since the ODA Charter was revised in such a manner that incorporates the contents of the Medium-Term Policy and now contains more specific details, it is necessary to redefine the status and role of the next Medium-Term Policy; (2) A result-oriented approach should be emphasized and evaluation results should be used to improve policy; (3) To prevent the dispersion of resources invested, a mechanism enabling "selection and concentration" should be incorporated; and (4) The next Medium-Term Policy on ODA should refer to efforts for Millennium Development Goals (MDGs) and set common goals with other countries and organizations.

With respect to the priority issues, it was recommended that future initiatives should basically pursue the concretization of the next Medium-Term Policy and, in terms of the contents of the priority issues, that consideration should be given to support for economic infrastructure, peace-building, gender issues and disaster relief. It was also recommended that a "regional approach" become important for region-specific assistance, along with the intensification of political and economic exchange on a regional level.

With respect to methods of assistance and points to be noted in implementation and operation of assistance, recommendations were made concerning collaboration with NGOs, partnership with other donors and organizations, and collaboration among domestic organizations. For the next Medium-Term Policy, emphasis was placed on the strengthening of information disclosure, training of development personnel, and strengthening of the functions of field missions.

In response to the formulation of the new ODA Charter in 2003, the government is now studying the formulation of a new Medium-Term Policy in line with the results of the above evaluation.

■ Revision of JICA Guidelines for Environmental and Social Considerations

The revised ODA Charter stipulates that sufficient attention shall be paid to the impact of the implementation of ODA on the environment and society of developing countries and

that fairness shall be assured. JICA had already introduced the JICA Environmental Consideration Guidelines since 1990 in line with the proposal of the first Sectoral Study Group on Development Assistance on Environment in 1988. However, JICA revised the Guidelines for Environmental and Social Considerations in March 2004 on the basis of experience in the subsequent 10 years, preparation of the basic policy for environmental and social considerations concerning JICA's projects, the necessity of expanding the scope subject to the guidelines and establishing a system to ensure compliance with the guidelines, Japan's policy of strengthening environmental and social considerations as represented by the revision of the ODA Charter, and movements toward information disclosure, etc.

In revising the Guidelines for Environmental and Social Considerations, JICA made efforts to reflect various opinions in all sectors in the country. The Revising Committee was established in December 2002, and a total of 19 committee meetings had been held before September 2003. The committee was composed of university-related personnel, NGOs, and the intellectuals of private bodies in addition to government officials so as to introduce the opinions of a broad range of persons. Moreover, opinions were invited from the general public by disclosing the draft guidelines on the website as well as by holding a total of five public consultations.

Through such preparation process, the new Guidelines for Environmental and Social Considerations were put into force on April 1, 2004. The revised guidelines stipulate that the basic policy for JICA's environmental and social considerations shall be to support the securing of appropriate environmental and social considerations so as to prevent projects that help the recipient governments to achieve their development goals from having unacceptable serious impact on the environment and regional society by avoiding or minimizing the impact of such projects, and thereby to contribute to the



Conference on the Guidelines for Environmental and Social Considerations
(Photo: JICA)

sustainable development of developing countries. To make sure that the Government of Japan will make appropriate decisions relating to the adoption of requested projects in line with such basic policy, the revised guidelines also provide that JICA will make proposals to the Ministry of Foreign Affairs in relation to the policy of cooperation projects that it implements.

Japan has come to give further environmental and social considerations when implementing ODA projects on the basis of the revised JICA Guidelines for Environmental and Social Considerations and the JBIC Guidelines for Confirmation of Environmental and Social Considerations, which has been fully in force since October 2003.

■ Formulation of Guideline of Project Assessment for Japan's Grant Aid

The Guideline of Project Assessment for Japan's Grant Aid aims at presenting view points and procedures for assessment, which should be conducted by the Ministry of Foreign Affairs, in implementing grant aid, for appropriate implementation of projects with considerations given to environment and society, from the phase of identifying and formulating projects and in each process of implementation and monitoring after implementation.

As for the guidelines for environmental and social considerations, the JICA Guidelines for Environmental and Social Considerations were revised and have been in force since April 2004 as mentioned above. On the basis of such movement and from the viewpoint of implementation of the ODA Charter, the Ministry of Foreign Affairs decided to formulate the Guideline of Project Assessment for Japan's Grant Aid, which contains specific methods of applying the JICA Guidelines for Environmental and Social Considerations.

In formulating the guideline, the government draft was disclosed on the Ministry of Foreign Affairs website in April 2004 to invite opinions from the general public. The contents of the guideline reflect the opinions thus invited.

The Guideline of Project Assessment for Japan's Grant Aid has been applied on a trial basis since August 2004. Subsequently, the guideline will be fully applied after necessary revisions are made based on the opinions obtained from related persons and the general public during the trial period.

■ Structural Reform of the Ministry of Foreign Affairs

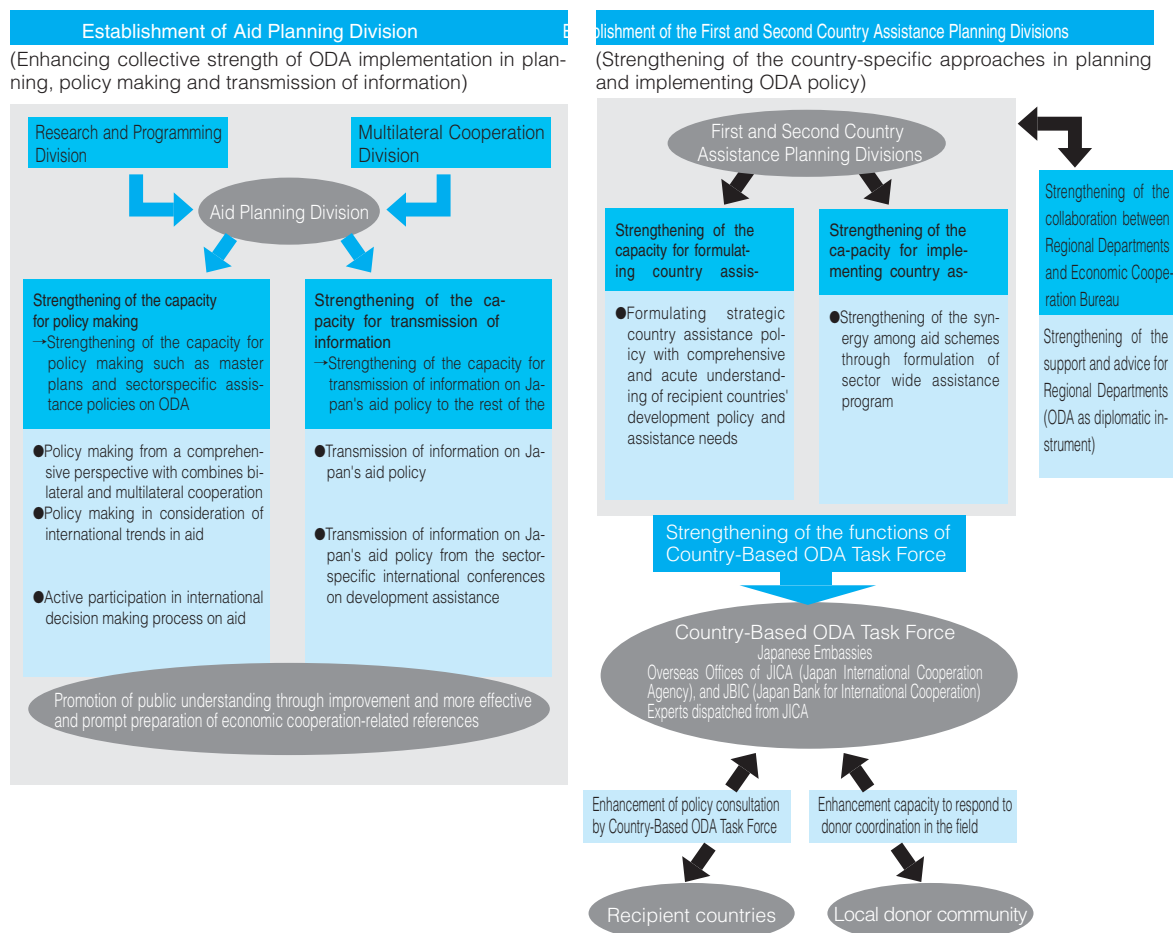
On the basis of the results of ODA reforms so far, the revised ODA Charter clearly indicated the coherent formula-

tion of ODA policy, collaboration among related government ministries and agencies, collaboration between government and implementing agencies, strengthening of policy consultation with developing countries, strengthening of the functions of field missions in the policy-making process and in implementation, and partnership and collaboration with the international community, in relation to the system for formulating and implementing assistance policy. Hereby, Japan will ensure that the government in its entirety implements ODA in a unified and coherent manner and will also implement broadly-supported effective ODA through collaboration with aid-related entities in Japan, recipient countries and other foreign countries and increase of public participation.

The Ministry of Foreign Affairs announced the final report on structural reform in March 2003: "In order to implement governmental ODA policies strategically and effectively, the Economic Cooperation Bureau, which plays a central part in Japan's ODA policy, will reform the operational framework from scheme-formulated division to regional-valued division. Japan's ODA policies are compiled with 'Country Assistance Programs' which are planned in accordance with the actual conditions of each of the recipient countries." Accordingly, in August 2004, the Economic Cooperation Bureau newly established the Second Country Assistance Planning Division, and came to adopt two Country Assistance Planning divisions. The First Country Assistance Planning Division deals with Asia and Oceania issues and the Second Country Assistance Planning Division deals with issues in Africa, Latin America, Middle East, and Europe (including Central Asia and the Caucasus). As a result, through strengthening Japan's ODA policies with 'Country Assistance Programs' as their core, it is expected, in the aspect of policy formulation, to formulate strategic country assistance policy based on the comprehensive and precise understanding of the development policies and assistance needs of developing countries. In the aspect of implementation, a firmer collaboration among various sector assistance programs is expected.

Along with such shift to the system of two country assistance planning divisions, the Aid Planning Division was established as a division that basically takes over the administration work of the Research and Programming Division and the Multilateral Cooperation Division. The Ministry of Foreign Affairs aims to strengthen the formulation and transmission overseas of comprehensive assistance policy based on international trends in aid as well as sector-specific assistance policies in terms of water/sanitation, the environment, infectious diseases, etc. by consolidating and integrating the administrative work of the Research and Programming

Chart II -11 Concept of Aid Planning Division and First and Second Country Assistance Planning Division



Division, which had handled the formulation of sector wide assistance programs in the past, and those of the Multilateral Cooperation Division, which had been in charge of relations with the DAC, the United Nations Development Programme (UNDP), the World Bank and other international organizations.

The Ministry of Foreign Affairs also established the "Global Issues Strategy Planning Council" from the point of view that coordination among bureaus and divisions is indispensable in the era of globalization when the characteristics of threats to human lives, livelihoods and dignity are changing, to conflicts, refugee issues, infectious diseases, sudden economic crisis, and global environmental issues.

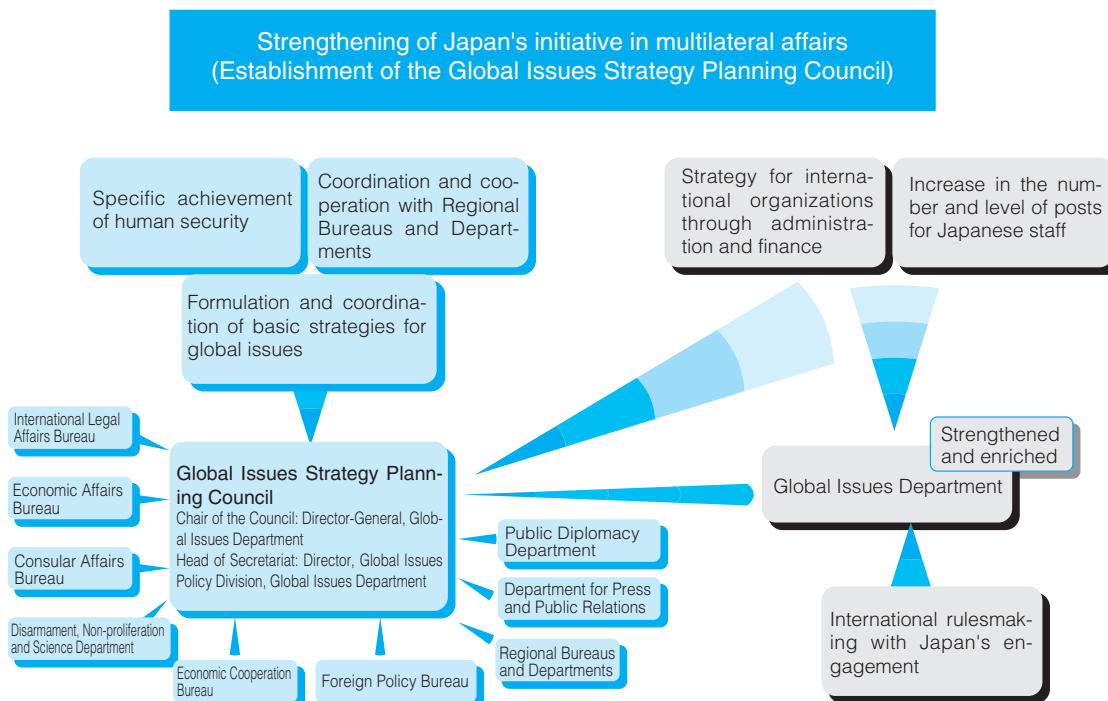
The primary purpose of the "Global Issues Strategy Planning Council" is to formulate and coordinate basic strategies concerning global issues that require efforts across bureaus and divisions, to strengthen coordination among them in order to implement various measures for achieving human security, to strengthen the strategic framework for budget spending of international organizations, to increase the num-

ber and level of posts for Japanese staff and elections within international organizations, and to coordinate and raise policy proposals relating to multilateral issues closely related to Regional Bureaus and Departments.

■ JICA's Organizational Restructuring

In parallel with the structural reform of the Ministry of Foreign Affairs, JICA, which is one of the ODA implementing agencies, also restructured its organization. JICA became an independent administrative institution in October 2003 (see page 64 of the ODA White Paper 2003 for details), and it has become the Independent Administrative Institution Japan International Cooperation Agency with Ms. Sadako Ogata (former United Nations High Commissioner for Refugees) as President. On this occasion, JICA published the "New JICA reform plan" (new direction of JICA) in March 2004 under the initiative of President Ogata, and restructured its headquarters organization with the aim of strengthening the ODA implementation system. With "realism" in view, JICA is also

Chart II-12 Concept of the Global Issues Strategy Planning Council



strengthening the structure of its overseas offices to cope with various development issues in developing countries more precisely and promptly.

Specifically, JICA changed the conventional four regional department-based system to the five regional department-based system (Regional Department IV (Africa) and Regional Department V (Middle East and Europe) were newly established) to strengthen the country/region-specific approach and thereby meet the needs of each country and region. JICA also shifted from the scheme/sector-specific implementation system to the issue-specific implementation system in order to strengthen approaches to MDGs and other development issues, and strengthened capacity to cope with issues by reforming five departments in charge of technical cooperation projects and three departments in charge of development study into five issue-specific departments. Hereby, JICA will accumulate knowledge and know-how for each sector/issue within issue-specific departments, and will strengthen technical support overseas in the future.

With respect to the structure of overseas offices, JICA established regional centers in six countries and promotes support for project formulation and formulation of regional

strategies by individual overseas offices, as well as efforts for cross-regional issues. In addition, with the goal of making the proportion of personnel in the Japanese headquarters equal to that in overseas offices, JICA will enhance staff at about 30 offices intensively, and will expand the responsibility and authority of these overseas offices in project implementation.



President Ogata's press conference about JICA's organizational restructuring (Photo: JICA)

Section 2 Efforts Relating to the Philosophy of the ODA Charter

The revised ODA Charter states that the objective of Japan's ODA provision is "to contribute to the peace and development of the international community, and thereby to help ensure Japan's own security and prosperity." To achieve this objective, the revised ODA Charter puts forward the following five basic policies.

"Supporting self-help efforts of developing countries" is the most important philosophy of Japan's ODA, and Japan intends to provide support in fields such as human resources development, institution building including development of legal systems, and economic and social infrastructure building, which constitute the basis for development of developing countries. The "perspective of 'human security'" is the philosophy that was newly included by the revision of the ODA Charter in 2003, and Japan has been making efforts to diffuse and put into practice this philosophy. In terms of the "assurance of fairness," it is necessary to give consideration to ensuring that the outcome of ODA benefits the people of recipient countries fairly, and Japan takes a course of emphasizing environmental and social considerations and the perspective of gender equality. The "utilization of Japan's experience and expertise" is also an important policy, in which Japan's experience in economic and social development as well as in economic cooperation are utilized when assisting the development of developing countries and its advanced technologies, expertise, human resources, and institutions are also utilized. Moreover, it is necessary that the implementation of ODA is coordinated with Japan's key policies to ensure overall policy coherence. In addition, "partnership and collaboration with the international community" is important when the international community is sharing more common development goals and strategies with the initiative of international organizations. Japan also intends to take an active part in international discussions to send out its own assistance strategies and philosophies.

Japan's ODA policy is formulated and implemented in line with the above basic policies. Specific efforts are referred to in the part describing sector/region-specific efforts and the part describing efforts in formulation and implementation of assistance policies from Section 3 onwards. This section explains efforts in terms of the "perspective of 'human security,'" the perspective of gender equality in relation to the "assurance of fairness," and efforts for "partnership and collaboration with the international community," which are difficult to describe there.

■ Perspective of "Human Security"

Japan has been making efforts to make the 21st century a human-centered century while giving priority to "human security" as the philosophy of international partnership in the 21st century. The revised ODA Charter also takes up the perspective of "human security" as one of the basic policies, and efforts have been made to utilize the philosophy for implementing Japan's assistance.

To promote human security, it is important for persons concerned to understand the importance of the concept thereof. However, Japan intends not only to diffuse such philosophy but also to think of the implementation of ODA from the perspective of "human security" and actively promote ODA projects relating to such fields as education, health care, environment, gender, consolidation of peace and nation building, in order to strengthen the capacity of local communities through human resource development (for the philosophy of human security, also see Part I, Chapter 2, Section 3 of this white paper, and page 30 of the ODA White Paper 2003).

Japan took the initiative in setting up the "Trust Fund for Human Security" within the United Nations in March 1999 to strengthen cooperation in the sector of human security, and has contributed, as of July 2004, a total amount of about 25.9 billion yen, which is the largest among trust funds set up in the United Nations. The number of projects supported by the fund reached 108 as of the end of July 2004 and the total amount was 133 million dollars. By sector, the number of projects is high for the health care sector (25 projects; 0.232 million dollars), including "The Only Opportunity: Maternal Health and Integrated Early Childhood Development" in Peru aiming to disseminate knowledge about maternal and child health as well as early childhood education and provide nutritional supplements for communities in the Andean



Educational activity to foster the five senses for infants at a village meeting hall; fathers also participate. (The Only Opportunity: Maternal Health and Integrated Early Childhood Development: Peru)

region, and for the poverty sector (25 projects; 0.231 million dollars), including "Assistance in reducing humanitarian deficits of war-affected rural communities through increased agricultural productivity and promotion of auxiliary income-generating activities" in Afghanistan in which agricultural machinery and technical training are provided to relevant communities, as well as for the conflict sector (13 projects; 0.54 million dollars). By region, the amount of assistance to Kosovo was highest amounting to 50.28 million dollars for 11 projects, followed by Asia amounting to 36.76 million dollars for 44 projects and Africa amounting to 26.88 million dollars for 25 projects.

Moreover, since fiscal year 2003, Japan started the Grant Assistance for Grassroots Human Security Projects by reinforcing the former Grant Assistance for Grassroots Projects so as to reflect the concept of human security more strongly. While the UN Trust Fund for Human Security mentioned above is implemented in close collaboration with U.N. agencies, the Grant Assistance for Grassroots Human Security Projects works on more flexible support mainly through NGOs and local governments.

In fiscal year 2003, 11.49755 billion yen was provided for 1,425 projects in 112 countries and one region. By region, Asia accounted for the largest proportion in terms of the



Exterior view of the Institute ("The Project for Improving Hibatoallah Institute for Down Syndrome": Iraq)

number of projects and the amount of funds provided (427 projects; about 3.6 billion yen), and the Middle East, including reconstruction assistance to Iraq and Afghanistan, also accounted for a big proportion in terms of the amount of funds provided (300 projects; about 3 billion yen).

For Iraq in particular, Japan has been conducting various

support activities, as reconstruction assistance to the country, by using the Grant Assistance for Grassroots Human Security Projects. One example is the "Project for Improving Hibatoallah Institute for Down Syndrome" implemented in fiscal year 2003. In this project, funds for purchasing equipment necessary for educating disabled children (chairs, desks, irons, sewing machines, etc.) were provided to the Institute, which provides education for helping children with Down syndrome become independent. In Iraq, there are few non-governmental educational institutions for children with Down syndrome like the Institute, and it is also difficult to continue philanthropy due to price rises in the aftermath of the war. There was an episode in which the Iraqi lady who is the head of the Institute squeezed the hands of the officials of the Ministry of Foreign Affairs who visited the Institute during an official trip to Baghdad, and told them that she nearly wept in appreciation.

■ Perspective of Gender Equality

With respect to gender issues in development, the revised ODA Charter states, "In particular, the perspective of gender equality is important. Japan will make further efforts to improve the status of women, giving full consideration to the active participation of women in development, and to ensuring

that women reap benefits from development" in the section of "assurance of fairness" in the basic policies, conveying the intention to reflect the perspective of gender equality to all phases from assistance policy to its implementation.

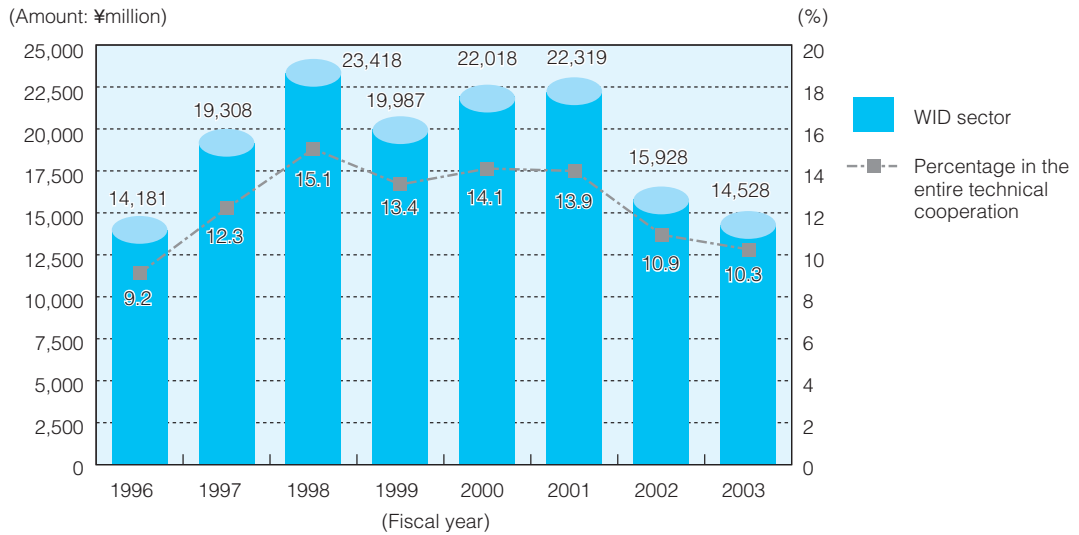
Approximately 70% of the poor in the world are women, and women are placed in a vulnerable position in various aspects. In addition, assistance for women and consideration to gender in development are important since it is necessary to promote equal participation in and benefits from development between men and women to achieve balanced sustainable development. When implementing development assistance, Japan gives consideration to improvements in the status of

women and correction of gender gap through all stages of women's lives, and also provides support mainly in the three priority areas of women's education, health, and economic and social participation.

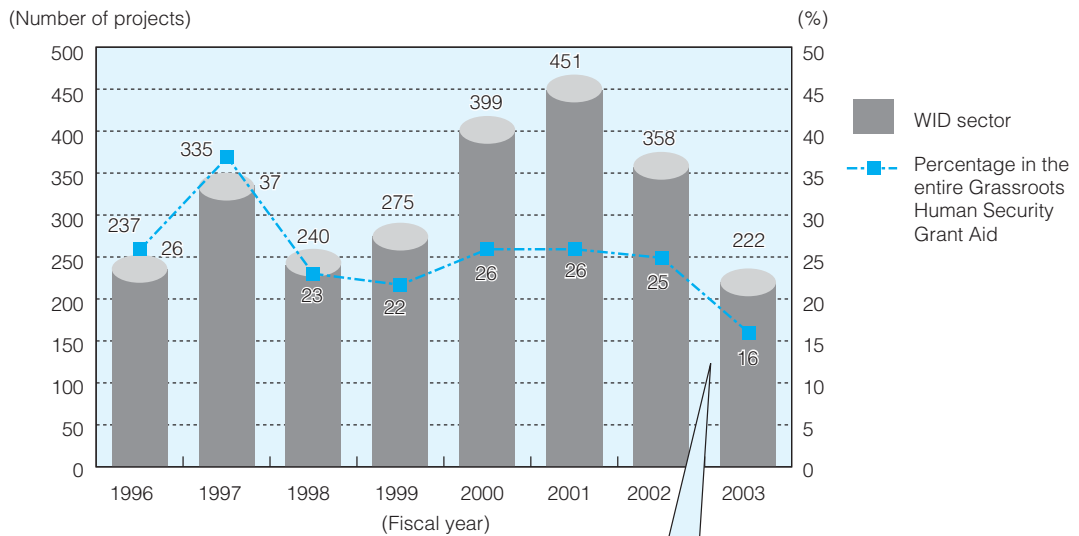
Many projects relating to assistance for women in development are assistance through dispatch of experts, acceptance

Chart II-13 Aid Disbursement in the WID Sector

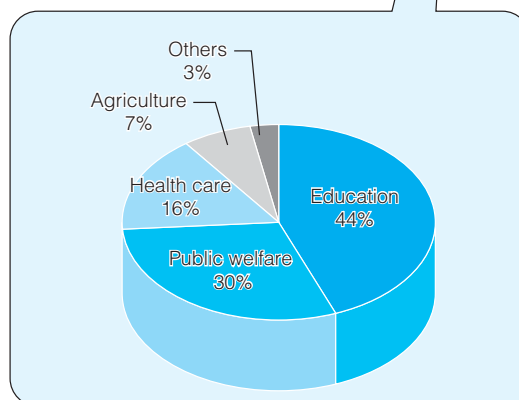
(1) Technical Cooperation



(2) Grassroots Human Security Grant Aid



(3) Breakdown (FY 2003)



of trainees, or small-scale community-based assistance through NGOs. In fiscal year 2003, such projects accounted for 14.1% of Grassroots Human Security Grant Aids in terms of the amount of fund provided, and 15.6% thereof in terms of the number of projects. With respect to assistance through international organizations, Japan has been making active efforts particularly for protection of women and girls in situations of conflict from the standpoint of human security, and has been providing support with consideration to gender through the United Nations Development Fund for Women (UNIFEM) and the United Nations Children's Fund (UNICEF).

As a major example, Japan has dispatched experts to Indonesia since March 2003 to give policy advice relating to gender mainstreaming. The State Ministry in charge of the capacity building of Indonesian women (the State Ministry of Women's Empowerment) has the duty of policymaking, planning, coordination and enlightenment relating to projects to promote the improvements of the status of women with the aim of gender equality. However, the ministry has not carried out these duties in a functional way, therefore Indonesia requested that Japan dispatch experts for policy advice. Experts dispatched from Japan are working for documenting cross-sectoral gender issues to be dealt with by the said State Ministry and relevant measures, and providing support for raising the awareness of gender issues and implementation and monitoring of related research.

In Cambodia, Japan started the "Project on Gender Mainstreaming and Policy Development through Upgrading Information and Research Capacity" in April 2003 through JICA with the aim of improving the status of women. As a result of about 20 years of civil war, women now account for more than 60% of the population aged 25 years and older in

Cambodia, and women are thus expected to play an important role in the country's reconstruction and development. However, the social status of women is lower than that of men, which is a large obstacle to the promotion of women's participation in society. The Government of Cambodia established the Ministry of Women's and Veteran's Affairs (MWVA) in 1998 and has been making efforts to create a society in which women and men can participate in an equal position for restructuring the nation. However, the MWVA does not carry out sufficient functions. To support women's participation in society by strengthening the functions of the MWVA, Japan has been providing cooperation in enhancing the capacity to organize gender information and analyze statistics as well as the capacity to formulate, implement and monitor development plans with consideration given to gender.

In August 2003, Japan also held a symposium to eradicate female genital mutilation (FGM), which remains deeply rooted in some African countries and which is a traditional but detrimental practice that undermines women's health and infringes their rights, in cooperation with the Government of Sudan and UNICEF. This symposium had an innovative meaning as the first project in which Japan cooperated for the improvement of a specific human rights situation in cooperation with the recipient government. In this symposium, Japan increased the understanding of the recipient government, related local organizations, NGOs, and residents, and also expressed its will to eradicate FGM. Japan expects that this movement will spread to the neighboring countries and have a positive effect on them, such as the expansion of movements toward eradicating FGM.

The Government of Japan will continue to aim at fair and effective economic cooperation with an emphasis on the perspective of gender equality and will make further efforts to improve the status of women.

■ Partnership and Collaboration with the International Community

As indicated in the basic policies of the revised ODA Charter, partnership and collaboration with the international community has become increasingly important when implementing assistance. Japan is actively promoting collaboration with the international community through assistance policy consultation with other donor countries and approach to the international community.

As explained in Chapter 1, looking at Japan's ODA disbursement by scheme, bilateral ODA occupies a central position. Also in relationships with international organiza-



Committee concerning gender policy ("Project on Gender Mainstreaming and Policy Development through Upgrading Information and Research Capacity": Cambodia) (Photo: JICA)

tions, Japan not only contributes funds and makes investments but also actively participates in the decision-making of international organizations. In addition, Japan implements bilateral ODA in collaboration with international organizations. In this way, Japan is strengthening collaboration with international organizations in various forms. In the future, Japan will strengthen collaboration between international organizations with expertise and political neutrality and Japan's ODA, and will also make efforts to appropriately reflect its policy in the operations of these organizations while increasing the efficiency of budgets of international organizations and making Japan's share of the budget appropriate.

Japan holds bilateral aid policy consultations with major donor countries and carries out exchange of views and policy coordination in order to implement ODA in a more strategic, effective, and efficient way.

In particular, Japan and the United States are promoting various kinds of cooperation in development against the



Trunk road from Kandahar toward Kabul constructed through cooperation between Japan and the United States: Afghanistan

backdrop that they share assistance policy such as emphasis on project-type assistance though bilateral assistance, in addition to the backdrop that they develop diplomatic policy in close collaboration as allies. Japan and the U.S. have promoted cooperation in such sectors as health and water in the past, but nowadays, they are also promoting close collaboration towards peace-building efforts in Iraq, Afghanistan, etc.

In promoting such cooperation and collaboration, both Japan and the United States have held various consultations between the Economic Cooperation Bureau of the Ministry of Foreign Affairs and the Department of State/United States Agency for International Development (USAID). In addition to this, the "US-Japan Strategic Aid Dialogue Meeting" was

launched in Tokyo in November 2003 as a framework for consultation between Japan's Deputy Minister for Foreign Affairs and U.S. Undersecretary of State for discussing a desirable strategic collaboration between Japan and the United States in the field of development. In this dialogue meeting, both countries are to exchange opinions, including the analysis of the situation, in relation to assistance policy for countries that hold the key from the strategic viewpoint, as well as discuss various development issues that are discussed at the G8, United Nations, and other multilateral forums. At the second meeting held in Washington D.C. in July 2004, Japan and the U.S. agreed that toward the year 2005 when the G8 Summit (July 2005, in Scotland, the United Kingdom) and a summit level meeting at the United Nations (September 2005, in New York) (Mid-term Review of the Millennium Declaration) are scheduled to be held, they would cooperatively cope with various challenges in the field of development, which will be the key issues at these meetings. They also confirmed that they would continue to keep close collaboration in terms of assistance policy for Iraq, Afghanistan, South Asian countries, etc.

In recent years, Japan has also been actively promoting bilateral assistance coordination with the United Kingdom,



which had been in the past considered to take a different stance from Japan in terms of development issues. It is true that Japan and the United Kingdom have different assistance philosophies. For example, while the U.K. assistance policy promotes financial support with the primarily objective set as poverty reduction, Japan emphasizes the importance of economic growth and promotes poverty reduction through economic growth. Due to this, relationships between Japan and the United Kingdom have not always been close in the field of development, though they have maintained friendly bilateral relationships by and large. However, Japan and the United Kingdom shared the recognition of the importance of efforts

to seek common ground between them at an assistance policy consultation between the Economic Cooperation Bureau and the U.K. Department for International Development (DFID), which was held in Tokyo in April 2003 with the participation of the DFID Asia offices. Moreover, the countries confirmed that they would continue to promote coordination in (1) field-level cooperation (Vietnam, Bangladesh, etc.), (2) personal exchange, and (3) concerted effort in the international arena (DAC, etc.), at the assistance policy consultation between the Director-General of the Economic Cooperation Bureau and the Parliamentary Under-Secretary of State of the DFID, which was held in Tokyo in November 2003. As a result of our efforts, specific cooperation has been accomplished so far, such as a joint visit to Vietnam (jointly implemented by the Director-General of the Economic Cooperation Bureau, Ministry of Foreign Affairs and the Parliamentary Under-Secretary of State of the DFID in October 2003), personal exchange (one officer of the Economic Cooperation Bureau received training at the DFID for about one month from January 2004), and the OECD/DAC Peer Review of Japan (the achievement of Japan-U.K. collaboration was introduced by a U.K. representative at the Peer Review meeting for Japan held in Paris in December 2003).

In addition, Japan holds director-general level assistance policy consultations with Germany, France, Australia, the European Commission, Scandinavian countries, the Republic of Korea (ROK), and other donors to exchange opinions about the major challenges in the field of development, and has also been making efforts to increase the understanding of assistance policy and mechanism of assistance of each country.

In addition to movements toward aid coordination among bilateral donors as mentioned above, movements to review aid modality based on the past experience and movements toward aid coordination among more bilateral and multilateral donors have been intensifying in the international community to increase aid effectiveness with limited assistance resources. Although bilateral donor countries and international organizations have in the past also had discussions and coordinated

their aid on individual challenges and on the project level, lately they have been coordinating their aid on the sector strategy level or on the national development strategy level. For example, budget support, Sector Wide Approaches (SWAs) and harmonization of aid procedures have been promoted in some developing countries from the viewpoint of further emphasizing the ownership and overall capacity-building of the developing countries and reducing transaction costs in developing countries in order to implement assistance efficiently aligning with their national development strategies such as the Poverty Reduction Strategy Paper (PRSP). Japan is also making efforts to provide effective assistance according to the situation of developing countries by promoting coordination in line with such movements in the international community.

Regarding aid modality, Japan, as with the United States and France, basically assents to the need of budget support to Low Income Countries, improvement of the recipient countries' capacity for public financial management, and comprehensive support to development plans. However, Japan considers it important not to take uniform actions but to appropriately combine various forms of aid modalities depending on the situation of each developing country. As an example, Japan provided budget support of 500 million yen in scale to Tanzania by experimentally using funds for Non-Project Grant Aid in March 2003. Tanzania formulated the PRSP in 1999 and also reached the Completion Point*¹ of the Enhanced HIPC (Heavily Indebted Poor Country) Initiative in 2001. In this way, Tanzania has energetically worked on its own development with ownership. Before providing direct budget support, Japan examined the conditions in the meantime and policies in case of providing direct budget support based on past experience in participating in the Tanzania Poverty Reduction Budget Support (PRBS) and other donors' policies of budget support, and decided to provide direct budget support to Tanzania with certain conditions. Japan believes that the provision of budget support is a practice of aid delivery based on its development philosophy, that is, to

***1: Decision Point and Completion Point**

The Enhanced HIPC Initiative is implemented in two stages. Firstly, monitoring is conducted on the status of implementation of the IMF/World Bank Structural Adjustment Program and efforts for poverty reduction and social development in a debt country, and the necessity of application of the Enhanced HIPC Initiative is determined, according to individual situations, at the time when the debt country is recognized to have accomplished a certain goal (Decision Point). After that, monitoring is further continued for a certain period of time, and comprehensive debt reduction is implemented only after the country is considered to have fulfilled the conditions.

combine various forms of aid modalities in the most appropriate manner according to the recipient country's administrative and financial management capacity and development needs. And Japan also considers that the provision of budget support is important to assert the effectiveness of such manner of assistance. This also leads to increasing the aid effectiveness of Japan's ODA focusing on project-type assistance. Therefore, Japan will carefully examine countries by the following conditions in order to implement budget support: (1) the recipient country is a Low Income Country that has a stable political and macroeconomic situation and commits to working on public administrative reform, democratization, poverty reduction, economic development, etc. with self-help efforts; (2) the recipient country has formulated a PRSP and has established a framework for budget formulation reflecting the PRSP; (3) the recipient country has established monitoring and evaluation systems to confirm the implementation of the PRSP, including public financial management, in cooperation with donors and also has the minimum level of public financial management capacity; (4) the recipient country makes efforts to increase its own revenues, such as efforts for economic growth and tax reforms, so as to prevent an increase of aid dependency of the recipient country; and (5) the recipient country is one of the priority countries for Japan's ODA provision, Japan has adequate capacity regarding its local missions to make appropriate policy proposals, and has a presence in one or more priority sectors among stakeholders including donors in the recipient country.

Section 3 Issue-Specific Efforts

1. Poverty Reduction

Poverty reduction is an important development goal that is shared in the international community, and the ODA Charter also puts it at the head of the priority issues. Japan has been supporting human and social development in developing countries with an emphasis on cooperation in such sectors as "education, health care and welfare, water and sanitation, and agriculture," that is, in Basic Human Needs, which forms the

backbone of MDGs.

Japan is making efforts for poverty reduction by formulating and announcing various initiatives in such MDG-related sectors. Since the achievement of MDGs will be taken up in the interim review of the Millennium Declaration that is scheduled for 2005, poverty reduction is expected to be continuously discussed in the international community as an important issue. Japan will continue to actively implement ODA in this sector.

In addition, it is clear that support in Basic Human Needs, which is directly related to people's livelihoods, is important when working on poverty reduction, but at the same time, it is also necessary, in order to achieve sustainable poverty reduction, to take an approach to poverty reduction through economic growth in consideration of experience in the economic development of Eastern Asia. The following explains Japan's support for poverty reduction based on such an idea.

(1) Education

Education is an important social capital that brings development of a country. In particular, basic education is essential for people to acquire knowledge, values and skills, which serve as a basis for their living. It is widely known that basic education has a large impact on poverty reduction in developing countries, and thus, the "Education for All"*¹ and MDGs advocate "ensuring universal primary education for all children by 2015" as an achievement goal. Japan has been steadily implementing the "Basic Education for Growth Initiative (BEGIN)" announced in 2002, and has been providing active support for improving the current conditions of developing countries while setting the following priority areas: (1) assistance for ensuring "access" to education; (2) assistance for improving "quality" of education; and (3) improvement of "management" of education.

Regarding "access" to education, Japan has been contributing to improving children's access to education and the educational environment through construction and rehabilitation of educational facilities and provision of learning materials for primary and secondary schools. In fiscal year 2003, approximately 2.2 million children benefited from the

*1: Education for All

This is an initiative confirmed at the "World Conference on Education for All" held in Jomtien, Thailand in 1990. At present, it means the achievement of six specific goals (Dakar Framework for Action) in the educational sector, such as "ensuring universal primary education for all children by 2015" and "achieving a 50 per cent improvement in levels of adult literacy by 2015," which were confirmed at the World Education Forum held in Dakar, Senegal in 2000.

construction of schools, the distribution of equipment, and the provision of educational materials for classrooms conducted by Japan, of which approximately 0.63 million were children in Asia and approximately 1.52 million were those in Africa.

As an effort contributing to ensuring "access" and improving "management," Japan has implemented the "Community-based Basic Education Improvement Project" in Oromia State, Ethiopia since November 2003. Ethiopia was able to improve the school enrollment ratio through the "Education Sector Development Programme (ESDP)" implemented by its government from 1997, but the number of schools and the training of teachers far exceeds the increase in the number of children. In order to address this challenge, the Government of Ethiopia formulated the ESDP II, and has positioned non-formal education that is characterized by its low school construction costs and flexible curriculum as an important alternative to formal education and has set the expansion of non-formal education as the top priority. However, local educational administrations have little knowledge and experience in mobilizing the participation of local residents, including parents and influential persons in the region that is indispensable for providing non-formal education focusing on literacy education effectively. Therefore, it became an urgent task to improve the capacity to plan and implement educational plans, and Japan has come to support achieving such a task. Specifically, Japan plans to conduct workshops on the construction and management of schools that serve various

regional needs with the participation of local residents. Japan will also conduct school mapping and provide support for the construction of schools by local administrations and residents themselves, the procurement of equipment, fixtures, textbooks and teaching materials, and the enhancement of teaching ability of teachers as well as non-qualified teachers who teach at these schools.

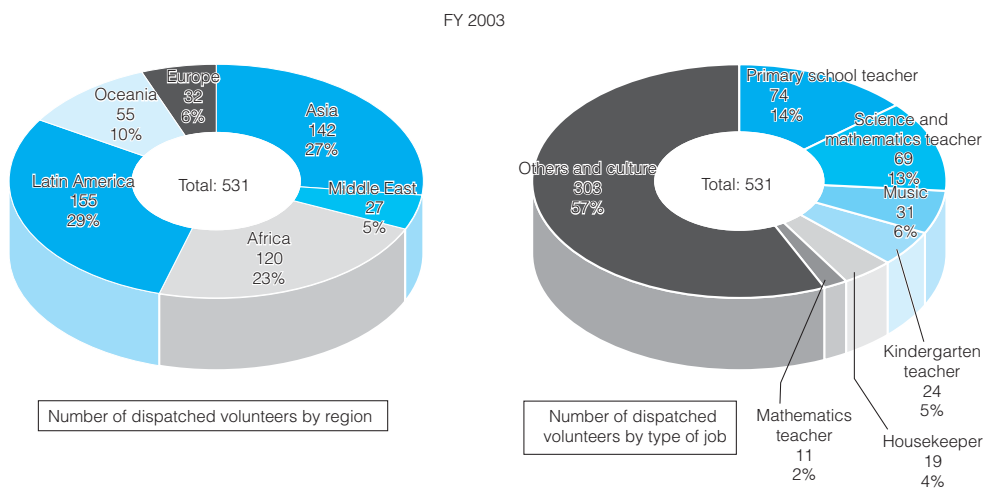
In addition to Ethiopia, in January 2004, Japan also initiated such support for the construction and management of schools with the active participation of residents in Niger where the children's school enrollment ratio is particularly low among Sub-Saharan African countries.

As for the "quality" of education, Japan has been providing active assistance for science and mathematics education,



Teachers training to improve their abilities (Project for Improving Mathematics Teaching: Honduras)

Chart 11-14 Number of Dispatched Japan Overseas Cooperation Volunteers (Education and Culture) by Region and by Type of Job

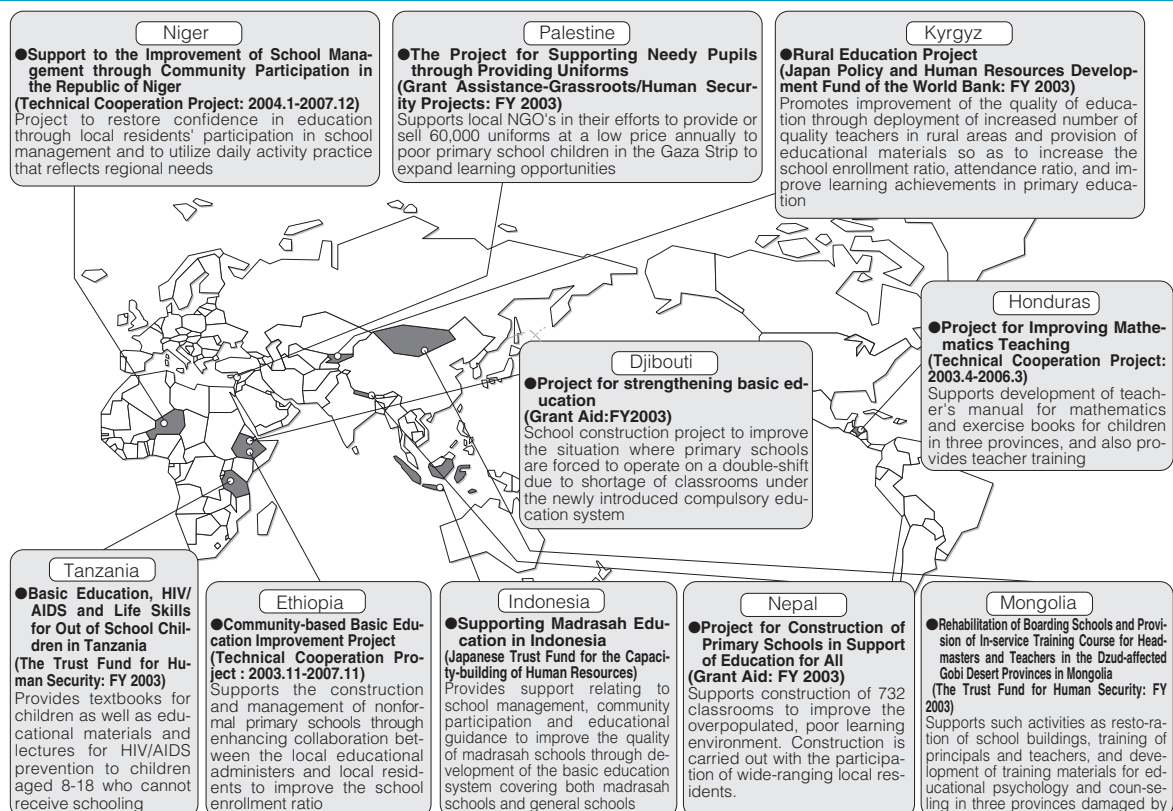


which are relatively universal subjects in terms of knowledge and teaching methods compared to other subjects. This is one of the major forms of assistance of Japan in the field of basic education. Japan started the "Project for Improving Mathematics Teaching" in Honduras in April 2003. While the net school enrollment ratio for primary education is high at 95% in Honduras, less than 70% of children are able to complete six-year primary education. In Honduras, many children drop out of school or repeat a grade due to their poor performance in national language (Spanish) and mathematics, and this is one of the largest challenges affecting educational development in the country. Japan has dispatched volunteers in the field of mathematics education for 12 years to date and a total of 60 volunteers have been dispatched. This contribution from

Japan is highly valued, and Japan has been given a leading role in the field of mathematics education under the "Programa de Formacion Continua" of the country. Specifically, Japan has been carrying out the improvement and implementation of in-service training of mathematics teachers, preparation of teacher's manuals for government-designated mathematics textbooks and exercise books for children, and establishment of an educational evaluation method using standard achievement tests for children.

In addition, Honduras is one of the beneficiary countries of the Fast Track Initiative (FTI)*¹ initiated by the World Bank. The development of teacher's manuals for government-designated textbooks and exercise books for children in three provinces, El Paraiso, Colon, and Ocotepeque, conducted by

Chart II -15 Major Projects in the Educational Sector



*1: Fast Track Initiative

This is an initiative inaugurated in April 2002 at the initiative of the World Bank. Under the initiative, assistance from donors is preferentially put in developing countries that have formulated both a PRSP and an Education Sector Plan but would not be able to achieve universal primary school completion by 2015 without assistance from other countries. At the working group meeting held in March 2004 in Washington, a framework document for FTI support was formally adopted, and assessment guidelines for developing countries and donors/organizations in terms of FTI support were presented. To date, a total of 12 countries in Africa, Latin America, Middle East and Asia have become subject to FTI support. Japan has implemented various kinds of support in the basic education sector in some of these FTI endorsed countries (for details of FTI, see Part II of the ODA White Paper 2003).



Students doing physical experiment

(Photo: JICA)



Classroom scene

(Photo: JICA)

In Kenya, science and mathematics performance of children at primary and secondary schools has been flagging. Therefore, Japan has implemented the "Strengthening of Mathematics and Science in Secondary Education (SMASSE) Project" since 1998 to support strengthening of science and mathematics education at secondary schools. Under the SMASSE, Japan established the retraining of science and mathematics teachers in nine provinces and a two-stage training system consisting of central and local training in the initial five years. Regarding training, Japan promoted movements to remodel classes based on the philosophy of ASEI ("A" for activity, "S" for student-centered; "E" for experiment; "I" for improvisation) and PDSI ("P" for plan, "D" for do, "S" for see, and "I" for improve). This is aimed at improving performance through provision of classes full of ingenuity in line with individual students' personality and interest so as to ensure that every student enjoys working on classes. It is an approach developed by Kenya and Japan. The effect thereof has come to be recognized in the scenes of education in Kenya, and the Government of Kenya decided to scale up this training project nationwide. Japan has been supporting such initiative of the Kenyan Government since 2003 under the SMASSE Phase 2. Approximately 20,000 science and mathematics teachers and 0.9 million students in Kenya have benefited from this project.

The training projects under the SMASSE are characterized in that Japan does not pay daily wages to trainees. The idea that "trainees are also beneficiaries" was not easily understood at the beginning, but after teachers themselves realized that students' response in class changed through training, the number of participants increased each time. In this way, it can be said that training under the SMASSE reminded teachers in Kenya of the basis of education, that is, "joy of teaching and joy of learning."

In addition, a mechanism for appropriating part of school expenses paid by students to schools to the management of training was created for local training. By such devices, a low-cost, sustainable implementation system was established, and about half of all expenses for training projects are now incurred by the Kenya side.

Such experience and results in Kenya attracted attention from neighboring countries in Africa, and a SMASSE-centered regional network of education experts (SMASSE-WECSA) was created in 2002. The SMASSE-WECSA attracted much attention during the Johannesburg Summit (WSSD) in August 2002, and it serves as a basis for Japan's cooperation in science and mathematics education in Africa. In addition, practical activities such as training of instructors for teacher training from seven neighboring countries in Nairobi in 2004 was also carried out. It is expected that the knowledge of Kenya and Japan that was established in the SMASSE will spread throughout the African region through these activities.

Japan was highly appreciated by the Honduras Ministry of Education, and these teacher's manuals and exercise books are to be utilized nationwide beyond the three provinces. It was not included in the initial plan, but it has since been determined that the Government of Canada will provide financial assistance for expenses necessary to print these teacher's manuals and exercise books within the framework of the FTI support. This can be said to be an excellent example of the case where aid coordination gets on well by combining Japan's project assistance and other donor's financial assistance. In addition to the assistance to Honduras, Japan has also been promoting cooperation toward improvement of the quality of education in many developing countries such as Ghana and Cambodia.

Incidentally, under the "cooperation basis"*1 inaugurated in April 2003 for the purpose of implementing cooperation in education in a wide range of areas, Hiroshima University and the University of Tsukuba are taking the initiative in strengthening the domestic support system that promotes "sharing of experience in international cooperation" to enhance Japan's efforts in the educational sector and to support the training of teachers to be dispatched overseas.

In addition, the "United Nations Decade of Education for Sustainable Development (UNDESD)," which Japan advocated at the World Summit on Sustainable Development (WSSD) in 2002 in response to an NGO's proposal, was included in the WSSD Plan of Implementation. To that end, Japan submitted a resolution relating to the UNDESD to the United Nations General Assembly in the same year, and the resolution was adopted. Japan has been working to promote the UNDESD by contributing 0.1 million dollars to the United Nations Educational Scientific and Cultural Organization (UNESCO) in fiscal year 2003 as a country that advocated the UNDESD, as well as by holding the "Asia Cooperation Dialogue of Japan Environmental Education: Toward the Implementation of the United Nations Decade of Education for Sustainable Development" in Tokyo in June 2004.

(2) Health Care and Welfare

In many developing countries, numerous people are still suffering without receiving basic health services that are available on a daily basis in developed countries. MDGs include three goals in the health sector—reduce child mortality, improve maternal health, and combat HIV/AIDS, malaria and other infectious diseases. This sector is thus emphasized as a sector directly related to poverty reduction. Japan has been providing assistance while considering infectious diseases, maternal and child health, and establishment of a health system as priority issues in the health sector.

Based on the recognition that infectious diseases are not only issues of public health in developing countries but also are now large factors that hinder the economic and social development of developing countries, Japan presented the "Okinawa Infectious Diseases Initiative (IDI)" at the Kyushu-Okinawa G8 Summit in July 2000, and has been working on comprehensive measures against infectious diseases through bilateral and multilateral assistance under the same initiative. In this initiative, Japan expressed that it would provide support worth approximately 3 billion dollars for measures against infectious diseases over the next five years, and disbursement exceeded 2.446 billion dollars as of the end of fiscal year 2002. Japan has also been giving assistance in financial and human resources to the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), established in January 2002, and other related international organizations.

The important role of GFATM was reconfirmed at the Sea Island G8 Summit in 2004, and GFATM is expected to play a central role in the global response against these three infectious diseases. As of June 2004, GFATM approved a total of 296 aid programmes in 128 countries, amounting to approximately 3.03 billion dollars. Through the implementation of these approved programmes, 1.6 million AIDS patients will be provided with antiretroviral treatment, 52 million people will be assisted with HIV preventive services, 35 million people will be given treatment for tuberculosis by DOTS

*1: Cooperation Basis

Cooperation basis embodies "strengthening of the domestic cooperation system," which was included in BEGIN, and it focuses on the following: (1) "sharing of experience in cooperation" to strengthen major activities in the educational sector, (2) support for in-service teachers to be dispatched (transfer of shared experience in cooperation), and (3) support for promoting the utilization of sectors with less experience in cooperation. This is based on the idea of strengthening the domestic cooperation system at the initiative of the University of Tsukuba and Hiroshima University, and the establishment of the cooperation basis has been in progress through cooperation among the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Foreign Affairs, JICA, and JBIC.

Regional Traveling Medical Services by the Medical Boat "Health": Study on Enhancement of District Health System for Beni Prefecture in the Republic of Bolivia

Beni Prefecture in the Republic of Bolivia in South America is located along a branch of the Amazon River. It is a poverty area suffering from malaria and other tropical infectious diseases as well as maternal and child health problems due to its natural environment. In the rainy season, there had been the continuous situation where residents had difficulty receiving health services due to impassable roads. The district health system had not functioned sufficiently in poverty areas in the suburbs of cities.

Under such circumstance, Japan prepared a Master Plan (M/P) on the district health system in Beni Prefecture in line with Bolivia's National Health Policy and conducted an experimental test after selecting representative model areas.



The "Health" providing regional traveling medical services (Photo: JICA)

A medical boat called the "Health" was provided for this experimental test, and it provided traveling medical services to 28 scattered communities in the basin of the Mamore River, which is a branch of the Amazon River. As a result, local residents have become able to receive health services in the rainy season, and the early prevention and treatment of tropical infectious diseases as well as maternal and child health management has become possible. For these traveling medical services, aid coordination was actively promoted, for example, personnel cost for doctors was covered by assistance from international NGOs, USAID,

and the World Bank. A female doctor on the "Health" said, "Although my body turns red due to mosquito bites when I come back from one time of boarding, residents welcome very much a visit of the 'Health' to their villages." In addition, a primary health care center was constructed in the poverty area near Trinidad in Beni with the participation of residents, and the center started providing medical services. There, female vocational nurses play a central role in vaccinating residents through door-to-door visits in the region. On a map, they erect a pin at the place of a household where vaccination was completed. A vocational nurse said, "When this is done, we can know at a glance households where vaccination has not been conducted." In this way, participatory health promotion activity, which is rooted in the region and is made in cooperation with residents, has already started.

At present, this experimental test has been taken over by Beni Prefecture and municipal-level committees, and dissemination to other regions in the same prefecture has been conducted with the participation of international NGOs and USAID. The Mayor of Trinidad said, the "medical boat 'Health' made it possible to provide medical consultation and treatment in an Amazon region that had been out of view," and he made a public recognition of Japan's assistance.



Scene of dental care

(Photo: JICA)

(Directly Observed Treatment, short course), 145 million people will receive therapeutic drugs for malaria, and 108 million people will be provided with bed nets, which, in all, are expected to produce a significant impact. From 2002 till the beginning of 2005, Japan had pledged financial assistance of 265 million dollars to GFATM. As of July 2004, Japan had contributed 246.4 million dollars (for measures to fight infectious diseases, see Part II, Chapter 2, Section 3, 3-(2)).

With respect to maternal and child health, Japan has been providing support while considering it to be one of the priority issues in the health sector as support for children and women who are most susceptible to poverty. Mainly, Japan is offering support relating to children's health, maternal health, and "reproductive health."⁴

In relation to aid for children, since polio, measles, tetanus and many other diseases which may become a cause of infant mortality are preventable by relatively low-cost intervention, such as vaccination, Japan has been supporting the dissemination of vaccination against these diseases (for the past record of cooperation relating to polio, also see Part II, Chapter 2, Section 3, 3-(2)).

Regarding reduction of maternal mortality ratio, Japan has, in the past, implemented step-by-step assistance from the viewpoint of reproductive health, such as the Technical Cooperation Project for Ensuring the Quality of Maternal and Child Health (MCH) through the MCH Handbook in Indonesia by applying Japan's experience of a mother and child health handbook, training of midwives, nurses and other personnel who engage in maternal and child health, and promotion of family planning and sexual education. However, to reduce maternal mortality directly, provision of appropriate medical services, including emergency obstetric care, is also necessary. The reduction of the maternal mortality ratio is thus the goal that is most difficult to achieve of the three MDGs relating to the health sector. Therefore, Japan has been implementing assistance in this sector in cooperation with UNICEF, the United Nations Population Fund (UNFPA), and the international NGO, International Planned Parenthood Federation (IPPF), on the basis of movement toward concentrating assistance on the UNICEF-led establishment of emergency obstetric care service. In fiscal year 2003, Japan implemented the "Project for Support to Strengthening of Emergency Obstetric Care" (construction of obstetric facilities and improvement of medical equipment) in Bangladesh and the "Project for Improvement of Medical Equipment for Sir

J.J. Hospital and Cama & Albless Hospital" (renewal and suppliance of medical equipment for the obstetrics department) in India, as well as reproductive health support (educational activities for reproductive health/rights and provision of medical equipment) by the Trust Fund for Human Security in Eritrea and Senegal. Furthermore, in Tunisia, Japan implemented the "Strengthening of Reproductive Health Education in Tunisia" mainly composed of support for preparing reproductive health educational materials and the planning and provision of seminars and workshops in cooperation with NGOs.

Efforts in the field of infectious diseases and maternal and child health do not work sufficiently unless a health system that functions effectively across the country is established. In the international community, the focus tends to be placed on direct measures against diseases, such as measures against HIV/AIDS through provision of antiviral agents to patients. However, Japan recognizes that the establishment of public health in developing countries plays a very important role in the development of developing countries in the same way as direct measures against diseases. Therefore, Japan supports the strengthening of local health care and preventive activities from the viewpoint of "Primary Health Care," that is, equal provision of basic health services to more people, as well as the improvement and reform of the health system in the entire country, including establishment of a health system that matches the actual conditions of developing countries, training of personnel to be engaged in health care, and improvement of health-related infrastructure.

As for other examples of such support, in fiscal year 2003 Japan implemented the "Project for the Development of Human Resources in Health" (quantitative expansion and



Seminar for capacity building of medical personnel (Project for Strengthening of the Local System of Integral Health Care of Granada: Nicaragua)

4. "Reproductive health" is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity, in all matters relating to the reproductive system and to its functions and processes (definition by the WHO).

qualitative improvement of education for health personnel) in Senegal and "Lusaka District Primary Health Care Project" (establishment of a system to manage Primary Health Care by residents' organizations and health center staff) in Zambia.

In assistance in the health sector, collaboration with wide-ranging partners in the international community has been promoted in each stage of policy dialogue and the planning, implementation, evaluation and monitoring of projects. The Ministry of Foreign Affairs regularly holds informal talks with Japanese health-related NGOs to exchange opinions and information, and entrusts NGOs to conduct various studies that contribute to the implementation of assistance. Japan has continued to cooperate with UNICEF to eradicate polio since the beginning of the 1990s, but cooperation with UNICEF has recently expanded to other fields such as vaccination against measles, tetanus and other infantile infectious diseases, distribution of therapeutic agent for malaria and bed nets, and provision of safe water. Japan issued the "USAID-Japan Partnership for Global Health"*1 in June 2002 with the United States, and since then, it has been promoting cooperation with the USAID to improve the health status in developing countries. Japan and the United States collaborate in projects in each area of Africa, Asia and Latin America, such as VCT (Voluntary Counseling and Testing) activities in Kenya and HIV prevention on the border of Tanzania. JICA and USAID also conduct personnel exchanges. Japan-U.S. joint project formulation study teams were also dispatched in Honduras and Bolivia in April 2003. In addition, consultation was held to monitor the progress of the USAID-Japan Partnership in June 2003.

Furthermore, the Association of Southeast Asian Nations (ASEAN) held the "ASEAN and Japan High Level Officials Meeting on Caring Societies," which was aimed at developing welfare and medical personnel in Asian countries, in Tokyo in November 2003. For the meeting, high level administrative officers in charge of welfare services and health/medical policies were invited from 10 ASEAN countries to discuss the role of human resources development in welfare/medical services in each country. At the meeting, participants adopted development of welfare and medical personnel as a theme and agreed

to discuss it on a regular basis in the future.

On many occasions, there have been international consultations toward achieving MDGs in the health sector. In May 2003, the World Bank, Canada and the United Kingdom cooperatively held the meeting "Harmonized Action on the Health, Nutrition and Population MDGs" in Ottawa. This meeting was held to specifically discuss goals in the health, nutrition and population sectors in relation to what action the international community should take to achieve MDGs. Japan advocated the idea that a framework for harmonized action should be formulated on the basis of four points: (1) the ownership and leadership of the governments of developing countries are further required; (2) a country-specific approach is fundamental since the establishment of a health system and the reform of health administration are necessary; (3) it is important to promote both a region-specific approach and South-South cooperation since infectious diseases are cross-border issues and regional responses are also necessary; and (4) it is important to utilize various modality of assistance that match the actual conditions of each country and region. Moreover, Japan emphasized the importance of improving the capacity of on-site personnel to utilize assistance fund effectively, especially, the importance of promoting human resources development in the health sector in line with a long-term plan for at least ten years, at the "High-Level Forum on the Health MDGs" which was held in Geneva in January 2004 to review progress toward achieving MDGs in the health sector and discuss measures to promote future actions. Japan will promote cooperation with the international community as well as transmit its own ideas through active participation in such meetings in the future.

(3) Water and Sanitation

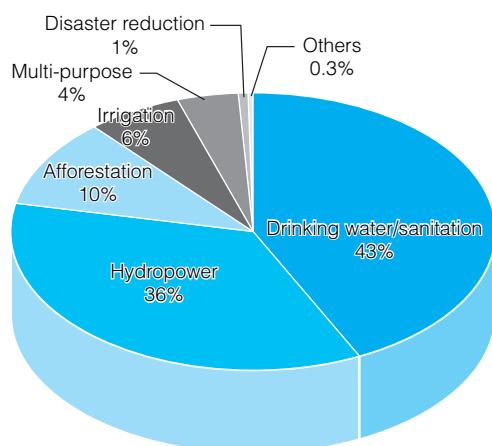
According to the "Global Water Supply and Sanitation Assessment 2000 Report" prepared by the World Health Organization (WHO), the population without access to safe water from a water supply system or wells is approximately 1.1 billion, of which approximately 0.7 billion are in Asia and approximately 0.3 billion are in Africa. In addition, approximately 2.4 billion across the world do not have access to basic sanitation facilities including a sewage system, of which

*1: USAID-Japan Partnership for Global Health

This is a document in which Japan and the United States agreed again to collaborate in activities in the health care sector on the basis of the fact that both countries collaborated well especially in the health sector under the Common Agenda for Cooperation in Global Perspective in 1993. Specifically, the document stipulates personnel exchanges between USAID and JICA and promotion of collaboration both on a headquarters level and on a local level.

Chart II -16 Disbursement in the Water and Sanitation Sector by Purpose

FY 2003



(E/N basis; Unit: ¥100million)

Purpose	Loan Aid	Grant Aid	Total
Drinking water/sanitation	800.9	112.3	913.2
Hydropower	751.0	13.1	764.1
Afforestation	213.2	8.9	222.1
Irrigation	111.2	25.4	136.5
Multi-purpose	80.3	5.0	85.3
Disaster reduction	–	16.9	16.9
Others	–	6.1	6.1
Total	1,956.5	187.7	2,144.2

Note: As the figures in the table are rounded off, they do not necessarily add up to the totals.

approximately 1.9 billion are in Asia and approximately 0.3 billion are in Africa.

Reflecting such situations, the challenge of water and sanitation has recently been taken up as an important theme at international conferences for development. For example, in the "Johannesburg Plan of Implementation" adopted at the WSSD in September 2002, goals such as to "halve, by the year 2015, the proportion of people who do not have access to basic sanitation" were newly added in the sanitation sector, in addition to "safe drinking water" that is one of the MDGs. In addition, the 12th Session of the U.N. Commission on Sustainable Development (CSD) was held in New York in April 2004 under the themes of water, sanitation and human settlements after going through adoption of the Ministerial Declaration and publication of the "Portfolio of Water Actions (PWA)" that summarizes voluntary action plans of individual countries and international organizations at the 3rd World Water Forum in March 2003, as well as formulation of the "Water-A G8 Action Plan" at the Evian G8 Summit in June 2003. Moreover, the first session of the U.N. "Advisory Board on Water and Sanitation" chaired by former Prime Minister Ryutaro Hashimoto was held in July 2004.

Japan has been providing cooperation in the water and sanitation sector with a focus on the drinking water and sanitation sector for which goals have been set in MDGs and the Johannesburg Plan of Implementation, and its aid volume is at a high level from a global perspective. According to the OECD/DAC statistics, Japan is the world's largest donor, donating approximately 1 billion dollars annually, which is

one-third of the annual average ODA disbursement (approximately 3 billion dollars) in the drinking water and sanitation sector across the world (donors and international organizations) from 1999 to 2001.

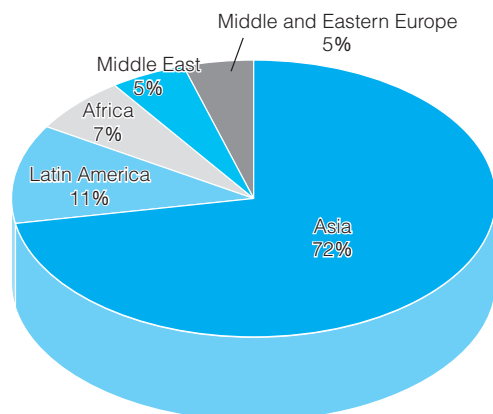
On the basis of such situation and achievement, Japan presented the "Initiative for Japan's ODA on Water" as a comprehensive contribution at the ministerial-level international conference at the 3rd World Water Forum held in Kyoto in March 2003, and aimed at steady implementation thereof in fiscal year 2003. The outline of activities under this initiative is introduced below.

As indicated in this initiative, Japan has been providing comprehensive cooperation in the water and sanitation sector, not only for drinking water and sanitation but also for irrigation, energy, measures against flood and afforestation, under the recognition that issues over water are multifaceted. In terms of disbursement in fiscal year 2003, Japan provided cooperation of 214.4 billion yen, which is composed of Grant Aid and Loan Aid (Yen loans).

By purpose, contribution to the drinking water and sanitation sector accounted for the most at 43%, followed by hydropower at 36%, and afforestation at 10%. By region, for Grant Aid, Asia accounted for the most at 48%, followed by Africa at 18% and Latin America at 16%. For Loan Aid (Yen loans), Asia accounted for 75%, followed by Latin America at 11%. By form of fund, 59% of Grant Aid was allocated to the drinking water and sanitation sector, and irrigation, disaster prevention and hydroelectric power generation, etc. were conducted by the remaining. For Loan Aid (Yen loans), the

Chart II -17 Disbursement in the Water and Sanitation Sector by Region

FY 2003



(E/N basis; Unit: ¥100million)

Region	LoanAid	Grant Aid	Total
Asia	1,457.5	90.9	1,548.4
Latin America	216.4	30.0	246.4
Africa	105.5	34.0	139.6
Middle East	80.3	25.7	106.0
Middle and Eastern Europe	96.9	7.0	103.9
Total	1,956.5	187.7	2,144.2

Note: As the figures in the table are rounded off, they do not necessarily add up to the totals.

drinking water and sanitation sector accounted for 41% while hydropower generation accounted for 38%.

Three measures to be focused on actively under this initiative are as follows.

[1] Establishment of Grant Aid for Water Security

The "Grant Aid for Water Security" was newly established within the General Grant Aid in the fiscal year 2003 budget, and 14.09 billion yen of Grant Aid was provided for 31 projects in the drinking water and sanitation sector including water supply system and sewage system as well as wells. For example, the population who has access to safe, good-quality drinking water accounts for only 65% of the total population in Mali located almost in the center of the Sahara Desert. Moreover, the ratio is extremely low at 57% in rural areas compared to 87% in urban areas, and there is a very large gap between urban areas and rural areas. Residents in rural areas are at risk of guinea worms and other parasites as well as water-related infectious diseases, such as diarrhea, since they use drinking water from unsanitary water resources such as polluted rivers and springs. Moreover, women and children in rural areas are forced to go to water sources far away from their residence to draw drinking water. This is not only back-breaking work but also it deprives them of opportunities for attending school or getting employed, causing structural poverty. Under the "Project for Water Supply in the Regions of Kayes, Segou and Mopti," implementation of which was determined in fiscal year 2003, there is a plan to construct deep wells with a man-powered pump in 233 villages as well

as one small-scale water facility in each of three provinces through Japan's Grant Aid in order to ensure supply of safe, stable, and good-quality drinking water in rural areas in three provinces where the ratio of safe drinking water supply is especially low, specifically, Kayes (55%), Segou (60%) and Mopti (45%). This is expected to have the effect of improving the water supply ratio of approximately 150 thousand residents and reducing the occurrences of water-related infectious diseases and the infant mortality rate due to such diseases.

[2] Provision of Yen loans with concessional conditions

In fiscal year 2003, Japan provided Yen loans at interest rates lower than usual totaling approximately 52.7 billion yen for a total of five afforestation and sanitation projects. For example, in the "Sanitation Improvement Project for Baixada Santista Metropolitan Region" in Brazil, Japan applied the special environmental interest rate of 1.8%, which is more concessional compared to the general environmental interest rate of 2.5%, to sewage system improvements aimed to upgrade the poor living conditions of residents and prevent marine contamination in Sao Paulo State, which continues to develop as an economic center. The project contributed to promoting better water quality in the coastal region of Brazil.

[3] Promotion of human resources development in the sector of water supply and sewage system

The Initiative for Japan's ODA on Water states, as one of the main activities thereof, that approximately 1,000 people will be part of the capacity development program in the sector

of water supply and sewage system for five years from fiscal year 2003. In this regard, Japan has already attained most of the goal in only fiscal year 2003, by dispatching 47 experts to 17 countries as well as by providing training to approximately 600 trainees in 45 countries.

As for establishment and reinforcement of international partnership, Japan has been promoting collaboration with the United States under the United States-Japan initiative for cooperation on water, the "Clean Water for People"*1 initiative. In this regard, JBIC and USAID have begun consultation to jointly formulate projects in the Philippines and two other countries, in terms of cooperation through combination of Japan's Loan Aid (Yen loans) and USAID's aid schemes. In April 2004, a meeting to monitor the progress of this collaboration was held in Tokyo, and the meeting confirmed the future direction of collaboration.

(4) Agriculture

In light of the situation in developing countries where approximately 70% of the poor lives in rural areas and depends on agricultural production, agricultural/rural development is important for poverty reduction and achievement of sustainable development. The MDGs also set a goal aiming to halve the proportion of people living on less than 1 dollar a day by 2015. In addition, discussion was held at the Evian G8 Summit in June 2003 on the necessity of measures to cope with the present situation of severe famine, and a G8 Action Plan "Action Against Famine, Especially in Africa"*2 was compiled. Due to this plan, the famine issue has continued to attract a high level of interest as one of the international agendas, and active contributions have been promoted toward prevention of famine. In terms of such famine issue, Japan provides food assistance to countries faced with food shortage as a short-term effort, and in parallel with that, it is carrying out medium and long-term activities to support developing countries' efforts (ownership) to improve food productivity from the viewpoint of elimination and prevention of causes of

famine and other food problems. Japan's aid volume in the agricultural sector is at a high level from a global perspective. According to the OECD/DAC statistics, Japan's assistance volume in the agricultural sector in 2002 (calendar year) was the largest among DAC members, accounting for approximately 40% of the total assistance volume in the sector. In the African region where more than 200 million people are suffering from famine, Japan provided assistance worth approximately 334 billion yen (of which approximately 82 billion yen was for emergency food assistance) in the agricultural sector through bilateral assistance over 10 years after the holding of the Tokyo International Conference on African Development (TICAD) in 1993.

As for disbursement in fiscal year 2003, Japan provided cooperation of approximately 38 billion yen if Grant Aid and Yen loans are combined. By region, for Grant Aid, Asia accounted for 66%, followed by Eastern Europe and Central Asia at 30%. For Yen loans, Japan provided support to Asia only.

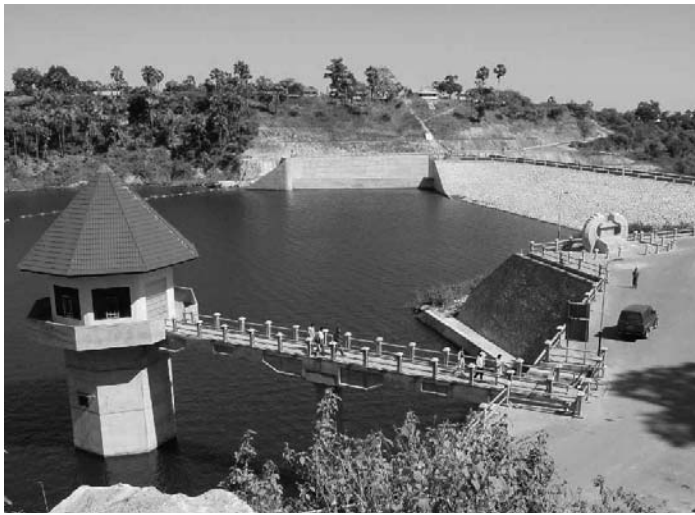
In particular, Japan emphasizes medium and long-term bilateral assistance, which contributes not only to solving food problems but also to reducing poverty, and conducts such assistance through international organizations (Food and Agriculture Organization (FAO), International Fund for Agricultural Development (IFAD), Consultative Group on International Agriculture Research (CGIAR), World Food Programme (WFP), etc.). Specifically, Japan implements support in various forms, such as assistance for increased food production to provide funds for purchasing fertilizers, agricultural machinery, crop seeds, etc., support that contributes to establishment of irrigation facilities or improvement of distribution systems through Grant Aid or Yen loans, technical cooperation through acceptance of trainees and dispatch of experts and Japan Overseas Cooperation Volunteers to improve agricultural techniques, and support to small-scale, community-level activities by NGOs, etc. through the Grant Assistance-Grassroots/Human Security Projects (for Japan's

*1: Clean Water for People

This is a partnership that Japan and the United States jointly announced at the WSSD in September 2002 with the aim of promoting collaboration in the water and sanitation sector in Africa and Asia to cope with the water issues around the world.

*2: Action Against Famine, Especially in Africa

This is an action plan compiled by the G8 at the Evian Summit to cope with the famine issue in Africa. In the plan, the G8 resolved to meet emergency food assistance needs, improve assessment capacities, warning systems and prevention mechanisms, increase aid effectiveness, and take longer term initiatives to address food insecurity.



Tilong Dam constructed by the small-scale irrigation project ("Small Scale Irrigation Management Project": Indonesia) (Photo: JBIC)

ownership. For example, farmers themselves select varieties that they grow, out of varieties including NERICA. Recipient countries have expressed high interest and expectations. On the other hand, problems and matters to be improved in promoting NERICA have been reported, such as shortage of seeds, response to soil degradation, necessity of quality securing and appropriate cultivation standards, and fitness for production areas. Japan is promoting collection of basic information and survey on the future direction of technical cooperation on site to gain an understanding of these problems, and is making efforts to contribute to food security in the African region by conducting research and development of NERICA and promoting diffusion thereof.

food assistance activities, see Part II, Chapter 2, Section 3, 3-(4).

As characteristic efforts, Japan has been cooperating in development of NERICA,⁵ which is a high-yielding variety with excellent disease resistance, through crossbreeding of a high-yielding Asian rice and a disease/weed-resistant African rice, from the standpoint of making use of Asia's experience in the agricultural sector for Africa. For this purpose, Japan dispatches experts to the West Africa Rice Development Association (WARDA) as well as provides support through international organizations such as the UNDP and the FAO. With respect to NERICA, Japan has been implementing cooperation mainly in West African regions suitable for growing rice based on a system in which local farmers grow rice with

In the fishery sector, Japan has been providing support for improving the livelihood of small-scale fishermen through local fishery bodies by the Grant Assistance for Grassroots Projects, in addition to support for infrastructure building including improvement of fishing ports and fishery facilities, provision of equipment to fishery vocational training centers and fishery schools, and technical cooperation such as technical guidance on fishing. Through cooperating with regional international organizations, Japan supported SEAFDEC's fishery development and survey in marine resources by its member states. In March 2004, an oceanographic research and training vessel was provided by Japanese Grant Aid for fisheries.



NERICA (the man in the photo is Dr. Monty Jones who developed NERICA) (Photo: WARDA)

5. Formally, New Rice for Africa.

2. Sustainable Growth

Sustainable growth is indispensable to the stability and development of poor countries. Poverty reduction through economic growth is an important approach. Therefore, Japan is willing to proactively support developing countries' efforts for sustainable growth. In order to support sustainable growth of developing countries, Japan gives priority to the development of socioeconomic infrastructure that is important for economic activities. It also places priority on the promotion of trade and investment through economic assistance including policy-making, the development of institutions and human resources development and on the facilitation of economic growth of aid-receiving countries through the enhancement of the private sector and technology transfer. This part discusses socioeconomic infrastructure, policy-making, the development of institutions, human resources development, trade and investment, Other Official Flows (OOF), the government's cooperation with the private sector, etc.

(1) Supporting Socioeconomic Infrastructure

As explained above, Japan believes that sustainable growth is indispensable for the development of poor countries. In order to reduce poverty, therefore, Japan has given priority not only to anti-poverty measures and other direct social development assistance to the poorest people, but also to the promotion of trade, investment and human exchanges through the development of transportation and communications networks and other socioeconomic infrastructure as the foundation for the development of poor countries. Vietnam, for example, issued the Comprehensive Poverty Reduction and Growth Strategy (CPRGS) as its poverty reduction strategy paper (PRSP) in May 2002. This strategy, while emphasizing economic growth, gave priority to the expansion of basic social sector services but lacked priority on the development of large-scale infrastructure. Thus while respecting the Vietnam government's ownership, Japan then cooperated with the World Bank and other organizations in persuading Vietnam to pay attention to the role of large-scale infrastructure in promoting economic growth and reducing poverty and to emphasize this point in the strategy. As a result, Vietnam added a new chapter on large-scale infrastructure to the CPRGS in November 2003. The revised Vietnam strategy thus places greater emphasis than other countries' PRSPs on the role of large-scale infrastructure in promoting economic growth and reducing poverty (see page 96 of ODA White Paper 2003 for details).

Japan has also begun to focus on the relationship between infrastructure development and the efficiency of social sector

assistance, based on three health-related Millennium Development Goals-reducing child mortality, improving maternal health, and combating HIV/AIDS, malaria and other diseases. In order to accurately grasp the role of infrastructure development and other projects in improving maternal health and provide useful viewpoints for planning new infrastructure development projects, the United Nations Population Fund (UNFPA) and the Japan Bank for International Cooperation (JBIC) cosponsored a symposium in January 2004 on "Does infrastructure serve to improve maternal health?" Specifically, participants in the symposium reaffirmed the possibility of road projects' contribution to the improvement of maternal health and considered how best to assess such impact by assessing and compiling the impact of road development projects in Indonesia on maternal health improvement.

Infrastructure development projects cover from ports, harbors, roads and other transportation facilities to communications, energy, river management and irrigation facilities, and urban and rural living environments. Most of these are expected to have large-scale, long-term economic effects to support economic growth. Japan's assistance for infrastructure development projects centers on loans (Yen loans) because of their large scale. Approximately 94% of Yen loans pledged in fiscal year 2003 target social infrastructure development (see Part II, Chapter 2, Section 3, 3-(5) for energy and Part II, Chapter 2, Section 3, 1-(3) for river management and irrigation facilities).

(a) Transportation and Telecommunications Infrastructure

Economic infrastructure includes road, railway, port and harbor, airport and other transportation infrastructure, as well as telecommunications infrastructure ranging from cable, wireless and satellite communications systems to telephone, radio, television, Internet and other media facilities. Economic infrastructure development has contributed to sustainable growth of developing countries by promoting distribution of goods, industrial development and trade, and by increasing employment and income opportunities. In fiscal year 2003, Japan extended 146.7 billion yen in assistance (26.3% of Yen loans) for transportation infrastructure development and 25.8 billion yen (4.6%) for telecommunications infrastructure development.

In the transportation infrastructure sector, in fiscal year 2003 Japan assisted the "Transport Sector Loans for National Road Network Improvement" to reconstruct degraded and vulnerable bridges on state and provincial roads throughout Vietnam to develop safe, smooth and reliable road networks



Communications network development to promote information technology in Bhutan (Project for Construction of the Domestic Telecommunication Network in the Western Region: Bhutan) (Photo: JICA)

for promotion of social and economic development of urban and rural areas. The project also covered the development of data systems for the preparation of long-term bridge maintenance and management programs and the enhancement of bridge maintenance and management capabilities to contribute to efficient maintenance and management. Japan also provided grant aid to Madagascar for the "Project for construction of a Bypass of the National Route No. 7" to build a road crossing trunk highways to ease chronic traffic jams in the capital city of Antananarivo.

As for telecommunications infrastructure, Japan provided a Yen loan in fiscal year 2003 for Indonesia's "Maritime Telecommunication System Development Project (IV)" to establish radio stations with the Global Maritime Distress and Safety System (GMDSS) and the Automatic Identification System (AIS) to meet the International Convention for the Safety of Life at Sea (SOLAS) and contribute to marine salvage development and measures against marine disasters, accidents, piracy and terrorism. To Papua New Guinea where radio stations play a key role in conveying information in the absence of television, Japan extended grant aid for the "Project for Improvement of Equipment of the National Broadcasting Corporation" to replace outdated radio transmission equipment for radio stations. The project to provide five radio stations with equipment will boost the radio broadcast

target population from the present 210,000 to 1.36 million. This is expected to recover regional communications and improve living environments through information on administrative services, health care and hygiene, agriculture and other areas. Elementary school education through radio broadcast may also be expanded (see Part II, Chapter 2, Section 3, 2-(4) for information technology-related assistance).

(b) Urban and Rural Living Environment Development

Direct assistance in the development of urban rural living environments includes the provision of education and health-care facilities and equipment, and the support for stable and sanitary water supply. Assistance in such social infrastructure contributes to improving livelihood of residents and to narrowing domestic gaps in developing countries. The development of social infrastructure, as well as economic infrastructure, plays a key role in achieving sustainable economic growth in developing countries.

Specific projects subjected to Japan's assistance include the "Zletovica Basin Water Utilization Improvement Project" that is designed to improve living environments for residents suffering from chronic water shortages in eastern Macedonia through the stable supply of sanitary drinking water and contributing to the promotion of agricultural and industrial development in the region through agricultural and industrial water supply. Another project is the "Water Pipeline Construction Project in Northern Tunisia" to lay conducting tubes from



Development of a well (Malawi)

water resources in northern Tunisia to Tunis and its vicinity and increase relevant pumping facilities. See "1. Poverty Reduction" for other specific projects.

(c) Soft Assistance in Infrastructure Development

Human resources must be nurtured to develop, control and manage socioeconomic infrastructure under appropriate development policies in developing countries. In this respect, Japan has implemented a wide range of technical assistance including urban and national land planning, training of engineers for managing and controlling infrastructure facilities, provision of equipment for management and control, and development studies.

Assistance in transportation infrastructure development to facilitate transportation of people and goods, as well as in the improvement of trade and investment environments, is important for invigorating economic activities in developing countries. Through the Japan External Trade Organization (JETRO) and the Association for Overseas Technical Scholarship (AOTS), Japan has implemented soft assistance in the development of trade and investment institutions, including the diffusion of intellectual property right systems and the creation of standardization and certification systems, and human resources development for more efficient distribution. Specifically, Japan has assisted in the improvement of administrative efficiency at intellectual property right agencies in Vietnam, Malaysia and Indonesia and in the enhancement of private intellectual property right promotion groups in Vietnam. As for standardization and certification system development, Japan has sent standardization, compatibility assessment and measurement experts to ASEAN countries and accepted ASEAN trainees under the "ASEAN Standards and Conformity Cooperation Program." Regarding efficient distribution systems, Japan has sent logistics,⁶ unit load,⁷ and other experts to developing countries for training and seminars.

(2) Policy-Making and the Development of Institutions

Responding to demand for soft assistance in development of policies and institutions in developing countries, Japan has dispatched policy advisers and other experts to such countries, accepted their trainees for development of institutions and provided assistance utilizing development studies. Soft assistance has attracted attention as Japan's unique aid over

recent years. Policy development assistance projects have been going on for Japanese experts in trade, investment, economics, jurisprudence and other areas to accumulate steady discussions and mutual confidence with policy-making government officials in developing countries and propose long-term development strategies for these countries based on their respective realities.

For example, Japan has implemented realistic policy development assistance projects for ASEAN countries, which have been striving to completely overcome the 1997 Asian economic crisis, liberalize the regional economy and enhance their international competitiveness. In Laos, Japanese experts cooperated with Laotian policy-making officials in making proposals by fiscal year 2003 on a wide range of areas including the facilitation of financial services, the promotion of small and medium enterprises, agriculture and rural development, and economic integration. These Japanese experts have also trained Laotian human resources for the improvement of policy-making capacity. For Indonesia, Japan has carried out the Economic Policy Support Program for Indonesia to support its reform efforts through policy dialogue (six meetings) between Japanese experts (university professors) and relevant Indonesian cabinet ministers. This kind of policy development assistance project, which has been implemented for Vietnam and other countries as well, has contributed to developing these assistance recipients and building up Japan's bilateral relations with these developing countries.

Cooperation in development of human resources, and legal and other systems is important for assisting in



A simulated trial at a school for legal professionals (Japanese Technical Cooperation in the Legal and Judicial Field: Vietnam) (Photo: JICA)

6. Logistics means the creation of a comprehensive system for efficient distribution, including production control and information management.

7. The unit load means cargo put onto a pallet or into a container to promote mechanization, labor-saving, prompter distribution and cargo damage prevention.

developing countries' self-help efforts based on their good governance. At the 1996 Lyon Summit of the Group of Seven, Japan announced the Partnership for Democratic Development (PDD) initiative to demonstrate its policy to enhance efforts in developing legal, judicial, electoral and other systems, training judicial, administrative and police officials, assisting democratic elections, enhancing communities and improving the status of women in developing countries under the three principles of bilateral partnership, ownership of the recipient country, and consultations and agreement between the recipient country and Japan. Based on the PDD initiative, Japan has developed a domestic setup for assistance through cooperation between relevant government agencies and other organizations in order to respond appropriately to various assistance requests reflecting the development stage of democratization and market-oriented economic reforms of each developing country. At the same time, Japan has implemented various types of assistance, including acceptance of trainees, dispatch of experts, development studies, construction of facilities, provision of equipment and support for relevant non-government organizations.

For Cambodia, Vietnam, Laos and new independent states like Uzbekistan that are required to develop legal systems for market-oriented economic reforms and external trade and investment liberalization, Japan in fiscal year 2003 implemented assistance in legal system development, including drafting, amendment and enactment of civil codes, commercial codes, civil procedure codes, bankruptcy acts and other laws, as well as training of legal professionals. In drafting and amending laws, Japanese experts dispatched to these countries have been making strenuous efforts to develop laws reflecting local practices. Some specific achievements have been accomplished. For Vietnam, particularly, Japan has assisted in drafting a civil procedure code and a bankruptcy act. The two laws were enacted at Vietnam's Parliament in May 2004. In supporting



An expert transfers air rescue skills to the Philippine coast guard.
(Photo: Japan Coast Guard)

training of legal professionals who draft and enforce laws, Japan has conveyed its legal education know-how to schools for judicial officers in Vietnam and Cambodia.

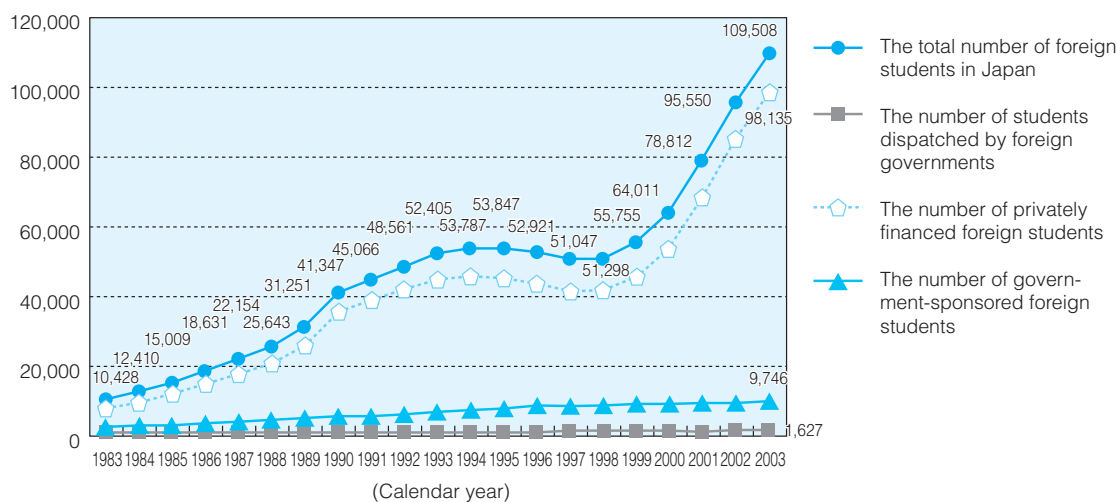
In assisting in fostering capacity of police agencies in developing countries, Japan has given priority to personnel development for the creation of institutions and the improvement of administrative capacity. In this respect, Japan has provided organic assistance including the development of relevant facilities and the provision of equipment. Indonesia separated police from its military forces and has been democratizing the police organization as auxiliary police. Japan has dispatched an expert as "JICA Advisor for Chief of INP." In August 2002, Japan launched the "Project on Enhancement of Civilian Police Activities," covering such areas as organizational management, communications and command, and on-site identification. In order to support restoration of Bali whose image as an international resort was affected seriously by a terrorist bomb attack in 2002, Japan sent advisers to Bali Police Chief in October 2003 to give senior police officers comprehensive advice on police administration. In the Philippines, the coast guard became independent from the navy in 1998. In a bid to support the move toward democratization, Japan has sent maritime safety administration experts to the Philippines to give policy advice. In July 2002, Japan also kicked off the "Project on Philippine Coast Guard Human Resource Development" to provide technical assistance including training and education of coast guard personnel and development of training and education programs in the Philippines.

Since governance is important for medium- or long-term stability and sustainability of development in Asia, the United Nations Development Program (UNDP) and the United Nations University under Japan's assistance cosponsored a workshop on democratic governance in Asia in March 2004. Lawmakers, non-government organization representatives and government officials from Japan, ASEAN countries, India, China, Republic of Korea (ROK) and Mongolia participated in the workshop to actively exchange views on governance-enhancing efforts and problems at various levels.

(3) Human Resource Development

"Nation-building begins with human resources development." Assistance in human resources development is a key part of Japan's overseas aid. Assistance in human resources development can play a key role in training personnel contributing directly to nation-building as the base for sustainable growth, in promoting mutual understanding through human exchanges, and developing bilateral relations between Japan

Chart II -18 Transition in the Number of Foreign Students in Japan



Note: Students dispatched by foreign governments are from Malaysia, Indonesia, Thailand, Singapore, the UAE (United Arab Emirates), Kuwait, Uzbekistan, Laos, Vietnam, Cambodia, Mongolia, Myanmar, China, Bangladesh and Republic of Korea (ROK).

and developing countries through Japanese people's personal relations with these countries' leaders including young people forging the future of their countries.

Japan's human resources development assistance centers on technical cooperation including the acceptance of students from developing countries, the improvement of their administrative officials' capacity, vocational capability development, labor safety and health, and the enhancement of industrial competitiveness. In a bid to improve the quality of assistance at lower cost, Japan has proactively taken advantage of information technology. In Malaysia, for example, Japan has implemented Malaysia's "Project on Networked Multimedia Education System" to establish a multimedia education network to link a multimedia university as the hub site to five local educational institutions as remote sites.

Under the "Plan to Accept 100,000 Foreign Students,"⁸ Japan has promoted various measures for foreign students, including the systematic acceptance of government-financed students, assistance to privately-financed students, the promotion of exchanges between foreign students, and the expansion of education and research instruction services. The program's

goal was achieved as the number of foreign students in Japan totaled approximately 109,500 in May 2003. Based on proposals by the Central Education Council in December 2003, the Japanese government plans to proactively implement measures to enhance external exchanges through the acceptance of foreign students and the overseas dispatch of Japanese students, and improve the quality of foreign students. The Ministry of Education, Culture, Sports, Science and Technology earmarked 53,458 million yen for foreign students in its fiscal year 2004 budget, including 43,120 million yen in ODA.

Japan has utilized other financial assistance for human resources development including the acceptance of foreign students. Specifically, such systems as the Japanese Grant Aid for Human Resource Development Scholarship⁹ and the Higher Education Loan Fund Project¹⁰ are used for financial assistance for developing countries' human resource development and overseas dispatch of students.

In the area of vocational capability development in developing countries, Japan has also assisted in the construction and management of facilities, and dispatched experts and

8. In August 1983 and June 1984, experts proposed the program to accept 100,000 foreign students in the early 21st century.

9. The Japanese Grant Aid for Human Resource Development Scholarship was created in fiscal year 1999 to provide travel and school expenses and other financial assistance for developing countries' government-organized and systematic dispatch of students to Japan. In fiscal year 2003, it was implemented for 10 countries, including Laos and Uzbekistan.

10. The Higher Education Loan Fund Project uses Yen loans for supporting developing countries' programs for human resources development and overseas dispatch of students. Under the project, Japan has provided approximately 59.2 billion yen in Yen loans to Indonesia, Thailand and Malaysia, covering approximately 3,800 students.

accepted trainees while giving priority to these countries' ownership. In fiscal year 2003, the government implemented technical cooperation projects for vocational capability development policy and vocational training through the Japan International Cooperation Agency (JICA) in such developing countries as Paraguay, Uganda, Tunisia and Ecuador. Japan also accepted trainees from and dispatched experts to developing countries in this respect.

In the area of labour safety and health, together with exercising a technical cooperation project in Malaysia, Japan also conducts trainees' acceptance and experts' delegation to developing countries. In order to assist improving industrial competitiveness through human resource development, Japan has implemented cooperation in promoting small and medium enterprises and development of mineral resources. The recent assistance extends to the institutional establishment of industrial infrastructure, management skills, and cooperation regarding environmental and energy issues accompanied by industrialization. In the fiscal year of 2003, as a follow-up service for the 'centres of excellence (COE) comprehensive programme,' which was exercised for two years from 2000 to 2002, Japan sponsored a workshop to support the AOTS's training for ASEAN-registered COEs and to share these countries' good practice.

As one sphere of supporting Asian countries' market-oriented economic reforms, Japan has established "human resource development centers (Japan Centers)¹¹" in these countries to train people in business practice. As of March 2004, Japan had opened Japan Centers in Laos, Kazakhstan, Kyrgyzstan, Uzbekistan, Vietnam and Mongolia. In the labor area, Japan has implemented the "ASEAN-Japan Project on Industrial Relations" for the stabilization of labor-management relations in Asian developing countries, the "Project for developing human resources related to issues of personnel affairs and labor management in the Asian developing countries" for the improvement of enterprises' personnel and labor management capabilities, and the "Skills Evaluation System Promotion Program" for assistance in creating systems to evaluate skills of workers correctly.

(4) Information Technology

IT is one of the most potent forces in shaping the 21st century. Because IT is an outstanding consumer-led technology, people are aware of the opportunities it affords and it is possible for the international community to achieve further

development through the active utilization of IT. For this reason, all people, no matter where they are, should receive the benefits of the global information society and the elimination of the digital divide is an extremely important issue. At the Kyushu-Okinawa Summit in July 2000, Japan announced "Japan's Comprehensive Cooperation Package to Address the International Digital Divide." In the package, Japan pledged to spend 15 billion dollars on ODA and OOF over five years after the announcement. Since the private sector basically plays a leading role in the development of IT, it is assumed that most of the cooperation policies mentioned above will focus on cooperation through non-ODA such as investment finance, export finance, untied loans, etc. implemented by the Japan Bank for International Cooperation (JBIC), which supports private sector-based projects. Taking these points into account, Japan is allocating ODA cooperation to cooperation in non-commercial sectors, such as building infrastructure and human resources development in developing countries. Based on these concepts, Japan is advancing cooperation with the following four pillars expressed in the cooperation policies mentioned above: 1) intellectual contribution to policy and institution-building; 2) human resources development; 3) building IT infrastructure and networking; and 4) promoting the utilization of IT in development assistance. In order to advance the promotion of the utilization of IT and active formation of IT projects, Japan is strengthening policy dialogue with developing countries, pointing out the importance of IT in Country Assistance Plans, etc. and encouraging an environment in which it is easy to form IT projects.

In March 2003, the Ministry of Internal Affairs and Communications took the leadership in offering the "Asian Broadband Project" to make Asia an information hub of the world. In regard to assistance to developing countries, the project called for (1) promoting projects utilizing information and telecommunications technologies, (2) stepping up production of projects through proactive policy dialogue with developing countries and (3) implementing projects targeting multiple countries. The project has been implemented since fiscal 2003. Japan has agreed on cooperation in Asian broadband development through policy dialogue with Thailand, Malaysia, Vietnam, Indonesia, Cambodia, the Philippines and others. Specifically, Japan has focused on joint experiments and research & development projects with ASEAN countries for promoting the introduction of electronic government, remote education and some other systems. Japan has also

11. These centers' major operations include (1) development of businesspeople for a shift to a market economy, (2) Japanese language teaching, and (3) promotion of mutual understanding through introduction of Japanese culture.

carried out human resources development measures including seminars and training for assistance in creating policies and institutions in developing countries. Through Japan-China-Korea and ASEAN-plus-Three (Japan, China and Republic of Korea (ROK)) frameworks, international organizations and other forums, Japan has tried to enhance international understanding and coordination on these assistance measures.

The e-Japan Strategy II Acceleration Package, which was adopted at the 19th meeting of the IT Strategic Headquarters in July 2003, called for the steady promotion of the "Asian Broadband Project" as a key pillar of the international strategy and put forward the "Asia IT Initiative (AITI)" for implementation of comprehensive and conformable measures including those other than those covered by the project. Based on this initiative, Japan prepared a joint communiqué with Vietnam, the Philippines and Indonesia about IT-related cooperation and confirmed the promotion of cooperation programs along with these nations on the occasion of the ASEAN-Japan Commemorative Summit Meeting held in Tokyo in December 2003. For the implementation of the AITI, Japan has established the AITI Task Force at the Cabinet Secretariat to

unify and promote efforts for the preparation of draft comprehensive and conformable policies and for negotiations and coordination with Asian countries. The task force consists of relevant government and other agencies and has country-by-country working groups, which are now considering specifics of cooperation programs for the three countries that have reached agreement with Japan on such cooperation.

(5) Promotion of Trade and Investment

Foreign direct investment (FDI) and trade can contribute to invigorating the private sector and economic development of developing countries. The international community is growingly realizing that all financial resources including developing countries' domestic funds, private-sector funds including FDI, and trade, as well as ODA, must be mobilized for development of these countries. However, policy measures that governments of developing countries must implement to induce investment and invigorate trade are too enormous for many poor countries to implement. In this respect, other countries and international organizations must give assistance. Japan has utilized ODA and OOF (other official flows) to

Chart II -19 Implementation of Japan's Comprehensive Cooperation Package to Address the International Digital Divide (FY 2003)

Projects Implemented through the Comprehensive Co-operation Package	
(1) Intellectual contribution to policy and institution-building	
<p>Policy advice through dispatch of experts, plan formulation in individual sectors through development surveys, awareness raising and sharing of knowledge through the holding of seminars, etc.</p> <ul style="list-style-type: none"> ○ Indonesia: The Study on Intellectual Rights Administration through Utilization of Information and Communication Technology (development study) ○ Thailand: ICT Policy (dispatch of experts), etc. 	
(2) Human resource development	
<p>Technical cooperation including dispatch of experts, acceptance of trainees, and third country training, etc., grant aid, including setting up of research and training centers, provision of equipment to educational and research organizations, etc.</p> <ul style="list-style-type: none"> ○ Myanmar: IT Training Institute (technical cooperation project) ○ Viet Nam: In-Country Training Course on Office Automation and Computer Network for Managers (acceptance of trainees) ○ Poland: Education of highly qualified IT specialists for Central Europe Countries in accordance to demands of the job market (third country training), etc. 	
(3) Building IT infrastructure and networking	
<p>Development of communications infrastructure such as wired, wireless and satellite communications, etc., support for media related facilities such as telephone, radio, television, the Internet, etc., ensuring electricity supplies in remote locations, support for development systems and ensuring financing, etc.</p> <ul style="list-style-type: none"> ○ Indonesia: Maritime Telecommunication System Development Project (IV) (loan aid) ○ Afghanistan: The Project for Improvement of TV Broadcasting Facilities in Kabul (grant aid) ○ China: Public Broadcasting Infrastructure Improvement Project (loan aid), etc. 	
(4) Promoting the utilization of IT in development assistance	
<p>Promotion of the utilization of IT in sectors such as remote training, remote education, etc.</p> <ul style="list-style-type: none"> ○ Fiji and other Pacific countries: Information and Communication Technologies (ITCs) Capacity Building at the University of the South Pacific, the project for Upgrade of USPNET Communication System (technical cooperation project, grant aid) ○ Malaysia: Project on Networked Multimedia Education System (technical cooperation project) ○ Distance technical cooperation (JICA-NET), etc. 	



Tanjung Priok Gas Fired Power Plant in Indonesia

(Photo: JBIC)

assist poor countries in developing infrastructure, institutions and human resources for paving the way for the promotion of investment and trade. Japan has also propelled the conclusion of bilateral investment treaties as an effective means to promote introduction of new capital funds, technologies and management know-how. These bilateral investment treaties are designed to expand and promote investment through the protection and liberalization of investment (see page 101 of the ODA White Paper 2003 for relations between trade, investment and development).

In addition to the above assistance in the development of infrastructure, policies, institutions and human resources, Japan at the Japan-ASEAN special summit in December 2003 presented an initiative for the integration between economic cooperation and the promotion of trade and investment, with regard to the expansion of assistance in the Mekong region. As a sphere of this initiative in the fiscal year of 2003, Japan dispatched JETRO experts to GMS-BF, which consists of chambers of commerce and industry in six countries in the Mekong region-Cambodia, China (Yunnan Province), Laos, Myanmar, Thailand and Vietnam, for strengthening the function of it in each country. These experts visited each chamber of commerce and industry, and assisted in the preparation of business directories, expansion of web pages, and planning and implementation of exhibitions of other trade promotion projects. As national markets in each country of the Mekong region are small, their prospect in economic growth is limited. Therefore, they are looking for the prospect of economic growth, through the promotion of international trade and the integration into the world market. The functional development of GMS-BF is expected to contribute to economic invigoration

of the region.

In fiscal year 2003, Japan also decided to provide a Yen loan for Indonesia's Tanjung Priok gas-fired power plant extension project to help improve the country's investment climate. Indonesian President Megawati Sukarnoputri designated 2003 as the year for the promotion of investment and indicated her resolve to proactively promote acceptance of foreign investment. In response, Japan gave top priority in Yen loans for Indonesia to economic infrastructure development for the country's achievement of sustainable economic growth. The project is designed to extend a power plant in a Jakarta suburb that features strong electricity demand as part of the Java-Bali electricity system, a major power supply network in Indonesia. This is expected to contribute to improving Indonesia's investment climate.

For Egypt that has had a chronic trade deficit and adopted the export promotion as a major policy, Japan sent experts for long and short terms in that country and accepted Egyptian trainees in regard to studies on human resources development needs, training program implementation and project planning for the Egyptian trade training center project, which is aimed at enhancing the development of human resources for trade business.

The public-private partnership must be enhanced for promoting private sector investment in developing countries. In order to assist developing countries in their investment promotion efforts for their sustainable development from this viewpoint, Japan has propelled investment in developing countries by utilizing ODA and other official funds for investment financing, guarantees and insurance to ease investment risks for private enterprises. In this respect, the

Japan Bank for International Cooperation (JBIC) has provided investment financing, investment guarantees and untied loans for investment. The Nippon Export and Investment Insurance (NEXI) has also offered overseas investment insurance and overseas project loan insurance services.

Regarding trade, there is the World Trade Organization (WTO), which is a multilateral institution. Developing countries account for some three quarters of the WTO members that numbered 147 as of July 2004. The members, who widely vary in economic power and human resources quality, are striving to promote free trade and pursue profit on trade in compliance with the international rules set up in the WTO agreements.

The new round of trade liberalization negotiations, which was launched at the WTO Ministerial Conference in Doha in 2001, and is known as the "Doha Development Agenda," emphasized development through the participation of developing members in multilateral trade arrangements. In response to requests from developing countries, Japan has striven to improve market access for LDC (least developed country) products and provide trade-related technical assistance and capacity building (TRTA/CB) for improvement of developing countries' capacity to implement the WTO rules and participate in negotiations.

Regarding improvement of market access for developing country products, for example, Japan has implemented the Generalized System of Preferences (GSP) since 1971 to impose lower-than-usual tariff rates (General Preferential Tariff (GPT) rates) on certain agriculture, fishery and industrial products imported from developing countries, and also provided certain LDC products for duty-free and quota-free treatment. There has been growing momentum, at the recent international conferences such as the third United Nations Conference on the Least Developed Countries in 2001, to request developed countries to expand more duty-free and quota-free coverage for LDCs. Under the circumstances, since April 1, 2003, Japan has added not only roughly 120 products to GPT coverage for non-LDC developing countries, but also about 200 agricultural and fishery products, including shrimp and fish fillets that Japan imports in large quantities from LDCs, to duty-free and quota-free coverage for LDCs. Japan had already imported almost all of the LDC industrial products under the duty-free and quota-free treatment; as a result, 93% of import value from LDCs are now duty-free and quota-free. At the same time, Japan's total import value from LDCs increased by 25% from fiscal year 2002 to 2003. Japan thus makes great contributions to expanding trade opportunities for developing countries.

In respect to the TRTA/CB, Japan and the WTO Secretariat cosponsored seminars in Kenya and at the secretariat in Geneva in May and June 2003 for African countries to deepen their understanding of the importance of investment rules. In addition, Japan has implemented more than 1,000 TRTA/CB programs annually for marketing, small and medium enterprise assistance and other areas that contribute to expanding trade. These achievements are available through the WTO/OECD TRTA/CB database. Through these seminars, Japan has promoted developing countries' participation in the multilateral trade arrangements and contributed to furthering their economic independence and expanding world trade.

The Cancun WTO Ministerial Conference in September 2003, which had been seen as a key halfway point of the Doha Round, failed to achieve what was expected of it as a result of the deadlock between industrial and developing countries. Regrettable though it was, Japan has continued its efforts to successfully conclude the Doha Round with a belief that the promotion of development through the maintenance and strengthening of the multilateral trading system of the WTO will lead to stability and prosperity of the world economy. For further development of world trade, Japan is willing to secure the persistence of ODA and trade policies through bilateral assistance and cooperation with international organizations and take advantage of these policies' synergy effect for positive contributions to developing countries' participation in the multilateral trade arrangements and their sustainable economic growth.

(6) Coordination between Japan's ODA and Other Official Flows (OOF) Cooperation with the Private Sector

According to Development Assistance Committee (DAC) statistics, ODA accounted for 39.1% (preliminary) of total fund flows to developing countries in 2002. Other official flows and private-sector funds occupied some three-fifths of the total. These fund flows indicate that ODA, other official flows and private-sector funds should be closely linked for the development of developing countries.

While the public sector has traditionally undertaken socioeconomic infrastructure development, the private sector's funds, technologies and initiatives have recently been exploited for infrastructure development. For example, Japanese companies have participated in the Phu My No. 3 thermal power plant project in Vietnam under an arrangement utilizing private-sector resources. For this project, the JBIC and other banks have extended a syndicated loan, with insurances provided by NEXI, the Asian Development Bank (ADB) and



Phu My Thermal Power Plant in Vietnam (Photo: JBIC)

the Multilateral Investment Guarantee Agency (MIGA). In the 1990s, Japan had provided Yen loans for power generation and transmission projects in Vietnam. As the Vietnam government decided to promote power source development by the private sector in 2001, however, the Japanese government began to cooperate with the ADB and private-sector financial institutions in extending loans to power generation and transmission projects in Vietnam.

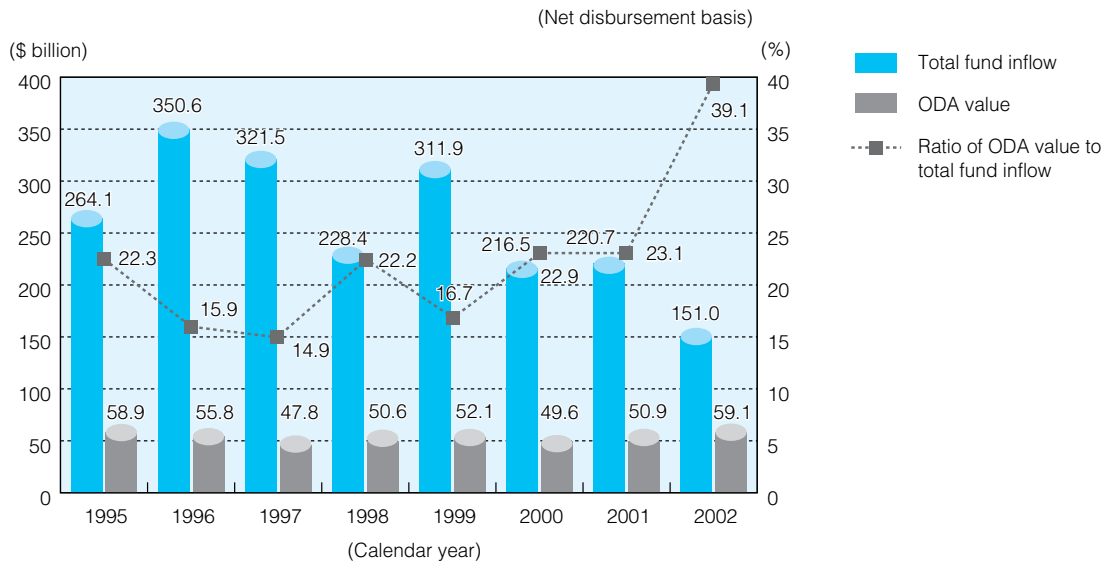
Private enterprises' business operations in developing countries may be affected by regulations on foreign exchange deals and external remittances and by risks involving legal system changes and war. Therefore, private enterprises have

difficulties in receiving financing from private-sector financial institutions for business operations in developing countries. This has discouraged private enterprises from promoting projects in developing countries. Official organizations like the JBIC and ADB are cooperating with private-sector financial institutions in overcoming these difficulties. They have provided huge syndicate loans for projects in developing countries to encourage private enterprises to conduct business operations in these countries.

OOF flowing to developing countries can thus be utilized to help private enterprises undertake overseas business operations. They may also be exploited for infrastructure development for economic growth in recipient countries. Particularly, the BOT (build, operate and transfer) scheme¹² allows private enterprises to build and operate projects in developing countries and finally transfer them to host countries. BOT projects may thus contribute to infrastructure development for economic growth in developing countries while encouraging private-sector funds to flow into these countries.

It is very important to secure diversified fund-raising means meeting various development needs in order to help developing countries promote market-oriented economic reforms. In this sense, Japan's official financing including

Chart II-20 Flow of Funds from DAC Member Countries and International Organizations to Developing Countries



Source: The DAC Journal Development Cooperation 2003 Report

12. Under the BOT scheme, private enterprises will build and operate projects in developing countries and transfer them to the host countries after project periods end.

ODA, OOF and trade insurance will have to be maintained along with complementary links between such financing and programs of international development institutions. In this regard, the Japanese government launched the Overseas Infrastructure Business Promotion Study Group in 2002. Based on proposals by the panel, the government in fiscal year 2003 considered utilizing private-sector funds and combining them with official funds for financing power sector projects in China, the Philippines and Vietnam. Feasibility studies were also conducted on 12 promising projects for the combination of ODA and other official funds.

Moves are also underway to enhance ODA projects' partnerships with the private sector. For example, JICA has used private-sector resources, proposals and know-how for technical cooperation projects in developing countries. They are called "PROTECO (Proposal of Technical Cooperation)." In fiscal year 2003, JICA implemented seven PROTECO projects, including the "Project for Improvement of Lives of Women in Marginalized Communities in Urban Zone of Chiapas State" for education system improvements with local residents' participation to increase Mexico's overall school attendance rate for primary education. They also included the "Project for improvement of health service with a focus on safe motherhood in Kisii and Kericho districts" to exploit a facility built with Japanese ODA for improving healthcare services in Kenya. The JBIC has introduced Pilot Studies for Project Formulation and Pilot Studies for Project Identification since fiscal year 2001 to promote national participation in Yen loan projects and grasp various assistance needs in developing countries in detail. In the Pilot Studies for Project Formulation, proposals by organizations in Japan are used for accumulating useful knowledge and information for Yen loan projects. In the Pilot Studies for Project Identification, such proposals are used for identifying and forming specific projects. In fiscal year 2003, the JBIC conducted six Pilot Studies for Project Formulation and eight Pilot Studies for Project Identification.

(7) Addressing Debt Problem

The debt problem is one of the major problems affecting sustainable growth of developing countries. Developing countries,

which have traditionally introduced foreign loans to finance their development, saw their international balance of payments deteriorating during the oil crises in the 1970s and primary product price falls from the second half of the 1970s. Since then, many developing countries have had debt that they cannot sustain under their respective circumstances.

In response to such situation, Japan has cooperated with other Paris Club¹³ creditor nations in rescheduling debts and has implemented debt relief grant aid to the poorest countries under the 1978 UNCTAD TDB (Trade Development Board) resolution.¹⁴ The Paris Club had used only rescheduling¹⁵ as its debt relief measure. Since the second half of the 1980s, however, the group has introduced debt reduction measures. Only bilateral debts had been subject to rescheduling or reductions through the Paris Club. Debts to international financial institutions had not been subject to such relief measures. However, the Lyon Summit in 1996 produced an agreement on the "HIPC (heavily indebted country) Initiative" for international financial institutions and commercial creditors as well as creditor nation governments to implement measures for reducing HIPC debts to sustainable levels. At the Cologne Summit in 1999, the HIPC Initiative was expanded. The Cologne debt initiative has been retained as the expanded HIPC Initiative. Japan has proactively participated in and contributed to international discussions on such debt reduction measures, and has cooperated with international society in taking debt relief measures for heavily indebted countries (see page 116 of ODA White Paper 2003 for details of measures to address the debt problem).

The statement on "Debt Sustainability for the Poorest" at the Sea Island G8 Summit in 2004 reaffirmed major industrial countries' commitment to full implementation the HIPC Initiative fully and to supporting debt sustainability in the poorest countries. The statement also said the G8 nations would work with other donors and the international financial institutions to extend the sunset date of the HIPC Initiative until December 31, 2006, and to provide the necessary financing for the completion of the initiative, and would consider measures that can further help the poorest countries address the sustainability of their debts.

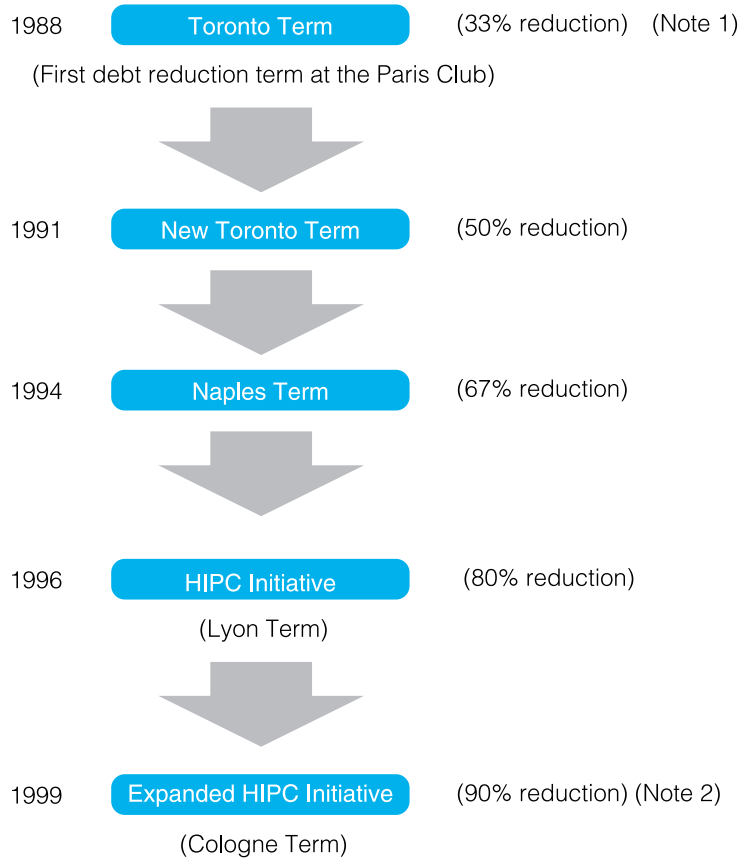
13. The Paris Club is an unofficial group of creditor nations that meets to discuss rescheduling of official debts for specific countries.

This group is called the Paris Club as France as the chair convened such meetings in Paris at the request of debtor nations.

14. As many poor countries have had serious difficulties in repaying debts, the resolution urged industrial countries to implement readjustment of terms and conditions for past Yen loans or similar measures.

15. Debt rescheduling is still positioned as a key debt relief measure. In fiscal year 2003, Japan agreed to reschedule some 208.3 billion yen in debts for Indonesia and approximately 490 billion yen for Pakistan.

Chart II -21 Changes in Debt Relief Measures



Note 1: Each reduction rate indicates a percentage of debts subject to relief.

Note 2: The Group of Seven industrial nations at the Cologne Summit in 1999 offered a voluntary addition measure to cut ODA debts by 100% for HIPCs (heavily indebted poor countries) subject to the expanded HIPC Initiative. In 2000, The G-7 offered a 100% reduction for non-ODA debts subject to the initiative.

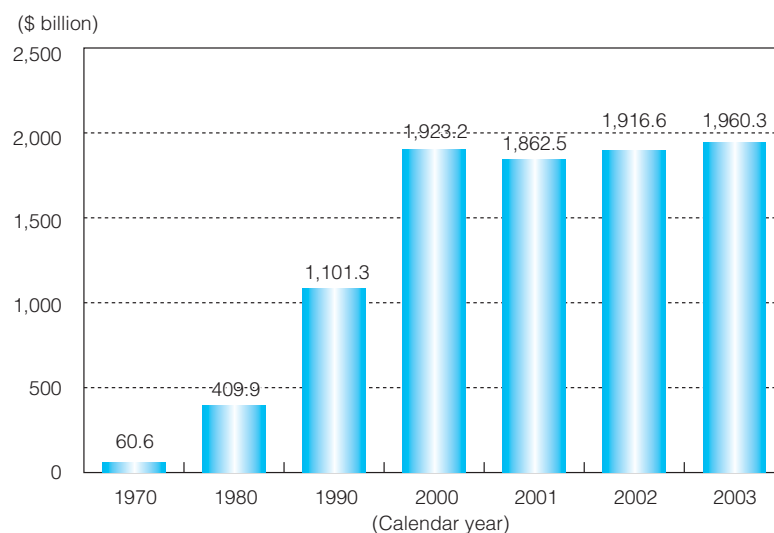
Regarding the poorest countries' debt problem, Japan has provided approximately 5.4 billion dollars or about a quarter of total G-7 contributions (23.5 billion dollars) to 27 countries subject to the expanded HIPC Initiative. This represents the largest national share of the initiative. Japan believes that it is essential to promptly and steadily implement the initiative in the future.

Japan had implemented debt relief grant aid to help relieve poor Yen loan recipients of debt burdens. Since fiscal year 2003, however, Japan has implemented Yen loan waivers for poor countries subject to the debt relief grant aid in order to solve the debt problem faster, reduce the burden of debtor nations and secure transparency and efficiency of ODA. In fiscal year 2003, Japan waived a total of approximately 91.3 billion yen in Yen loans to seven countries (including approximately 53.4 billion yen for Bolivia, 3.8 billion yen for Benin,

approximately 8 billion yen for Mauritania, approximately 12.1 billion yen for Tanzania, approximately 7.8 billion yen for Mali and approximately 6.2 billion yen for Uganda) under the expanded HIPC Initiative. As a debt reduction measure under the TDB resolution, Japan also waived approximately 158.1 billion yen in Yen loans to Bangladesh. (Yen loan waivers in fiscal year 2003 thus totaled approximately 249.4 billion yen). Japan will cooperate with international society in monitoring future developments under the PRSP scheme so that loan waivers would contribute to debtor countries' social and economic development including poverty reduction.

Low- and medium-income countries other than HIPCs (hereinafter referred to as non-HIPC countries) include some heavily indebted nations. The debt problem should be addressed appropriately to prevent debt burdens from affecting the medium and long term stable development of these

Chart II-22 Trends in the Amount of Debt of Developing Countries



Source: World Bank, Global Development Finance 2004
 Note: Figures are totals of long-term debts of all developing countries.

countries.

After the G8 countries considered the debt problem facing non-HIPC countries, the G8 finance ministers announced a new Paris Club approach to debt restructuring as an annex to their statement at their meeting in Deauville in May 2003. Later, the Paris Club agreed to specifics of the new approach (Evian Approach*¹).

Under the Evian Approach, the Paris Club focuses on debt sustainability of all non-HIPC debtor nations more than in the past and considers measures meeting their respective conditions. Comprehensive debt relief measures will be taken for any non-HIPC country that has a great debt burden and debt service problems from the viewpoint of debt sustainability, if it meets certain conditions. The Evian Approach was applied to Kenya in January 2004, to the Dominican Republic in March 2004 and to Gabon in June 2004.

Japan has supported the approach to debt relief paying greater attention to debt sustainability of non-HIPC countries, participated proactively in discussions on relevant international frameworks and cooperated in debt relief measures for these countries.

Debtor countries themselves must resolve the debt prob-

lem by controlling their debts proactively and making reform efforts. On the other hand, however, excessive debts should be prevented from affecting the development of developing countries. Under the basic belief that debtor countries should proactively strive to achieve medium- and long-term growth and recover their debt service capacity, Japan will address the debt problem within international frameworks in a bid to allow these countries to attain such growth.

3. Addressing Global Issues

Issues that cross national borders are becoming more serious. These issues include global environmental issues such as global warming and ozone depletion caused by sophistication and expansion of human economic activities in the second half of the 20th century, population growth in developing countries, transnational organized crime such as smuggling of weapons and drugs resulting from the advance of globalization, terrorism, and infectious diseases such as HIV/AIDS. Under these circumstances, the international community has become aware of the importance of strengthening measures to deal with global issues that individual countries cannot handle alone. In the ODA Charter, it is stated that further efforts must

*I: Evian Approach

The Evian Approach was agreed on between the G8 countries and its specifics were decided on at the Paris Club. Covering all non-HIPC countries, the approach focuses on the sustainability of debtor nations more than in the past and calls for measures to be implemented in accordance with respective conditions of debtor countries.

be made immediately and in a coordinated manner by the international community to deal with these global issues and that "Japan will address these issues through ODA." Below is an explanation of measures taken by Japan through ODA to address global issues.

(1) Environmental Protection

Global warming and other environmental problems have been discussed in the international community since the 1970s. The significance of these problems has been reaffirmed through discussions during the ten-year period from the 1992 U.N. Conference on Environment and Development (the Earth Summit), to the 2002 World Summit on Sustainable Development (WSSD). Japan has positioned the environmental problems as issues faced by the entire human race and has been focusing on these issues. Japan formulated the "Environmental Conservation Initiative for Sustainable Development (EcoISD)," tailored to the 2002 WSSD, and has provided support for measures to combat environmental pollution resulting from economic development, to tackle poverty, which is the root cause of environmental problems, and measures to respond to global environmental issues. For the Global Environment Facility (GEF) as an international financing mechanism to deal with global environmental problems, Japan has been the second largest donor, supporting projects to cope with biodiversity losses, climate changes and other environmental problems.

In the environmental area in fiscal year 2003, Japan provided approximately 19,620 million yen in grant aid, approximately 340,570 million yen in Yen loans and approximately 11,160 million yen in contributions to international organizations. As cooperation utilizing Grant Aid for the Global Environment, which was established in fiscal year 2001, in fiscal year 2003, Japan carried out six projects and disbursements for these projects amounted to approximately

4.5 billion yen (E/N basis). These projects included Senegal's "Project for reforestation of the coastal zone" and China's "Project for improvement of Solid Waste Management in Xian City."

(a) Efforts to Address Global Warming

Japan is transferring and disseminating technologies to address global warming to developing countries and enhancing their capacity to address this issue from scientific, social and institutional aspects. ODA in this field is implemented based on the "Kyoto Initiative."^{*1}

Subsequently the detailed rules on the implementation of the Kyoto Protocol were stipulated at the Seventh Session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP7) held in November 2001 and the Ninth Session (COP9) held in December 2003. The Clean Development Mechanism (CDM)^{*2} contributes to reducing greenhouse gases and promotes sustainable development in developing countries. It is an important mechanism for the achievement of Japan's reduction target for emissions. In fiscal year 2003, Japan positively participated in discussions at the OECD-DAC on ODA eligibility issues for expenditures under the CDM. DAC members' views were divided over this point. Finally, the DAC High Level Meeting in April 2004 produced a basic agreement that the value of any carbon credits received in connection with an ODA-financed CDM project should lead to a deduction of the equivalent value from ODA. The DAC members will continue discussing how to treat such funds as ODA. Japan intends to comply with international rules and implement CDM projects utilizing ODA, on the premise of the agreement of recipient countries.

(b) Pollution Control

Support for measures to control pollution and improve the

*1: The Kyoto Initiative

The Kyoto Initiative was announced by Japan in 1997 as a policy to further strengthen assistance for the efforts of developing countries to address global warming mainly through ODA. Specifically, its content includes (1) cooperation in capacity development; (2) Yen loans with concessional terms; and (3) effective use and transfer of Japanese technology and know-how.

*2: The Clean Development Mechanism (CDM)

The CDM is one of the Kyoto Mechanisms stipulated in the Kyoto Protocol. It is a system under which projects leading to emission reduction or absorption of greenhouse gas in a developing country (the host country) are carried out with the financial and technical assistance, etc. of a developed country (the investing country) and if there is an additional emission reduction or absorption compared to the case in which the project was not implemented, credits can be issued through a specified procedure and used toward the achievement of the reduction target of the developed country.

1. Efforts to Address Global Warming

- Laos: Project for Rehabilitation of the Nam Ngum I Hydropower Station (grant)
- Vietnam: Project for Afforestation on the Coastal Sandy Area in Southern Central Viet Nam (grant)
- Egypt: Zafarana Wind Power Plant Project (loan)
- China: Jiangxi and Hubei Afforestation Projects (loan)
- Indonesia: Forest Fire Prevention Management Project Phase II (technical)
- Energy-Saving Centers (Turkey and Iran) (technical)
- Capacity Building for Policy Maker Regarding Global Warming (training)
- Strategies on Climate Change and Development of National Inventories (training)
- Brazil: Study on feasibility of the improvement in the Transportation System in the Metropolitan Area of Belem (development study)
- Vietnam: Capacity Building for Preparing Feasibility Studies and Implementation Plans for Afforestation Projects (development study)

2. Environmental Pollution Countermeasures

- China: Project for improvement of Solid Waste Management in Xian City (grant)
- The Philippines: Project for Improvement of Water Quality in Local Areas (grant)
- Nicaragua: Project to provide garbage collection trucks to nine cities (grassroots)
- China: Inner-Mongolia Huhhot Water Environmental Improvement Project (loan)
- Brazil: Sanitation Improvement Project for Baixada Santista Metropolitan Region (loan)
- Environment Center (Indonesia, China, Chile, Egypt) (technical)
- Argentina: Project on Establishment of Control Capacity for Industrial Wastewater and Waste (technical)
- Air Pollution Source Monitoring Management (training)
- Bangladesh: Study on Solid Waste Management in Dacca City (development study)
- Cuba: Integrated Management of Urban Solid Wastes in Havana City (development study)
- Bosnia and Herzegovina: Pilot project for Economic and Social Development Support in Canton Sarajevo through Recycling Activities (Japanese NGO)

3. Addressing Water Problems

- Bolivia: El Proyecto de Desarrollo de Aguas Subterranas en las Areas Rurales (Fase III) (grant)
- Uganda: Project for Rural Water Supply, Phase II (grant)
- India: Bisalpur Jaipur Water Supply Project (loan)
- Turkey: Ankara Water Supply Project (loan)
- Syria: Water Resources Information Center (technical)
- Morocco: Rural Water Supply Project (technical)
- Indonesia: Comprehensive Study on Water Resources Development and Management for Bali Province (development study)
- Cambodia: Living Condition Improvement (well construction) (NGO)
- Myanmar: Village Life Improvement through Water Well Construction in the Central Dry Zone of Myanmar (Japanese NGO)
- Afghanistan: Construction of water supply systems in Sarepul Province (Japanese NGO)

4. Natural Environment Conservation

- Senegal: Project for reforestation of the coastal zone (grant)
- India: Integrated Natural Resource Management and Poverty Reduction Project in Haryana (loan)
- Malaysia: Technical Cooperation Programme of Bornean Biodiversity and Ecosystem Conservation (BBEC) in Sabah (technical)
- Palau: Palau International Coral Reef Center Strengthening Project (technical)
- Management of Ecotourism and Sustainable Use of Natural Parks (training)
- Myanmar: Study on Integrated Mangrove Management through Community Participation in the Ayeyawady Delta (development study)
- Bosnia and Herzegovina: Study on Sustainable Development through Eco-Tourism (development study)
- Myanmar and Vietnam: Environmental Conservation Projects (afforestation) (NGO)
- Fiji: Promoting No Rubbish and Greening Activity at Nandoroga/Navosa Province (Japanese NGO)

*Grant: Grant Aid for General Projects
 Grassroots: Grant Assistance-Grassroots/Human Security Projects
 Loan: Yen Loan
 Technical: Technical cooperation project
 Training: JICA training course
 Study: Development study
 NGO: NGO Projects Subsidies
 Japanese NGO: Grant Assistance for Japanese NGO Projects

living environment (air pollution, water contamination, waste management, etc.) in urban areas, mainly in the Asian countries that are continuing to achieve rapid economic growth, is becoming a higher priority. Japan has accumulated many experiences and technologies in the process of addressing domestic pollution issues and it is utilizing these experiences and technologies to provide cooperation to address pollution issues in developing countries.

Specific efforts in this field include the promotion of cooperation between countries through the "Acid Deposition Monitoring Network in East Asia," through formation of a common understanding and information exchange regarding the acid rain issue in East Asia, the building of capacity to respond to environmental pollution in developing countries through technical cooperation for the "Environmental Center" which is the core of the environmental administration in six countries including China, Mexico, etc., and other such measures. And Japan is providing support for the building of a pollution control management system through the "Green Aid Plan (GAP)" inaugurated in 1992 and now targeted to seven Asian countries, support for creating manuals for environmental protection, support for research and development tailored to the unique technical and development issues of developing countries, and so on. Looking at a specific example, Japan made model cases of environmental improvement by providing practical advice, including on-site guidance in factories, and held dialogues with the government of the recipient country concerning plans for improvement, including the dissemination of the results of the model cases. Furthermore, Japan has formulated and provided response manuals through the project to support measures to address fixed sources of air pollution in developing countries.

(c) Fresh Water Issues

In relation to environmental protection, Japan is implementing support for water supply and sewage systems that take into account the characteristics of urban and rural areas, and water resource management and water quality control (see

Part II, Chapter 2, Section 3, 1-(3)).

(d) Conservation of Natural Environment

Japan is providing support to developing countries for nature reserves management, forest-related issues, prevention of desertification, and natural resources management, while taking into account the poverty reduction of the residents in developing countries. Under the "National Strategy on Biological Diversity of Japan" which was approved by Japan's Council of Ministries for Global Environment Conservation in March 2002, it is stated that because Japan and the wider world, particularly the Asian region, have a deep relationship both in terms of the natural environment and socio-economics, it is necessary for Japan to actively contribute to the conservation of biodiversity in the Asian region, etc.

Specific efforts in this field include cooperation in research and education, the management of parks and habitats, and the promotion of environmental conservation under the Technical Cooperation Programme of Bornean Biodiversity and Ecosystem Conservation (BBEC) in Sabah in Malaysia and in enlightenment and education about research on and conservation of the coral reef ecosystem under the Palau International Coral Reef Center Strengthening Project in Palau, and the holding of meetings for the promotion of the "Asia Forest Partnership"^{*1} which was established to promote sustainable forest management in Asia.

(2) Infectious Diseases

Infectious diseases are not only a threat to lives of individuals in developing countries but also a serious obstacle to the economic and social development of those countries. As the progress in globalization allows people to easily cross borders, infectious diseases could spread to industrial countries. These diseases have thus become a global issue that the international community is required to address through cooperation. Realizing such situation, Japan raised the significance of tackling infectious diseases and announced the Infectious Diseases Initiative (IDI) at the G8 Kyushu-Okinawa Summit in July

*1: Asia Forest Partnership (AFP)

The AFP is a partnership established to promote sustainable forest management in Asia. The Asian countries (mainly the ASEAN countries), donor countries including the G8, etc., international organizations and NGOs, etc. cooperate through activities to control illegal logging, forest fires, rehabilitation of degraded land (reforestation), etc. It was formally inaugurated at the Johannesburg Summit held in South Africa in August and September 2002. The First Meeting for the Promotion of AFP was held in Tokyo in November 2002, the Second Meeting was held in Yogyakarta, Indonesia, in July 2003, and the Third Meeting was held in Chiba Prefecture in November 2003, and the fourth in Tokyo in December 2004.

Column II -4 Supporting Conservation of Biodiversity in Indonesia

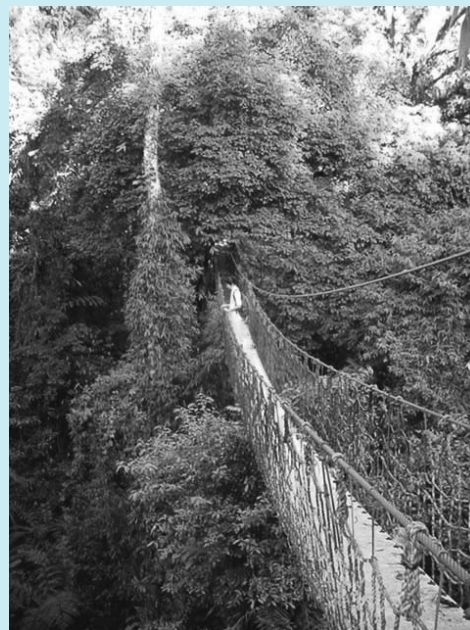
Indonesia has a variety of living species in its tropical rainforests. Regrettably, however, forests are being lost with the number of living species declining in the 44 national parks that account for 6% of Indonesia's national land. Considering the need for international cooperation in the conservation of biodiversity in developing countries, the Japanese government, based on cooperation with the international community and on its "Biodiversity Conservation Project," provided grant aid in 1997 to build the Center for Zoology of the Research Center for Biology in Cibinong south of Jakarta (where a biodiversity conservation center is planned for construction), a natural environment conservation information center in Bogor and a management office and a research station in the Gunung Halimun National Park. Between 1995 and 2003, the government also implemented technical cooperation in developing a park management plan, enhancing monitoring of endangered species and promoting environmental education and ecotourism. These activities have allowed relevant information to be accumulated, developing excellent human resources and a strong network.

Furthermore, the "Gunung Halimun-Salak National Park Management Project" was launched in February 2004 to enhance the protection and management of the national park and use the experiences and knowledge gained there for other national parks to promote the protection and sustainable use of biodiversity in all national parks in Indonesia. Specifically, Japan has provided technical assistance in national park management methods including those to address vague park borders, illegal residents in parks, illegal logging and other common problems for national parks in Indonesia, to share information within park management offices and to enhance training.

At present, three JICA experts are working with Gunung Halimun-Salak National Park management officials to iron out an action program for the project. The Japanese aid workers and their counterparts are thus working hard together and making proposals to each other. Such cooperative efforts to implement a project based on mutual confidence are essential for successful technical cooperation.



A meeting between a JICA expert and Indonesian officials (Photo: JICA)



A scene in the Gunung Halimun-Salak National Park

2000. This current stimulated international interest in infectious diseases, leading to the creation of the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) in January 2002. A G8 action plan adopted at the G8 Evian Summit in 2003 also emphasized the significance of taking measures against infectious diseases by emphasizing the important role of the Global Fund.

In line with the IDI, Japanese government and other agencies, including the Ministry for Foreign Affairs, the Ministry of Health, Labor and Welfare and the Japan International Cooperation Agency, have been cooperating in promoting comprehensive measures against infectious diseases in developing countries through bilateral and multilateral assistance. The IDI offered 3 billion dollars in Japanese aid for measures against infectious diseases over the next five years. As of 2002, Japan had extended 2.4 billion dollars in such aid. In fiscal year 2003, Japan conducted an interim review of the IDI to get proposals for the implementation of assistance in more effective and efficient measures against infectious diseases.

Japan and other donor countries have pledged approximately 5.5 billion dollars in contributions to the GFATM and have already disbursed 3 billion dollars of the pledged contributions. Programmes approved at the GFATM Board are valued at 3 billion dollars. Of the total project value, 56% is set aside for AIDS, 31% for malaria, and 13% for tuberculosis. A breakdown by area indicates that 61% of the project value is designed for Sub-Sahara Africa, 30% for Asia, the Middle East, Eastern Europe and Northern Africa, and 9% for Latin America and the Caribbean region.

Japan has also cooperated with the World Health Organization (WHO), the Food and Agriculture Organization (FAO) and other relevant international organizations in taking various measures against SARS (Severe Acute Respiratory Syndrome) and newly emerging infectious diseases like bird influenza. The following are Japan's specific measures against each infectious disease in fiscal year 2003 (see Part II, Chapter 2, Section 3, 1-(2) for measures against health problems other than infectious diseases).

(a) HIV/AIDS

At the end of fiscal year 2003, an estimated 40 million

people in the world were living with HIV/AIDS.¹⁶ A specific plan to implement 3by5 Initiative,^{*1} as announced by WHO and UNAIDS (Joint United Nations Programme on HIV/AIDS), calls for training 100,000 health workers. Worldwide training is urgently required to train health workers to support HIV/AIDS treatment and prevention. In assisting developing countries in this area, Japan has contributed to HIV/AIDS prevention and VCT (Voluntary Counseling and Testing) activities for young people and groups at high-risk, and the development of HIV/AIDS testing and diagnosis techniques. In fiscal year 2003, Japan assisted Cambodia in constructing HIV/AIDS outpatient wards, Uganda in reconstructing an HIV/AIDS counselor training center, and Thailand and Fiji in promoting enlightenment activities regarding HIV/AIDS. In December, Japan invited ASEAN health administrators, medical doctors and nurses involved in measures against HIV/AIDS to a joint workshop in Tokyo. Through UNAIDS, Japan also promoted research into the global HIV infection situation and the development of vaccines and new therapeutic agents, and prepared guidelines for various HIV/AIDS prevention measures.

(b) Polio

As the WHO Western Pacific Region (WPR)¹⁷ was certified as polio-free in 2000, poliomyelitis has almost been eradicated throughout the world. Japan has positively cooperated with UNICEF (United Nations Children's Fund) and WHO in eradicating poliomyelitis through the dissemination of polio vaccine in the world. Japan has also been a major aid donor (ranked fourth after the United States, Britain and the Rotary Club) for South Asia and Africa where poliomyelitis has yet to be eradicated. For the Western Pacific, the world's second region to eradicate polio, Japan has been the largest aid donor making great contributions as explained earlier (see Part I, Chapter 1, Section 1). At the Evian G8 Summit in 2003, Japan pledged 80 million dollars in aid for global polio eradication over three years until 2005. Japan is the second largest aid donor after the United States in terms of polio eradication aid commitments for years to 2005. In fiscal year 2003, Japan disbursed approximately 3.7 billion yen in assistance to 14

***1: 3by5 Initiative**

The 3by5 Initiative calls for the global target to get three million people living with HIV/AIDS in developing and transitional countries on antiretroviral treatment (ART) by the end of 2005.

16. See WHO and UNAIDS annual reports for 2003.

17. The 37 economies including Japan, Republic of Korea (ROK), China, Vietnam, Cambodia and Laos.

countries for polio vaccination. Specific Japanese aid projects included the "Project for the Eradication of Poliomyelitis" (extension of polio vaccines) in India, Pakistan and Bangladesh, the "Project for the Construction of the Facilities for Measles Vaccine Production" in Vietnam, and the "Project for Infectious Disease Prevention for Children" (extension of polio and measles vaccines) in Afghanistan, Sudan, the Congo, Democratic Republic of (formerly Zaire), Ethiopia and Nigeria. Japan also dispatched experts and JOCV (Japan Overseas Cooperation Volunteers) to these countries in this respect.

(c) Tuberculosis

For the extension of the DOTS (Directly Observed Treatments)¹⁸ in fiscal year 2003, Japan provided China with anti-tuberculosis drugs and testing equipment worth 450 million yen, dispatched 48 experts to eight countries, accepted 39 trainees from developing countries at the Research Institute of Tuberculosis and constructed an anti-tuberculosis center for anti-tuberculosis training, testing and research in Yemen.

(d) Malaria

Based on the African aid initiative announced at the third Tokyo International Conference on African Development (TICAD III) in September 2003, Japan pledged to extend one million bed nets to developing countries under a global anti-malaria measure in fiscal year 2003. In that year, Japan decided to provide Guinea, Eritrea, Namibia, Burkina Faso, Benin, Uganda, Swaziland, Mozambique, Madagascar,

Cameroon, Niger, Djibouti and the Congo with insecticide-impregnated bed nets that remain effective over a long term. This is part of Japan's cooperation with UNICEF in health measures for mothers and children.

(e) Parasitic Diseases

Japan has implemented human resources development and research activities for measures against malaria and other parasitic diseases at international parasite control centers Japan established in Thailand, Kenya and Ghana. Japan has also implemented NGO assistance and JOCV projects to fight against the guinea worm, filarial parasites, soil-transmitted parasites and the like. Japan has made the second greatest contribution after the United States to fighting against the guinea worm. The number of guinea worm-infected people in the world declined 98% from approximately 3.5 million in 1986 to approximately 55,000 in 2002. Japan is working to eradicate the guinea worm in the world. At the "International Parasite Workshop 2004" that Japan cosponsored in Bangkok in March 2004, former Prime Minister Ryutaro Hashimoto participated in reviewing the international anti-parasite initiative (Hashimoto Initiative) over the past five years.

(f) Newly Emerging Infectious Diseases

In combating SARS, Japan sent an emergency aid team of experts to Vietnam in March 2003 and provided Vietnam with SARS treatment guidelines and infection prevention materials and equipment while cooperating and coordinating with the WHO and other relevant organizations as well as Hanoi's

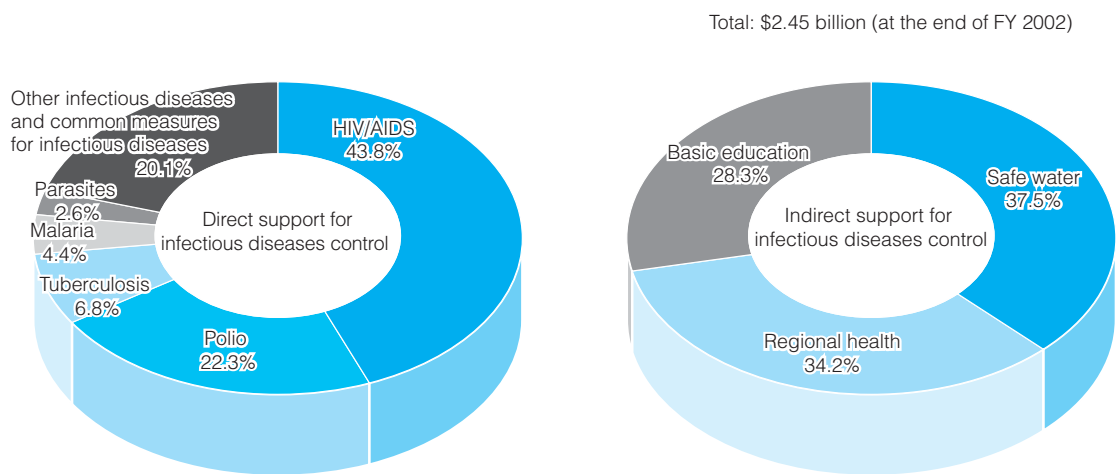


A health worker confirms patients taking drugs ("Tuberculosis Control Project": Cambodia)
(Photo: Japan Anti-Tuberculosis Association)

Bach Mai Hospital subject to Japan's technical cooperation project. In April 2003, Japan provided the Philippines, Mongolia, Thailand, Laos, Cambodia, Myanmar and Indonesia with anti-SARS equipment, testing materials, sample-preserving and transportation materials, and drugs and other medical materials. In May 2003, Japan extended medical materials and 1.5 billion yen in emergency grant aid to China and dispatched an international emergency aid team of experts to that country. At the Evian G8 Summit in June 2003, Japan pledged to work closely with the WHO and provide up to 6 million dollars in anti-SARS assistance through the World Bank and the Asian Development

18. The DOTS uses a short-term chemical treatment where patients are put under direct observation and take anti-tuberculosis drugs.

Chart II-24 Implementation of Okinawa Infectious Diseases Initiative (IDI) (FY 2000-2002)



Bank. Relevant projects were approved later.

In addressing bird flu, Japan provided Vietnam with medicine (100,000 Tamiflu tablets) and diagnosis kits in February 2004. Later, Japan supplied Cambodia and Indonesia with animal diagnosis systems for domestic animals, vaccines and other materials for the prevention of the epidemic, Laos with anti-virus protection equipment and diagnosis laboratory materials, and Thailand with virus diagnosis technology experts. In March 2004, Japan decided to extend emergency grant aid to the four countries through the FAO for purchases of diagnosis materials and infection prevention materials including masks.

(g) Partnership

In combating infectious diseases, Japan has positively formed partnerships with UNICEF, the WHO, UNAIDS and other international organizations, as well as other donor countries including the United States. Funds established with Japan's financial contributions have been used for combating HIV/AIDS and other infectious diseases. They include the "United Nations Human Security Fund," the "Japan Trust Fund for HIV/AIDS" at the IPPF (International Planned Parenthood Federation), an international nongovernmental organization, the "Human Resources Development Fund" at UNESCO and the "Japan Social Development Fund" at the World Bank. As for the GFATM, Japan has provided financial contributions (see Part II, Chapter 2, Section 3, 1-(2)) as

explained earlier and has become a member of the Board, the supreme decision-making body for the GFATM, to exercise its influence as the largest donor country in Asia. In fact, Japan lacks an understanding of the threats of the three largest infectious diseases and the GFATM largely goes unsung. In order to promote people's understanding about the activities of the GFATM and the threats of infectious diseases and promote cooperation with East Asian countries in combating infectious diseases, Japan launched a domestic committee to support the GFATM in June 2004. The first committee of its kind in the world is named "Friends of the Global Fund, Japan," comprising former Prime Minister Yoshiro Mori as chairman and representatives from the field of academia, business, the non-profit sphere, and government (see page 86 of ODA White Paper 2003 for details of the global fund).

Japan has also been promoting infectious diseases control in the ASEAN region where Japanese infectious diseases control experiences can be easily applied. In this respect, Japan has launched the "Japan-ASEAN Information and Human Network for Infectious Diseases Control" to combat HIV/AIDS, tuberculosis, malaria and parasitic diseases.

(3) Population

The world population has doubled over the past 50 years and exceeds 6.3 billion¹⁹ at present. The population problem is a global issue that is related to environment, food security, and energy problems. Particularly, in many developing coun-

19. As of 2003. See the State of the World Population 2003.

tries population growth has caused poverty, unemployment, starvation, delayed education, environmental degradation and other problems. These countries are urgently required to address the problems caused by rapid population growth.

The population problem has two aspects—a quantitative aspect regarding growth or decline in population and a qualitative aspect regarding the improvement of living standards of the poor. Approaches are required from both aspects. In supporting developing countries in this respect, Japan has adopted a comprehensive approach covering family planning and other direct assistance to basic healthcare services, primary education for women and gender mainstreaming. Specifically, Japan contributes to the United Nations Population Fund (UNFPA) and the International Planned Parenthood Federation (IPPF) that have been implementing family planning projects, reproductive health services (see Part II, Chapter 2, Section 3, 1-(2)) and providing technical guidance to population policies in developing countries. In fiscal year 2003, Japan contributed 4.9 billion yen to the UNFPA and 1.9 billion yen to the IPPF. These contributions have been used for national censuses and other population data collection and analysis in developing countries, as well as for maternal health improvement, women's capacity-building and projects for more than 1.2 billion adolescents in the world. Japanese NGOs working for population and reproductive health areas are cooperating with the UNFPA and IPPF in maternal and child health programmes in Afghanistan, advocacy on reproductive health in Myanmar, the enhancement of reproductive health education programs for adolescents in Latin America and the Caribbean

region, and other relevant activities.

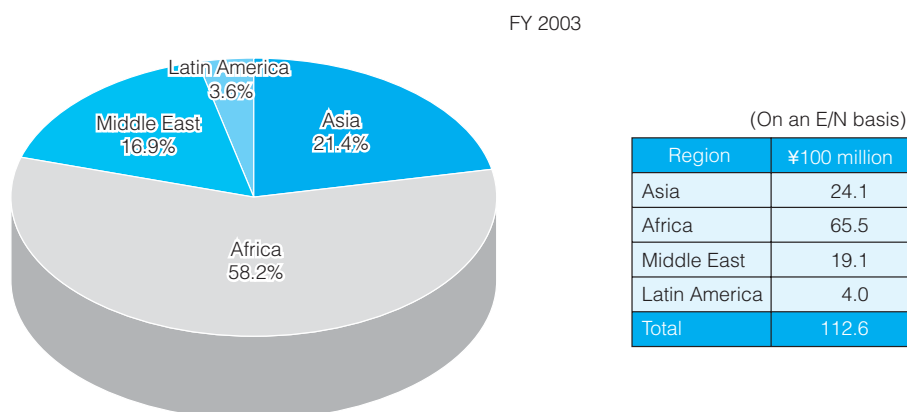
Through the Human Security Fund, Japan has supported the UNFPA's project for "Mobilizing Communities to Reduce Reproductive Health Morbidity & Mortality in Eritrea" to improve living standards for residents affected by conflicts and drought. Japan has also provided Bangladesh with grant aid for the "Project for Support to Strengthening of Emergency Obsteric Care Service" as worked out by the Bangladesh government to reduce maternal mortality.

As 2004 sees the 10th anniversary of the International Conference on Population and Development held in Cairo, Japan is striving to enhance the international community's measures to cope with the population problem through the United Nations Commission on Population and Development and the UNFPA Executive Board in which Japan has participated. Japan is willing to continue proactive participation in debate on the population problem.

(4) Food

Approximately 800 million people in the world are reportedly suffering from starvation, including some 300 million children. Every five minutes, one child dies of starvation-related causes. The World Food Summit (Rome Declaration) and the Millennium Development Goals (MDGs) call for halving the ratio of starving people by 2015. The need for food aid has been growing due to civil war, natural disasters, terrorism, the HIV/AIDS epidemic and the like. The World Food Programme (WFP) for food aid provided some 100 million people with food worth 3.3 billion dollars in 2003. Its aid

Chart II -25 Distribution of Food Aid by Region



Note: As the figures in the table are rounded off, they do not necessarily add up to the totals.



Provision of food assistance (Swaziland)

scale doubled from the previous year.

Considering the international community's efforts to tackle the food problem, Japan, as explained earlier, has provided food aid to developing countries faced with food shortages in short-term efforts. Japan has also made medium- and long-term efforts to improve food productivity of developing countries (see Part II, Chapter 2, Section 3, 1-(4)). In fiscal year 2003, Japan disbursed a total of 11,264 million yen in bilateral food aid for 20 countries, mainly in Africa, and multilateral aid for 23 economies through international organizations, including the WFP and the United Nations Relief and Works Agency (UNWRA) for Palestinian refugees. Japan contributed 130 million dollars to the WFP in 2003, ranking fourth after the United States, the EC and Britain.

General food distribution is important for people whose survival is threatened in an emergency. In order to promote independent efforts of beneficiaries, however, project-type food aid is important. Japan has positively supported the WFP's school feeding and "Food-for-Work." In the world, approximately 100 million children fail to go to school. School feeding can promote children to go to school and deepen their understanding of education. By supplying children, especially girls, with take-home rations such programs can also assist their families and promote their families' understanding of education. "Food-for-Work" is designed to lead farmers in developing countries to develop farming infrastructure and receive food for their work. It is aimed at promoting residents' ownership.

(5) Energy

Ensuring the stable energy supplies needed to realize economic development is an important issue for developing countries. And it is forecasted that with the economic development of mainly developing countries, particularly in Asia, the world demand for energy will increase in the future.

The energy issue is a global issue that is related to measures to deal with global environmental issues and achievement of sustainable development.

Japan, in light of the importance of energy from the perspective of sustainable development and taking into account energy and environmental conservation, is providing cooperation for a stable supply of energy in developing countries. For Japan, which is extremely dependent of foreign energy and mineral resources, cooperation in this sector is also important in terms of ensuring a stable supply of resources. Japan is carrying out assistance for projects that are difficult to implement through the private sector or Other Official Flows (OOF) and through assistance that contributes to the promotion of energy conservation or the promotion of the use of renewable energy, etc.

In recent years, cooperation in this sector for projects designed to improve public welfare and reduce poverty such as regional electrification and the development of electricity transmission facilities have been increasing. Because they are relatively large-scale and have substantial economic benefits, they have been mostly implemented through Yen loans. In fiscal year 2003, Yen loans in the energy sector came to approximately 197.4 billion yen (35.4% of all Yen loans) for a total of 12 projects in five countries and grant aid came to approximately 4.6 billion yen (5.6% of general project grant aid).

Among Yen loan projects, Egypt's "Zafarana Wind Power Plant Project" and Indonesia's "Lahendong Geothermal Power Plant Project" are designed to secure stable electricity supply and reduce environmental load through utilization of wind or geothermal energy.

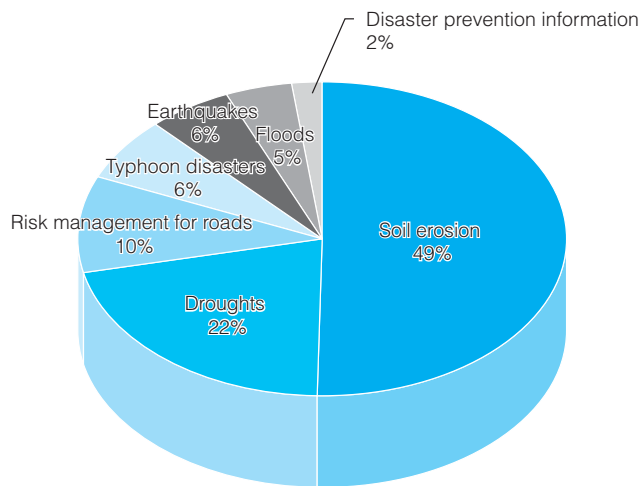
Grant aid covered repair or expansion of power stations in Cambodia, Laos, and Serbia and Montenegro, and electricity grid development and rural electrification in Nepal and Ghana. These projects are aimed at stable electricity supply to invigorate socio-economic activities.

As for technical cooperation, Japan has implemented technology transfers and human resources development for energy-related environmental measures in energy control, energy-saving and renewable energy areas. For example, Japan has implemented the Green Aid Plan (GAP) for seven Asian countries since 1992 to promote energy-related environmental conservation measures in Asia. Specifically, Japan has carried out discussions with their governments and cooperation projects regarding improvements including the transfer and diffusion of technologies and know-how based on Japanese experiences in environmental and energy areas.

In future cooperation with developing countries in the energy area, Japan plans to support not only stable electricity

Chart II -26 Commitment in Disaster-Related Assistance

FY 2003



(On an exchange of note basis)

Disaster category	¥billion
Soil erosion	16.7
Droughts	7.2
Risk management for roads	3.3
Typhoon disasters	2.2
Earthquakes	1.8
Floods	1.5
Disaster prevention information	0.6
Total	33.3

Note: As the figures in the table are rounded off, they do not necessarily add up to the totals.

supply but also the promotion of the Clean Development Mechanism (CDM),²⁰ energy savings and renewable energy sources.

(6) Disaster Prevention and Post-Disaster Restoration

Disasters are various, including floods, droughts, typhoons and earthquakes. Large-scale disasters not only take lives and destroy property but also have a long-term serious impact on economic and social systems. Disasters are global issues emerging in various forms around the world almost every year. In developing countries, disasters affect primarily the vulnerable poor and deteriorate sanitary conditions. They are linked closely to poverty, health and other problems, hampering sustainable development. In order to accurately address disasters and minimize damage to developing countries' economic and social systems vulnerable to disasters, Japan has taken advantage of excellent traditional and advanced technology developed through its own disaster experiences and of knowledge accumulated through its people's high-level disaster-prevention consciousness to provide high-quality assistance to developing countries.

In disaster-related assistance, Japan has emphasized not only post-disaster restoration, including emergency aid in the

immediate aftermath of disasters, but also hard and soft disaster prevention measures, including human resources development. In fiscal year 2003, Japan provided approximately 33.3 billion yen in aid for 53 projects, including 15.1 billion yen in loan aid for two projects (against soil erosion) and 18.2 billion yen in grant aid for 51 projects. A breakdown, as illustrated in Chart II-26, indicates that while loan aid for measures against soil erosion accounts for a high portion of anti-disaster aid in fiscal year 2003, the overall cooperation for disaster management covers measures against various disasters.



An unpaved road blocked by a landslide: Morocco

20. See the environmental conservation terminology (Part II, Chapter 2, Section 3, 3-(1)).

Disaster prevention projects are designed to ease the vulnerability to various natural disasters including typhoons, floods, earthquakes, landslides and volcanic eruptions. Post-disaster restoration projects include the dispatch of emergency aid teams and cooperation with NGOs. Here are some disaster prevention and post-disaster restoration cooperation projects implemented in fiscal year 2003.

Droughts, snow disasters and other meteorological disasters in Mongolia over the recent years have inflicted great damage on its economy including the livestock farming industry. Large-scale snow disasters hit Mongolia in 1999 and 2000, killing more than five million domestic animals. Many rural nomads suffered great damage. In Mongolia, local weather stations were too outdated to provide any accurate weather information. Japan then provided grant aid to upgrade equipments at local weather stations and to improve telecommunications networks. This has allowed local weather stations to collect accurate weather data and to receive weather information for all of Mongolia. They can now make appropriate preparations for incoming meteorological disasters.

The Greater and Lesser Antilles in the eastern Caribbean Sea have been frequently hit by large hurricanes causing floods and other disasters. Because of shortages in human resources, materials and technology for disaster prevention, the local government had been failing to work as a comprehensive disaster management agency. Under a technical cooperation project launched in 2002, Japan has provided the Antilles with assistance in controlling disasters including floods, landslides, volcanic eruptions and earthquakes. Japan has also helped the Antilles make hazard maps specifying areas hit by disasters in the past. In 2003, Japan dispatched

experts to the Antilles in the short term to conduct a Japanese-developed anti-disaster drill simulated on a map for administrative officials in charge of disasters and local volunteers. These assistance activities have allowed disaster management agencies and local residents to discuss actions on their own and improve their disaster prevention capabilities and consciousness.

In addition to such disaster prevention assistance, Japan has developed a system of international emergency assistance to rapidly dispatch rescue, medical team and post-disaster rehabilitation experts in response to large-scale overseas disasters under the "Law Concerning Dispatch of Japan Disaster Relief Teams." In fiscal year 2003, Japan dispatched Japan Disaster Relief teams seven times (199 members of rescue, medical and expert teams (including Self-Defense Forces personnel for transportation)) and provided emergency relief goods in 15 cases. Japan spent a total of approximately 702.7 million yen on these activities. The affected countries have expressed thanks to Japan for these emergency relief activities.

Japan has also cooperated with NGOs in post-disaster restoration assistance. For example, the government cooperated with the Japan Platform, an emergency humanitarian assistance body established by the business community, NGOs and the government when a massive earthquake hit Iran in December 2003. The government then financed rescue operations using search-and-rescue dogs and free supply of blankets, tents, stoves and other bare necessities, while the private sector provided funds for building and operating FM radio stations in disaster-hit areas.

Recent international developments regarding disaster prevention and post-disaster restoration have included



Operations of an advance team dispatched by the Japan Platform in response to an earthquake in Iran.

preparations for the United Nations World Conference on Disaster Reduction scheduled for January 18-22, 2005, in Kobe. The first preparatory meeting for the conference took place in Geneva, Switzerland, in May 2004 to deal with the preparation process, conference management methods and outcomes. The second preparatory meeting is planned for October 2004.

(7) Terrorism

International terrorism is a considerable global issue having a direct impact on the whole of the international community including developing and industrial countries. Some developing countries lack sufficient counterterrorism capabilities, such as international terrorism investigations, immigration control and anti-terrorist financing. In order to deny terrorists means to commit terrorist acts and save lives and overcome the vulnerability to terrorist attacks, Japan has given priority to strengthening counter-terrorism capabilities in these countries. Since frequent terrorist attacks could stall foreign direct investment and other economic activities, it is a key precondition for the development of developing countries to strengthen counter-terrorism measures and prevent international terrorism. The enhancement of counter-terrorism capabilities through ODA will serve developing countries' interests.

Japan has attached an importance to Southeast Asia in extending its counter-terrorism assistance since the prevention of terrorist attacks to secure safety and stability in the region is important for Japan's prosperity. Specifically, Japan received some 220 trainees from Southeast Asian countries in fiscal year 2003 to strengthen these countries' capabilities in the areas of immigration control, aviation security, customs cooperation, export control, law-enforcement cooperation, port and maritime security. In addition to these areas, in September 2003, Japan held a seminar on responses to chemical and biological terrorism and crisis management in Asia and Oceania, in order to provide and share knowledge and experiences regarding prevention of chemical terrorism, crisis management and other responses to attacks, and control on

substances used for chemical terrorism, as well as to promote inter-regional cooperation. The seminar came in response to Prime Minister Junichiro Koizumi's announcement at the APEC (Asia-Pacific Economic Cooperation forum) Summit in October 2002, which was to accept 150 trainees over five years from fiscal year 2003 to improve crisis management capabilities regarding chemical, biological, radiological and nuclear terrorism. In June 2003, Japan provided the Philippines with a governance-promoting grant aid²¹ for the "Project for Establishment of the Automated Fingerprint Identification System" to verify fingerprints left at crime scenes by automatically checking large amounts of existing fingerprint data of criminals and suspects. This aid was expected to contribute to counter-terrorism measures. In the future as well, Japan plans to positively implement counter-terrorism assistance including the provision of counter-terrorism equipment and materials.

(8) Drugs and International Organized Crime

Drug problems and international organized crime are a serious global issue against which the international community must cooperate in enhancing measures. In Asia including the Golden Triangle,²² the problem of synthetic drugs has grown more serious and international drug crime organizations have become more sophisticated in their drug trafficking. Drug problems and international organized crime have an immeasurable impact on Japan. Not only from this viewpoint but also from the perspective of "human security" to protect individuals from threats to their survival, livelihood and dignity and pay attention to individuals for securing human freedom and potential, Japan has placed a great importance on combating drug problems and international organized crime. Industrial and developing countries must give priority to measures against these problems and cooperate with relevant international organization in implementing such measures.

In dealing with drug problems, Japan has positively participated in international conferences including the United Nations Commission on Narcotic Drugs and made annual

21. "Good governance" is a key precondition for efficient economic and social development in developing countries. In fiscal 2001, Japan established a governance-promoting grant aid program as part of an ordinary project grant aid budget. This program is designed to provide developing countries, which are striving to develop democratic governance and the rule of law, with funds for procuring administrative, legislative and judicial facilities and materials that can contribute to the improvement of governance and administrative capabilities and the establishment of democratic political and administrative systems as a precondition for economic and social development. The program can complement other countries' and international organizations' cooperation in peacekeeping and other operations.

22. The Golden Triangle, consisting of Thailand, Myanmar and Laos, is one of the world's largest opium and heroin production bases.

financial contributions to the Fund of the United Nations. In fiscal year 2003, the contributions totaled approximately 3.04 million yen. The contributions were used for such projects as the strengthening of control on illicit drug transactions, training of law enforcement officers in border area for investigation, techniques, training of experts for analyzing confiscated drugs including ATS, and the development of rural communities depending on poppy cultivation in Myanmar.

Bilaterally, Japan has assisted developing countries in preventing drug-related crimes and enhancing their drug control capabilities. Realizing that poverty has existed behind drug problems, Japan has helped farmers in developing countries live without depending on production of drug materials (including poppy), by supporting their production of alternative plants and providing assistance through NGOs. In fiscal year 2003, Japan sent five countries 11 experts in drug identification, drug control and measures for drug addicts. Specifically, experts were dispatched to the Philippines where illicit production and abuses of stimulants have become a serious problem. In July 2002, the Philippines established the Philippine Drug Enforcement Agency (PDEA) under the Presidential Office to enhance drug enforcement. But the Philippines lacks drug identification know-how indispensable for the effective promotion of drug enforcement investigations and information collection. This has become a great constraint on operations of Philippine law enforcement agencies. Therefore, Japan has sent experts to hold seminars for Philippine drug enforcement officers on how to identify, distinguish and control drugs. These experts have also trained Philippine drug enforcement officers for utilization of drug identification, investigation and surveillance machines. In order to tackle drug problems in the Indochinese region, Japan has also implemented the "Regional Cooperation Project on Capacity Building of Drug Analysis for Improvement of Drug Law Enforcement in Thailand, Cambodia, Lao P.D.R., Myanmar and Vietnam, based in Thailand (see page 147 of ODA White Paper 2003 for details about the project).

In modern society that features globalization, progress in high technology machines and expansion of human movements, large-scale organized crimes are committed and implemented across borders. Threats of such international organized crimes have grown serious. These crimes include illegal transactions in drugs and guns, trafficking of stolen goods, business and economic crimes like fraud and embezzlement, currency and credit card forgery, corruption, financial crimes like tax evasion and money laundering, prostitution, illegal immigration, and trafficking in person, especially affecting women and children. In order to combat

these international organized crimes, nations must toughen their respective judicial and law enforcement systems and promote international judicial and law enforcement cooperation in closing legal loopholes. Japan has sponsored seminars for enhancing these measures and positively supported efforts of relevant international organizations.

4. Peace-Building

Since the end of the Cold War, disputes stemming from ethnic, religious, and historical strife have been intensified in many parts of the world. As a result, regional and domestic conflicts have increased in frequency. In such conflicts, most victims are noncombatants such as ordinary citizens and children. Often, a large number of refugees and evacuees from the areas of conflict cause serious problems with regard to humanity and violation of human rights. Furthermore, conflicts instantly ruin the fruits of long-term development efforts in the areas, causing tremendous economic damage. Having noticed the changes in the causes and forms of conflicts, the international community started to realize that the prevention and solution of conflicts require comprehensive measures including nation-building in post-conflict situations as well as political endeavors such as PKOs (Peacekeeping Operations), dispatch of multinational forces, preventive diplomacy, and dispute settlement. In this context, the importance of development assistance in peace-building has increased.

Against this backdrop, Japan announced the "Action from Japan on 'Conflict and Development'" in July 2000, expressing its intention to give comprehensive support through ODA (Official Development Assistance) programs. The support will be given in such a way that damage is reduced at all stages of conflict-related assistance starting from conflict prevention, emergency humanitarian aid, and rehabilitation and reconstruction assistance, to the prevention of the recurrence of conflicts and full-scale development aid. At a policy speech in Sydney in May 2002, Prime Minister Junichiro Koizumi voiced his determination to actively take part in the peace-building through ODA programs and other measures, while expressing Japan's intention to "strengthen cooperation for the consolidation of peace and nation-building in countries suffering from conflict" and noting "this policy has become a new pillar of Japan's international cooperation." Based on this policy, Japan has been giving seamless assistance according to the stages of conflicts. Such assistance includes emergency humanitarian aid during conflicts, promotion of early ending of the conflicts, and assistance for the consolidation of peace and rebuilding of states after the conflicts. These efforts are specified in the new ODA Charter revised in August 2003 as a

part of the important measures for peace building.

To establish peace in countries and regions where disturbances and conflicts have destroyed basic frameworks of nations such as East Timor, Afghanistan, and Africa, ODA plays an important role in providing urgent humanitarian aid, reconstruction support, and nation rebuilding assistance. One of the most important goals of ODA is the consolidation of peace, which means to make the peace process irreversible by spreading peace activities and the resulting effects from the policy level to the grassroots level.

Japan has taken specific measures to establish peace in such countries and regions as Cambodia, Kosovo, East Timor, Afghanistan, Iraq, Palestine, and Africa. Japan will continue its active support for Afghanistan, Iraq, and other countries and regions in order to consolidate peace and carry out nation-building, and will also study and implement measures to promote peace in Sri Lanka, Aceh in Indonesia, and Mindanao in the Philippines through ODA programs.

(1) Iraq

The international community including Japan must, through international cooperation, give Iraq support for the consolidation of peace and the rebuilding of the nation without giving in to terrorism so that postwar Iraq can become a stable power in the Middle East. For the people of Iraq and also for the peace and stability of the Middle East and the international community, it is very important to reconstruct Iraq as a peaceful democratic state with sovereignty and territory. It has direct effects on the interests of Japan, which depends on the Middle East for almost 90% of its oil resources.

At the Donors' Conference for Iraq held in Madrid in October 2003, Japan announced that it would, as "initial assistance," provide grant aid totaling 1.5 billion dollars mostly for reconstruction of lifelines for the Iraqi people such as electricity supply, education, water supply, hygiene, health and employment as well as for the restoration of public safety. In addition, for the medium-term rebuilding efforts scheduled for a period until 2007, Japan will offer assistance of up to 3.5 billion dollars basically in the form of Yen loans for the development of infrastructure for telecommunication and transportation. Regarding the above-mentioned grant aid of 1.5 billion dollars, Japan was quick to commence humanitarian and reconstruction assistance and already provided or decided to provide approximately 1.15 billion dollars during the period from March 2003 until the end of July 2004.

Japan considers that humanitarian assistance and ODA should go hand in hand like "two wheels at both ends of an axle" and is thus providing Iraq with both types of assistance

under the Law Concerning the Special Measures on Humanitarian and Reconstruction Assistance in Iraq such as the dispatch of Self-Defense Forces to Iraq in consideration of the local security situation. Concrete positive results of Japan's efforts have been observed mainly in Samawah in Al-Muthanna. Despite the very severe conditions in Iraq, the unit of Ground Self-Defense Force dispatched to Iraq has been demonstrating its capabilities to the fullest in such activities as the restoration and maintenance of water supply systems, medical institutions, and other public facilities. Those activities have greatly contributed to the security and stability of lives of local residents. Regarding reconstruction assistance through ODA programs, support has been given for various projects including the restoration and maintenance of electric power facilities, water supply systems, hygiene, medical institutions, and other public facilities. According to a calculation of the effects of the assistance, these projects created employment for approximately 1,700 people per day and for more than 90,000 people in total.

(a) Direct Assistance to Iraq

Placing a high priority on improving public security, Iraq reconstructed its police organization through training and placement of police officers. The police, however, had a shortage of vehicles and other basic equipment and materials. In order to solve this shortage, Japan provided 1,150 police cars to Iraq's Interior Ministry, which plans to distribute them throughout Iraq.

Since the beginning of 2004, Japan has decided to implement projects including the "Provision of Fire-trucks to Al-Muthanna," in which 70 fire-trucks were provided to Baghdad, Al Basra and Al-Muthanna, where Samawah is located (approximately 20 million dollars); the "Rehabilitation of and provision of equipment to general hospitals in the South," in which medical equipment was rehabilitated at and provided to four general hospitals in Nasiriyah, Najaf,



Plan for the provision of police vehicles to Iraq

Diwaniyah, and Samawah (approximately 51 million dollars); the "Provision of mobile substations throughout Iraq," in which 27 mobile substations were provided throughout Iraq (approximately 72 million dollars); and the "Improvement of Water Supply," in which 30 compact units, which are prefab water purification facilities, were provided (approximately 55 million dollars).

Moreover, through Grant Assistance for Cultural Grassroots Projects, Japan provided Judo equipment to the Iraqi Judo Federation, sporting equipment to the Iraq Olympic Committee, and football equipment to the Department of Youth and Sports in Al-Muthanna. Furthermore, Japan subsidized the traveling expenses of the Iraqi national football team through Japan Foundation. The football team came to Japan for the international friendly football match between the Japanese and Iraqi national football teams.

(b) Assistance Provided Through International Organizations and NGOs

Japan has been providing Iraq with humanitarian and reconstruction assistance through international organizations and NGOs. The major assistance projects in fiscal year 2003 are as follows:

In response to the United Nations' Flash Appeal for the Humanitarian Requirements of the Iraq Crisis issued in April 2003, Japan decided and provided emergency humanitarian aid worth approximately 29.5 million dollars.

The support provided through UNDP includes the provision of emergency grant assistance of 2.5 million dollars in April 2003 to dredge mud from the Umm Qasr Port. The port is the gateway through which humanitarian aid materials are transported into Iraq. Japan also provided assistance totaling approximately 6 million dollars in May 2003 for the "Iraqi Reconstruction and Employment Programme," in which local residents were employed to carry out such projects in Baghdad as removal of rubble, collection of garbage, and repair of buildings and water supply/sewerage systems. This project was designed to create employment and rebuild basic infrastructure. Having been pleased to see this project provide new jobs to approximately 172,000 people in total over a period until the beginning of April in Baghdad, Japan decided to implement the same project in March 2004 in the northern part of Iraq and four southern provinces including Al-Muthanna, in which Samawah is located.

Primary schools and junior high schools in Baghdad and Basra lost some school equipment due to looting and suffered damage to their facilities. To support these schools, Japan provided UNICEF with assistance of approximately 10.28



Assistance through IREP (Iraq Reconstruction and Employment Programme)

million dollars in May 2003 for the "Reactivation of Primary Education in Iraq" project. This project aims to repair school facilities, provide learning equipment, and train teachers, benefiting approximately one million students. In January 2004, Japan also provided assistance of approximately 8.8 million dollars to the UN-HABITAT (United Nations Human Settlements Programme) in order to rebuild primary schools and junior high schools and reconstruct houses and public facilities for the socially disadvantaged. In order to conduct a survey on the needs for secondary and higher education and also to assist the Ministry of Education of Iraq to train staff members, Japan allocated 1 million dollars from the Trust Fund for the Capacity-building of Human Resources of UNESCO. Regarding cultural projects, Japan provided assistance of approximately 1 million dollars for the reconstruction of the conservation laboratory of the National Museum of Iraq, which possesses valuable ancient cultural assets.

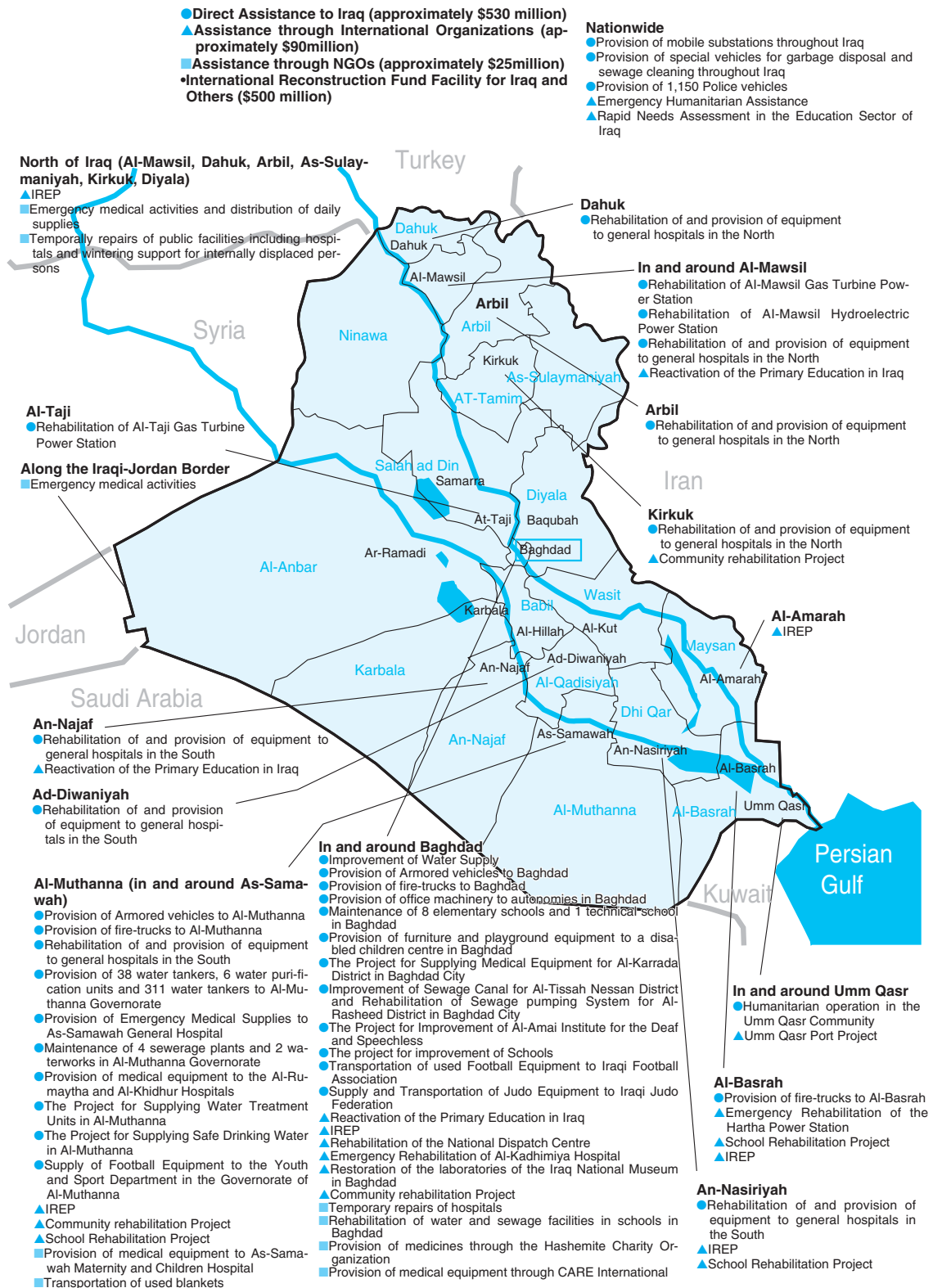
Furthermore, Japan provided assistance totaling approximately 24 million dollars via NGOs operating under Japan Platform for such relief activities conducted in Baghdad and the northern part of Iraq as emergency repair of educational and medical facilities and distribution of everyday commodities. In addition, Japan provided infant incubators and other medical equipment to the Samawah Maternity and Children's Hospital via Japanese NGOs. This assistance was provided in close collaboration with Self-Defense Forces, which transported the medical equipment and gave local people instructions on how to use the equipment. This is expected to improve the terrible medical situation in Samawah, where the neonatal mortality rate is above 10%.

(c) Promotion of International Cooperation

In order to promote international cooperation through assistance to Iraq, Japan provided 500 million dollars in total as a fund for reconstruction of Iraq in addition to direct

Chart II -27 Japan's Assistance to Iraq

(Projects implemented or for which implementation has been decided as of July 2004)



assistance to ministries of Iraq and direct financial aid to international organizations. According to a breakdown of the fund of 500 million dollars, 490 million dollars was provided to the International Reconstruction Fund Facility for Iraq²³ (of which 360 million dollars was managed by the United Nations and 130 million dollars was managed by the World Bank), while the remaining 10 million dollars was provided to the small-scale enterprises financial facility of IFC (International Finance Corporation). The matters regarding the management and operation of the International Reconstruction Fund Facility for Iraq are discussed at meetings held by the Donor Committee consisting of major donors of the Fund. The Committee held a meeting in Abu Dhabi in February in 2004, in which Japan was elected as the chair. At the end of May, Japan presided over a meeting in Doha, in which 43 countries and organizations attended including such new participants as Germany, France, Russia, Iran, and Turkey as a result of Japan's efforts to invite those countries. The next Donor Committee meeting is scheduled to be held in the autumn of 2004 in Tokyo.

Japan also provided assistance to Iraq in cooperation with Arab countries. For example, Japan provided a Jordan-based NGO called the Hashemite Charity Organization with assistance totaling approximately 150,000 dollars, which was used by the Organization to supply medicines and other medical products to the Al Kadhmiyah Education Hospital²⁴ in Baghdad, greatly benefiting the Iraqi people.

Moreover, Japan cooperated with Egypt in supporting the reconstruction of the medical systems in Iraq. In this collaborative effort, Japan placed special emphasis on human resources development in pediatrics and other medical fields in high demand. Approximately 100 Iraqi medical personnel were trained at Cairo University and other medical institutions in Egypt. Japan plans to further strengthen its effort through such project as the training of Iraqi medical personnel in Japanese medical institutions.

In December 2003, former Prime Minister Ryutaro Hashimoto visited France and Germany as an envoy of Prime Minister Junichiro Koizumi. Mr. Hashimoto met the heads of the two countries and emphasized the importance of international cooperation in the reconstruction of Iraq. They agreed to commence a study on cooperation among France,

Germany, and Japan in rebuilding Iraq. Japan plans to announce its agreement with France in the fields of culture, sports, and medicine, while planning to cooperate with Germany in supporting the police in Iraq.

(d) Future Assistance

For the reconstruction of Iraq, it is important to give the Iraqi people a concrete vision of the future so that they can have a positive outlook for the future. In order for this to happen, the international community has to act in a coordinated man-



Plan for the provision of medical equipment to Samawah Maternity and Children's Hospital

ner in its efforts to support the reconstruction of Iraq.

On June 1, 2004, the U.N. Secretary-General's Special Adviser Lakhdar Brahimi announced the elected personnel of the Iraqi Interim Government, as an official announcement of the establishment of the Iraqi Interim Government. On June 28, the Japanese government recognized the Iraqi Interim Government, to which the authority to rule Iraq was transferred. The Japanese government made this decision based on the understanding that the Iraqi Interim Government is authorized to take over all the responsibility and authority to rule Iraq under the UN Security Council resolution 1546. On July 12, the U.N. Secretary-General appointed the ambassador of Pakistan to the United States, Ashraf Jehangir Qazi, as the Special Representative for Iraq of the U.N. Secretary-General. Japan announced its intention to continue to give as much assistance and cooperation as possible to help UNAMI (United Nations Assistance Mission for Iraq) carry out its activities.

Furthermore, Japan is also making preparations for

23. The establishment of the International Reconstruction Fund Facility for Iraq was decided at the Madrid Meeting in October 2003.

The Fund is managed and operated by the World Bank and the United Nations, which conducted Iraq Needs Assessment. The Fund is expected to play a major role in the reconstruction of Iraq.

24. The hospital is one of the hospitals in Iraq that were built by Japanese companies in the first half of the 1980s and furnished with medical equipment purchased with the money provided in the form of Yen loans.

medium-term assistance of up to 3.5 billion dollars (basically in the form of Yen loans) in close cooperation with other donors. In order to perform its duties as a member of the international community, Japan is determined to provide assistance for the reconstruction of Iraq by sending the Self Defense Forces and other staff under the Law Concerning the Special Measures on Humanitarian and Reconstruction Assistance in Iraq and by giving economic assistance through ODA programs. Japan considers that both personnel assistance and economic assistance should go hand in hand like "two wheels at both ends of an axle" and intends to continually assist Iraqi people to rebuild their country.

On November 29, 2003, a tragic event occurred in Iraq where Katuhiko Oku, a counselor (promoted to an ambassador on November 29), and Masamori Inoue, a third secretary at the Japanese Embassy in Iraq (promoted to first secretary on the same day), and Jerjees Sulaiman Zura, a local staff member of the Japanese Embassy in Iraq were killed. Their passion for the reconstruction of Iraq is, however, still alive with the Japanese government. Japan will continue to actively give assistance to Iraq, while doing its best to ensure the security of Japanese personnel engaging in the provision of assistance to Iraq.

(2) Afghanistan

In Afghanistan, a civil war has continued for more than 20 years. This war has destroyed economic and social infrastructure as well as basic systems for ruling the country. The financial base of the country has yet to be built. Understanding that the promotion of peace and reconstruction of Afghanistan contributes to world peace and security and the eradication and prevention of terrorism, Japan held an International Conference on Reconstruction Assistance to Afghanistan in Tokyo on January 2002 and received assistance of more than 4.5 billion dollars from the international community. At the meeting, Japan announced its intention to provide assistance of up to 500 million dollars over the next two and a half years. Afghanistan is still vulnerable to civil war due to instability among racial groups and military cliques. In May 2002, Foreign Minister Yoriko Kawaguchi visited Afghanistan and advocated "Consolidation of Peace," which consists of three components, like the three legs of a tripod: the peace process, domestic security, and humanitarian and reconstruction assistance. Since then, Japan has provided Afghanistan with assistance in all the three areas. In particular, Japan and the United Nations are taking initiative in requesting the international community to provide assistance for the process of DDR (Disarmament, Demobilization, and Reintegration of

former soldiers). In February 2003, Hamid Karzai, President of Afghanistan, was invited to Japan to attend the "Tokyo Conference on 'Consolidation of Peace' in Afghanistan." In October, the DDR process was commenced to promote the reintegration of former soldiers, providing various job training programs to them. In addition, Japan provided assistance mostly to prepare for elections, enhance the media, pay administrative expenses, remove landmines, and rebuild main roads. Ms. Sadako Ogata, the Prime Minister's Special Representative for Assistance to Afghanistan, visited Afghanistan twice and gave a recommendation on the reconstruction of Afghanistan. Based on the recommendation, Japan provided the Regional Comprehensive Development Assistance to Afghanistan, which is regarded as a model for the regional reconstruction assistance that provides seamless support starting from humanitarian aid to reconstruction and development aid.

On May 31 and April 1 in 2004, the International Afghanistan Conference was held in Berlin mainly by the Transitional Administration of Afghanistan, Germany, and Japan. In that Conference, the international community announced its intention to provide Afghanistan with assistance totaling 4.4 billion dollars in fiscal year 2004 and 8.2 billion dollars over a period of three years. Japan announced its intention to provide additional assistance of 400 million dollars over a period of two years. This makes the total amount of assistance to Afghanistan add up to 1 billion dollars, of which approximately 790 million dollars of assistance was decided or implemented by the end of March 2004.

The Japanese government cooperated with NGOs in carrying out many projects for the reconstruction of Afghanistan, for example, financial assistance to international NGOs and local NGOs for such projects as the "Support for the basic health unit in Ahmadabad village," the "Construction of water supply systems in Sarepul Province," the "Project Assisting the Self-Sufficiency of Women at the CAWH Carpet-Weaving Center," and the "Rehabilitation Project for Hokam-e-Shahid School."

For further information on assistance for the reconstruction of Afghanistan, see page 54 of the ODA White Paper 2003.

(3) Mine Clearance and Collecting of Small Arms and Light Weapons (SALW)

Noncombatants including children and citizens are indiscriminately exposed to the danger of landmines, which are buried in countries such as Cambodia and Afghanistan that suffered civil wars over a long period of time. They are also exposed to the danger of SALW including automatic rifles

In Afghanistan, approximately 70% of the population earns less than two dollars per day. In particular, women live under very unfavorable conditions according to several statistics. As women have been denied access to education and employment, approximately 90% of them are illiterate, while only 30% of them go to school. The maternal mortality rate is the second highest in the world. One woman dies every 30 minutes or so due to a problem related to maternity or childbirth. Although laws protect the rights of women and ensure the equality between the sexes, discriminatory treatment of women still persists, causing such problems as forced marriage, child marriage, self-burning to death in order to escape forced marriage, and domestic violence.

Against this backdrop, the Afghanistan government has been making efforts to realize gender equality. For example, it established the Ministry of Women's Affairs in 2001 to devise policies aiming at gender mainstreaming (referring to incorporating gender perspectives in various programs and measures). In addition, the Afghanistan government established a new constitution in January 2004, which guarantees gender equality, the right of women to participate in politics, and women's access to higher education. Furthermore, Afghanistan unconditionally ratified the Convention on the Elimination of All Forms of Discrimination against Women in 2003, which is a comprehensive international agreement to pursue gender equality.

To assist Afghanistan's efforts to pursue gender equality, Japan placed a high priority on the improvement of women's status in Afghanistan in its assistance to the country and provided support in many forms. To the Ministry of Women's Affairs, which was established to promote gender equality, Japan has sent eight experts in total since 2002. The experts helped create the organization structure of the newly established Ministry and devise annual plans. They also assisted the Minister to prepare budgets and policies. Such assistance was given in an effort to improve the systems and the capabilities of the Ministry so that the Ministry can promote gender mainstreaming at a policy level. Japan has also assisted the establishment of regional offices of the Ministry in order to encourage gender mainstreaming in rural areas, where most Afghans live.

Regarding the drafting of the above-mentioned new constitution, Japan sent experts to the committee in charge of drafting the constitution. The experts are giving advice to the committee from the viewpoint of legal protection of women. Japan is also providing assistance through international organizations for the voter registration for an election scheduled to be conducted under the new constitution. In the course of promoting the voter registration, in order to encourage women to come to registration places to register as voters, hindrances to women's voter registration were removed. The promotion of women's voter registration is very important in ensuring women's participation in politics. Since women have long been excluded from politics, it was necessary to explain to them the meaning of "voter registration" and "election" in order to help women deepen their understanding about the participation in politics and thereby expand their participation. As a result of Japan's promotion of women's voter registration, women accounted for approximately 40% of the total Afghans registered as voters. Such a high rate of women's voter registration is unprecedented in Afghanistan.

In the field of healthcare, Japan offered training to midwives in an attempt to lower the maternal mortality rate. In addition, Japan provided Grassroots Human Security Grant Aid for the construction of schools in locations convenient for female students to commute and for the operation of soap factories run by women and the provision of sewing training and literacy education to women in order to support the economic independence of women, whose access to employment is still very limited. In this way, Japan has been supporting Afghanistan's efforts for gender equality at both policy and project levels.



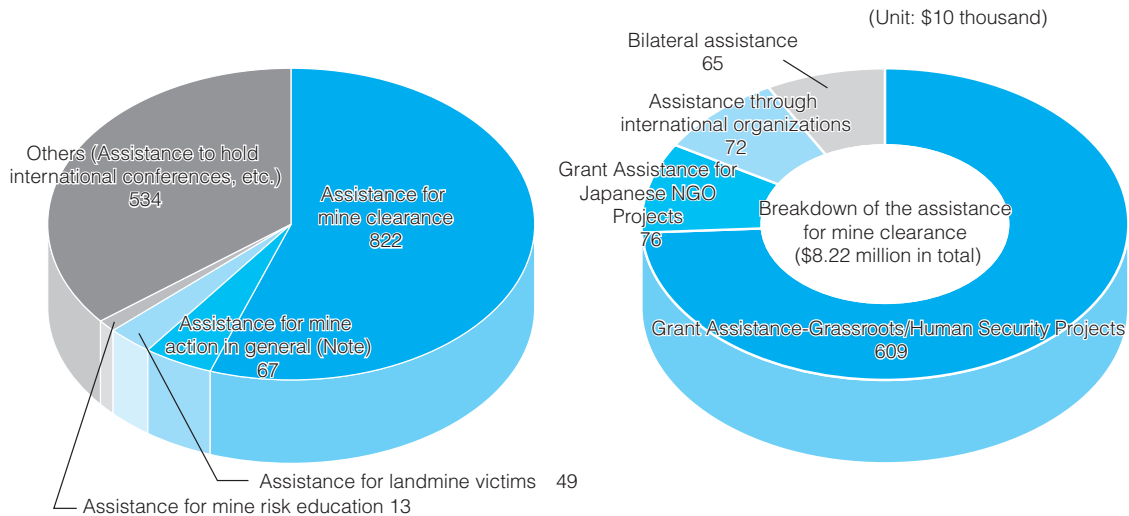
Literacy education to female students at Karinda Village School



Sewing training to women at JEN carpet weaving center

Chart II -28 Breakdown of the Assistance Provided for Mine Action

FY 2003



Note: Assistance for various projects related to mine clearance, victim assistance, and mine risk education

and small missiles, which are said to cause more than 90% of civil war casualties. These weapons pose a very serious humanitarian problem that greatly impedes the reconstruction and development of those countries.

(a) Measures to Clear Landmines

Japan has been actively supporting mine clearance since then Prime Minister Keizo Obuchi announced the "Zero Victims Program" at the signing ceremony of the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-Personnel Mines and On Their Destruction (Ottawa Convention) in Ottawa in December 1997. Then Prime Minister Keizo Obuchi expressed his idea that a comprehensive approach is indispensable, based on the realization of the universal and effective ban on landmines and strengthening of assistance for mine clearance and victim assistance. Japan announced its intention to provide assistance of approximately 10 billion yen over a period of five years from 1998 to support mine clearance and victim assistance under the above-mentioned Program. Japan achieved the promised amount in October 2002. In fiscal year 2003, Japan continued to provide bilateral support through financial assistance to international organizations, grant assistance to solve problems related to antipersonnel landmines, Grant Assistance-Grassroots/Human Security Projects, and Grant Assistance for Japanese NGO Projects. In addition, since September 2003, Japan has co-chaired the Standing Committee on Mine Clearance, Mine Risk Education and Mine Action Technologies, which was established under the Ottawa Convention. In March 2004,

Japan took the initiative in holding the "Tokyo Seminar on Landmines," at which representatives of mine affected countries, landmine victims, and international NGOs, etc., attended and had a lively exchange of views. Japan will continue to advocate the elimination of landmines from the world and to actively assist mine action from the viewpoint of development as well as humanity.

(b) Collecting SALW

In collaboration with related organizations, Japan has been carrying out the "project for collecting small arms and light weapons," which is a comprehensive project not only to collect SALW but also to remove the reasons for possessing such SALW. In Cambodia, Japan has been implementing the "Weapons for Development Project" in cooperation with the Government of Cambodia and local governments. Through the Project, social infrastructure that local residents need such as roads, wells, bridges, and schools are built and repaired in return for collection of SALW. In addition, this Project assists the governments in establishing a system for the management and registration of SALW. Under this Project, approximately 1,000 small arms were collected in September 2003. The number of SALW collected by the end of 2004 added up to 9,000. In Kosovo, Japan has been carrying out the Project for collecting SALW in collaboration with UNDP. Japan will continue to play a leading role in dealing with the issue of SALW by using its experience of SALW collection in Cambodia.

Section 4 Japan's ODA to Each Region

In the new ODA Charter, it is specified that Japan should place importance on Asia, which has close relationships with Japan and has great effects on the security and prosperity of Japan, and also that Japan should place a high priority on other regions as well in consideration of the demands for assistance and the level of development of each region. Japan's ODA to each region is as follows.

1. East Asia

Japan's ODA given to East Asia on a bilateral basis totaled approximately 1,893.89 million dollars in 2003, accounting for 31.5% of the total bilateral ODA.

Traditionally, Japan has considered Asia as a very important region for diplomacy. The ODA Charter reflects this tradition and placed great importance on Asia. In particular, Japan has close relationships with East Asian countries in all aspects including politics, economy, and culture. Therefore, the development and security of East Asia is indispensable for the security and prosperity of Japan. Japan has contributed to the dramatic development of East Asia through economic assistance to the region. Japan gave East Asia ODA to enhance economic infrastructures and also provided the region with private investment and stimulated trade between the region and Japan. By synergistically combining ODA and other assistance mentioned above, Japan hopes to make its assistance to the region more effective.

In East Asia, some countries whose economies grew at a fast pace such as the Republic of Korea (ROK) and Singapore have transformed themselves from a receiver of assistance to a provider of assistance, while some other countries such as Cambodia and Laos are still under-developed. China is one of the East Asian countries whose economies have developed dramatically in recent years. China, however, has many domestic problems to solve. When Japan provides assistance to East Asia, it takes into consideration such diversity in social

and economic conditions of each country and changes in the demands for assistance.

Regarding Japan's assistance to ASEAN, Japan actively supports ASEAN member countries through ODA in order to narrow the gaps among member countries widened due to an increase in the number of member countries. Other purposes of the provision of ODA to ASEAN include the establishment of systems to facilitate private trade and investment, support for the creation of economic and social infrastructure, promotion of human resources development and environmental protection, preparation of policies for economic system reform, decentralization of power from the central government to local governments, enhancement of governance, prevention of terrorism and piracy, and solution of other borderless problems. When Japan gives assistance to ASEAN, it takes into consideration such issues as strengthening of economic coordination in East Asia.

Japan will continue to provide assistance to ASEAN member countries in consideration of the social and economic situations and development level of each country, aiming to assist them to fully get over the economic and financial crises and to reduce poverty through economic growth. At the ASEAN-Japan Commemorative Summit Meeting held in Tokyo in December 2003, Japan announced its intention to provide assistance to the IAI (Initiative for ASEAN Integration)*¹ and BIMP-EAGA (Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area)*² in an attempt to help reduce poverty and regional gaps. In addition to this, Japan also pledged to give approximately 1.5 billion dollars over the next three years as assistance to the development of the Mekong region. Furthermore, Japan announced its plan to give assistance of more than 1.5 billion dollars over the next three years for human resources development and also to implement a program to exchange approximately 40,000 people. As the new member countries²⁵ of ASEAN are relatively less developed, Japan assisted those countries to make the transition to market economy, to reduce poverty, to satisfy the

*1: IAI (Initiative for ASEAN Integration)

This is a project agreed on at the fourth ASEAN Informal Summit in November 2000 in order to narrow the gaps among ASEAN member countries to make the ASEAN region more competitive. After the commencement of the project, it was agreed to put emphasis on human resources development, information and telecommunications technology advancement, infrastructure building, and regional economic unification.

*2: BIMP-EAGA (Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area)

This is a project to develop peripheral areas such as Borneo Island (Malaysia, Brunei, and Indonesia), Mindanao Island (Philippines), and Sulawesi Island (Indonesia) through cooperation among the relevant four countries

Chart II-29 Japan's ODA Disbursements to East Asia

2003

(Net disbursement basis, \$ million)

Rank	Country or region	Grant			Yen loans, etc.	Total
		Grant aid	Technical cooperation	Total		
1	Indonesia	82.36	120.66	203.02	938.76	1,141.78
2	China	72.63	300.13	372.76	386.96	759.72
3	Philippines	69.72	91.53	161.25	367.53	528.78
4	Viet Nam	53.18	83.63	136.81	347.43	484.24
5	Cambodia	76.68	41.24	117.92	7.96	125.88
6	Laos	51.56	34.00	85.55	0.45	86.00
7	Malaysia	0.57	45.77	46.34	32.81	79.15
8	Mongolia	30.93	23.76	54.69	12.58	67.27
9	Myanmar	18.52	24.56	43.08	–	43.08
10	East Timor	3.31	5.62	8.93	–	8.93
11	Thailand	3.00	73.85	76.85	-1,079.06	-1,002.22
	Others	0.00	70.42	70.42	-499.15	-428.74
East Asia Total		462.46	915.16	1,377.62	516.28	1,893.89

Note:(1)The geographic division was made based on the classification by the Foreign Ministry.

(2)Includes graduated countries.

(3)As the figures in the table are rounded off, they do not necessarily add up to the totals.

basic human needs of citizens, and also to promote other social development activities. In addition, Japan assisted those countries to enhance economic infrastructures such as roads and electricity distribution networks. Japan has been providing assistance to Indonesia, the Philippines, Thailand, and



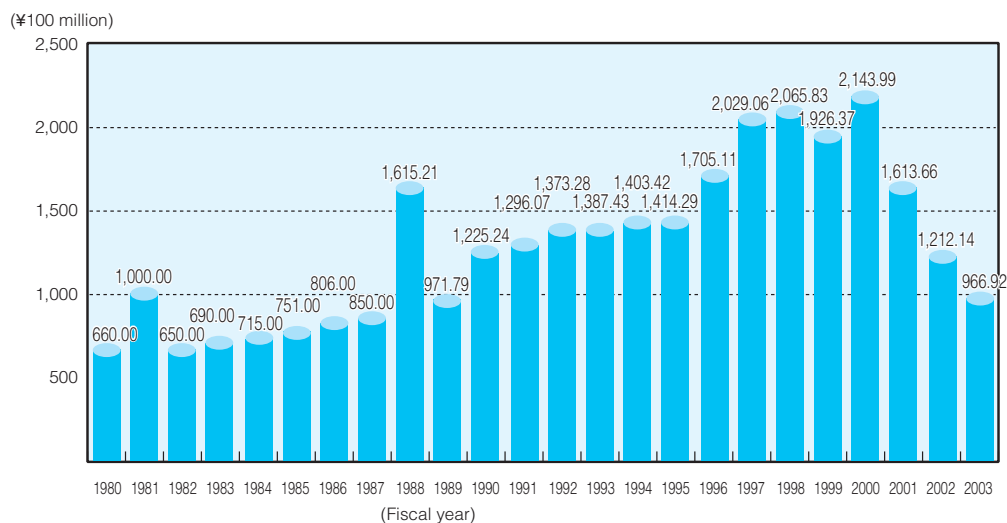
Senior Vice Foreign Minister Masatoshi Abe visiting the Saori Creative Center, which provides facilities for the handicapped. (Developing vocational opportunities and creative activities for people with disabilities and commercializing hill-tribes peoples' crafts in Thailand)

Malaysia mainly in the form of Yen loans mostly for the enhancement of economic and social infrastructure. As a result, goods, people, and information flow in the ASEAN region more smoothly than before. Moreover, Japan has promoted cooperation among the ASEAN member countries in addition to bilateral assistance. Japan also actively promoted South-South cooperation under a Partnership Program*¹ Agreement concluded with Singapore, Thailand, and the Philippines. These efforts have been made for the purpose of strengthening the unification of ASEAN. Furthermore, Japan puts a high priority on the promotion of Asia-Africa cooperation. For example, Japan invited people from African countries to Asian countries and provided them with training there in an attempt to help African countries improve productivity. This type of training is called third-country training.

*I: Partnership Program

This is a framework in which countries that have attained certain development levels thanks to assistance from Japan offer technical cooperation in collaboration with Japan to less developed neighboring countries whose languages, histories, and cultures, etc., are the same or similar to theirs. As of July 2004, Japan concluded a Partnership Program Agreement with 11 countries, namely, Singapore, Thailand, Egypt, Tunisia, Chile, Brazil, Argentina, the Philippines, Morocco, Mexico, and Indonesia.

Chart II -30 Trends in Yen Loans to China



E/N (Exchange of Notes) basis

Note: In 1988, additional loans worth ¥70 billion were given through flow-back of funds

As East Timor was a country established a short time ago, it still has many problems in terms of economic and social development. In order to support the stability of East Timor and its self-efforts to become a self-sustainable country, Japan announced at the Donors' Meeting in May 2002 its intention to provide assistance of 60 million dollars over a period of three years. In fiscal year 2003, Japan provided UNICEF with assistance of 161 million yen to improve health and medical services for infants and pregnant women in East Timor under the "Project for Improving Maternal and Child Health Care in the Democratic Republic of Timor-Leste" and other projects.

Regarding Mongolia, Japan has actively assisted the country to make the transition to democracy and market economy. Japan also provided the country with support for human resources development. In order to minimize damage caused by summer drought and winter snow, Japan gave the country assistance to upgrade very old equipment at local weather stations and to enhance telecommunications networks under the "project for Improvement of Meteorological Information Network." New equipment along with an information network are expected to enable Mongolians to take proper measures against natural disasters in advance, contributing to the reduction of damage caused by natural disasters in Mongolia.

Another project that Japan has engaged in for the development of East Asia is IDEA (Initiative for Development in East Asia). As a follow-up to the ministerial meeting held by Japan in Tokyo in August 2002, Japan held the IDEA Fukuoka Symposium in August 2003 in cooperation with Fukuoka Prefecture and Fukuoka City in collaboration with The Japan

Institute of International Affairs. In the Symposium, academic discussions were made concerning such subjects as the diversity of the development models for East Asia, necessity to promote the reforms of domestic economy and society and also to increase assistance to the East Asia region, and the utilization of experiences gained in Asia for the development of Africa.

■ ODA to China

China has been showing rapid economic growth in recent years especially in coastal areas, while still facing many serious problems such as poverty, pollution, and infectious diseases. It is in Japan's interest to have China solve these problems and become a more open and stable country that is more willing to carry out its duties as a member of the international community. From this perspective, ODA to China continues to play an important role. Economic assistance should not be given to China without taking into consideration the changes in the demands of China for assistance due to the economic growth of China and also Japanese people's skepticism about the necessity of ODA to China.

Against this backdrop, the Japanese government has greatly revised ODA to China based on the Economic Cooperation Program for China that it prepared in October 2001. The principles of the revision are as follows:

- (1) Japan used to consider the construction of economic infrastructures in coastal areas to be one of the most important projects to give assistance to. Japan, however, decided to leave this task of infrastructure building to China and, instead, provide more assistance to environmental

protection, human resources development, and poverty reduction in inland areas. While deciding which projects to provide assistance to, Japan carefully chooses projects that most effectively promote mutual understanding between China and Japan; and

- (2) Regarding Yen loans to China, the system was shifted from a multi-year basis to a single-year basis. In order to decide the total amount of ODA to China including Yen loans, Japan has stopped considering the previous amount of assistance as given, and instead, adds up the amounts of assistance required by all the projects, while taking Japan's interests into consideration.

As a result, the total amount of Yen loans to China, which account for a large part of Japan's ODA to China, stood at approximately 96.7 billion yen (Exchange-of-Notes basis) in fiscal year 2003, decreasing by approximately 55% from the amount in fiscal year 2000. The projects to which Yen loans were provided in 2003 were limited to the fields of environment and human resources development. Each of these projects was chosen and carried out in such a way that benefited both China and Japan. For example, such projects included Japan-China exchange programs and related projects designed to enhance communications between Japanese and Chinese people living in local areas and also between Japanese and Chinese people working for academic and research institutions.

Under the ODA Charter and the Economic Cooperation Program for China, the Japanese government will continue to carefully devise projects and decide the ways of carrying them out so that the projects will benefit both countries. In this manner, Japan plans to provide China with ODA that benefits itself as well.

2. South Asia

Japan provided South Asia with bilateral ODA worth approximately 962.85 million dollars in 2003, which accounted for 16.0% of Japan's total bilateral ODA.

South Asia has one fifth of the world population and four least developed countries in its region and thus has the largest population of the poor in the world. The ODA Charter specifies that Japan should give due consideration to the large number of poor people in South Asia. In addition to the problems related to poverty and population, the region has such other serious problems as the low diffusion rate of primary education, insufficient health and medical systems, and spread of infectious diseases. South Asia is a region that has to solve these very difficult problems before attaining MDGs (Millennium Development Goals). The only other region that has problems as large as South Asia's is Africa. The international community including Japan considers South Asia as very important in terms of nonproliferation efforts and the "war against terrorism" undertaken since the terrorist attacks on September 11, 2001.

Japan will continue to put a high priority on assistance to solve problems related to poverty in South Asia. Japan will also support South Asia's efforts for further stability and development by assisting countries in the region to liberalize their economies and cooperate with each other to improve their respective economies.

In order to reduce poverty and sustain the livelihood of the poor, Japan has given grant assistance and technical cooperation in a synergistic manner to least developed countries, namely, Bangladesh, Bhutan, Nepal, and Maldives. Such assistance and cooperation have been offered mainly in the fields of agriculture, housing, health and medical care, and

Chart II-31 Japan's ODA Disbursements to South Asia

2003		(Net disbursement basis, \$ million)				
Rank	Country or region	Grant			Yen loans, etc.	Total
		Grant aid	Technical cooperation	Total		
1	India	2.31	18.82	21.13	304.66	325.79
2	Pakistan	54.76	19.70	74.47	191.75	266.22
3	Sri Lanka	19.46	27.03	46.49	125.76	172.26
4	Bangladesh	94.63	33.01	127.64	-12.38	115.27
5	Nepal	38.48	18.31	56.79	3.82	60.61
6	Bhutan	9.01	7.20	16.21	-	16.21
7	Maldives	4.14	2.09	6.24	-	6.24
	Others	-	0.26	0.26	-	0.26
South Asia Total		222.80	126.43	349.24	613.62	962.85

Note: (1) The geographic division was made based on the classification by the Foreign Ministry.
(2) As the figures in the table are rounded off, they do not necessarily add up to the totals.

other fields that have a great influence on basic living conditions. Supporting the "Global Polio Eradication Initiative" of the WHO to eradicate polio worldwide by 2005, Japan actively gave polio vaccine and other assistance to India, Pakistan, and Bangladesh in fiscal year 2003 in an effort to eradicate polio in South Asia, following the successful eradication of polio in the West Pacific.

Japan has been providing South Asia with assistance for human resources development and economic and social infrastructure building in order to stimulate private sector activities and create a domestic environment that can attract more foreign investment. Japan has given such assistance mostly to Nepal, Bangladesh, and Sri Lanka because India and Pakistan already have a relatively high level of technology. To support projects related to basic social and economic infrastructure building in South Asia, Japan has been giving grant assistance mainly to least developed countries in the region. Japan also provided India with Yen loans to support projects mostly in the fields of energy and transportation infrastructure. Such projects include the "Purulia Pumped Storage Project (II)," which is designed to solve a serious power shortage, the "Delhi Mass Rapid Transport System Project (V)," which is designed to alleviate traffic congestion and air pollution that have been getting worse in the capital, Delhi, and the "Integrated Natural Resource Management and Poverty Reduction Project in Haryana," which is designed to improve the environment through forestation carried out with the participation of citizens and also to increase the incomes of the poor in the area.

With regard to the peace process in Sri Lanka, Japan, the U.S., Norway, and EU (European Union) co-chaired the "Tokyo Conference on Reconstruction and Development of Sri Lanka" in June 2003 with the participation of 51 countries and 22 international organizations. In the Conference, attendees announced their intention of providing assistance of more than 4.5 billion dollars in total over the next four years. Japan also announced its plan to give assistance up to 1 billion dollars over the next three years in consideration of the future progress of the peace process. For further information on the peace process of Sri Lanka, see page 52 of the ODA White Paper 2003.

3. Central Asia and the Caucasus

Japan's ODA given to Central Asia and the Caucasus on a bilateral basis totaled approximately 345.53 million dollars in 2003, accounting for 5.7% of the total bilateral ODA.

Japan has been actively assisting Central Asia and the Caucasus to make the transition to market economy in the

new international circumstances created after the collapse of the former Soviet Union. Japan has been actively supporting the region's efforts for economic and social development especially since the terrorist attacks on the U.S. in September 2001 because the region plays a more important role and has greater influence on the world in the international circumstances altered by the attacks. The ODA Charter specifies that Japan should assist the region to make the transition to democracy and market economy. Japan's assistance to the region consists mostly of technical cooperation to develop human resources and financial aid to mitigate the difficulties caused by the economic reform.

The countries in Central Asia and the Caucasus are in the process of transforming from the state-planned economy system to the market economy system. It is therefore important for Japan to extend cooperation to the region for the development of human resources and proper systems. From the eight countries in the region, Japan accepted approximately 3,100 trainees by the end of fiscal year 2003. Japan's assistance for the development of human resources and systems of the region includes the dispatch of experts on economic management, legal system development, telecommunications, finance, environment, transportation infrastructure, and health and medical care. It also includes the performance of surveys for the development of energy, natural resources, and the social sector.

In an effort to contribute to the development of human resources in Uzbekistan, Kazakhstan, and Kyrgyzstan, Japan established a "Japan Center for Human Development" in these respective countries, to which experts are dispatched from Japan to give lectures on economics and corporate management, and other business-related subjects as well as the Japanese language.

In some countries in the region, living standards greatly differ from one area to another. In order to narrow the gaps especially in such fields as health and medical care, Japan has been providing the region with assistance. For example, Japan carried out a national health program in Kyrgyzstan in order to promote the health of people in Kyrgyzstan, contributing to a certain extent to the improvement of the health standard that had been rapidly deteriorating. The health standard of infants is still lower than that of other countries in Central Asia. It is therefore urgently needed to improve the capabilities of children's hospitals. In order to give better medical care to children, Japan has been carrying out the "Project for Improvement of Child Health Care in Rural Areas," in which Japan provides free medical equipment as grant aid. In Georgia, Japan has been implementing the "Project for

Improvement of Medical Equipment of Primary Health Care Facilities in the Field of Mother and Child Health," in which Japan provides medical equipment as grant aid for the purpose of improving primary medical care in the field of maternal and child health. In an effort to improve the medical standard of an area with a larger population of the poor and lesser access to basic medical services than other areas in the country, Japan has been providing the area with medical equipment as grant aid.

One of the characteristics of assistance given to Central Asia and the Caucasus is that a large part of the assistance was provided under the Grant Assistance-Grassroots/Human Security Projects. Most of the assistance was given to the fields of education and health and medical care. Japan believes that such assistance will continue to play an important role in the region as long as Japan keeps carefully adjusting its assistance according to the needs of the recipients and providing such assistance in a timely manner for the purpose of narrowing the regional gaps.

4. Africa²⁶

Japan's ODA given to Africa on a bilateral basis totaled approximately 529.98 million dollars in 2003, accounting for 8.8% of the total bilateral ODA.

Africa has many challenges such as serious poverty, conflicts, starvation, infectious diseases including HIV/AIDS, and accumulated debt. In recent years, the international community has reaffirmed the importance of the development of Africa and started paying more attention to the region. Since the U.N.

Millennium Summit in 2000, international conferences on development have devoted a large part of their discussions to issues related to the development of Africa and other problems in Africa. In this respect, Japan has been a front runner since the beginning of the 1990s in taking the initiative in development assistance to Africa. Having seen the international community losing its interest in Africa since the end of the cold war, Japan, with intention to revive the interest of the international community in Africa, held TICAD I (Tokyo International Conference on African Development) in 1993 and TICAD II in 1998, in which Japan advocated the importance of "Ownership" (self-help efforts) of Africa and "Partnership" of the international community. Japan's initiative in assisting Africa to solve problems prompted the international community to strengthen its assistance to African development. This trend can also be seen in G8 summit meetings as well. When Japan chaired the G8 Kyushu-Okinawa Summit in 2000, Japan invited the presidents of South Africa, Nigeria, and Algeria so that they could have dialogues with the leaders of G8 countries. Since this G8 Summit meeting, African related issues have become one of the major agenda of G8 Summit. The G8 Kananaskis Summit in 2002 adopted the "G8 Africa Action Plan," which resulted in enhancing concrete cooperation between G8 and Africa. Recognizing the importance of "Ownership", Africa is also taking concrete measures including adoption of "NEPAD (New Partnership for Africa's Development)"²⁷ and establishment of the AU (African Union). Against this backdrop, the ODA Charter specifies that Japan should recognize that there are many least

Chart II -32 Japan's ODA Disbursements to Central Asia and the Caucasus

2003		(Net disbursement basis, \$ million)				
Rank	Country or region	Grant			Yen loans, etc.	Total
		Grant aid	Technical cooperation	Total		
1	Kazakhstan	4.89	10.62	15.51	120.76	136.27
2	Azerbaijan	4.53	1.59	6.12	73.70	79.82
3	Uzbekistan	10.28	12.04	22.32	40.90	63.22
4	Kyrgyz	10.72	6.34	17.06	14.17	31.23
5	Georgia	3.89	1.11	5.01	11.41	16.42
6	Armenia	5.29	1.72	7.02	-	7.02
7	Turkmenistan	0.31	0.20	0.51	6.29	6.80
8	Tadzhikistan	2.33	2.43	4.77	-	4.77
Central Asia and the Caucasus Total		42.26	36.04	78.31	267.22	345.53

Note: (1) The geographic division was made based on the classification by the Foreign Ministry.
(2) As the figures in the table are rounded off, they do not necessarily add up to the totals.

26. The geographic division was made based on the classification by the Foreign Ministry. The term "Africa" in this context refers to the sub-Saharan African countries. Sudan is included in the Middle East.

developed countries (LDCs) in Africa that are increasing their efforts to resolve conflicts and overcome other development challenges, and should therefore provide Africa with support necessary to facilitate such self-help efforts.

At TICAD III held in September 2003, more than 1,000 people including 24 president-level representatives attended, representing 89 countries and 47 international and regional organizations from Africa, Asia, Europe and United States. In the Conference, for the purpose of mobilizing international support for NEPAD and promoting a new partnership between Africa and other regions, especially Asia, diverse subjects were discussed with regard to the measures taken by Africa and its partners for the development of Africa. Prime Minister Junichiro Koizumi announced in his keynote speech at the TICAD III that Japan would provide Africa with assistance based on the three principles, namely "human-centered development," "poverty reduction through economic growth," and "consolidation of peace" and also that Japan would give Africa grant aid of 1 billion dollars over the following five years in the area of basic human needs, such as education, health and medical care including measures against HIV/AIDS, water and food supply. Japan also expressed its intention to put emphasis on "human security" and "south-south cooperation" in its efforts to support Africa. African countries voiced their appreciation of the contribution of the TICAD process and their strong desire for the continuation of the TICAD process. The participants unanimously agreed to further institutionalize the TICAD process.

Japan has been providing African countries with such diverse cooperation indispensable for its economic growth ranging from assistance for human security, agricultural development, and social and economic infrastructure building to humanitarian and reconstruction assistance to the war-torn areas. Prior to the announcement of the MDGs (Millennium Development Goals), Japan announced at TICAD II (1998) its intention to provide assistance of 90 billion yen for the fields of education, water supply, and health and medical care. During the period of five years between TICAD II and TICAD III, Japan provided 4.6 million people with access to clean water, 2.6 million people with access to education, and 240 million people with access to health and medical services. In addition, Japan has provided technical cooperation by utilizing the institutions in Africa, where people from neighboring countries can be trained. Furthermore, Japan has promoted

south-south cooperation, on which it provides technical cooperation in cooperation with North African and Asian countries. These activities constitute a major characteristic of the TICAD process. In particular, Asia-Africa Cooperation has been highly valued as a cooperation system unique to Japan, which enables Africa to learn from the experiences of Asian countries that have successfully achieved economic growth with Japan's economic cooperation. Various projects, such as the development and diffusion of NERICA (New Rice for Africa) and the promotion of private trade and investment between Asia and Africa are good examples of tangible and distinctive projects of Asia-Africa Cooperation.

In Africa, conflicts are major impediments to development. It is therefore extremely important to provide assistance to consolidate peace on Africa. Japan has provided assistance for the DDR (Disarmament, Demobilization, and Reintegration of former soldiers) program to promote reintegration of ex-combatants to African countries that experienced conflicts such as Sierra Leone, Democratic Republic of Congo (formerly Zaire), Liberia and Côte d'Ivoire. For example, Japan provided UNICEF (U.N. Children's Fund) with emergency grant aid totaling approximately 440 million yen in March 2004 for the purpose of supporting the DDR program targeted at child soldiers in Liberia.

Africa has 33 of the 42 HIPC's (heavily-indebted poor countries). To help reduce the debts of these countries, Japan is among the greatest contributors to helping these countries to reduce their debts within the Enhanced HIPC Initiative.²⁸ Japan has been actively providing assistance for the countries such as Tanzania and Ethiopia for the implementation of the PRSP (Poverty Reduction Strategy Paper), the preparation and implementation of which is a precondition to benefit from the Initiative. For example, in order to financially support Tanzania, Japan gave non-project grant aid totaling 500 million yen to PRBS (Poverty Reduction Budgetary Support), which is a system to support the implementation of the PRSP. Japan also provided Tanzania with technical cooperation for the enhancement of the data processing capacity of the National Statistics Bureau so that statistical researches necessary for monitoring of the PRSP be more effective and reliable. (For further information on budget support, see Part II, Chapter 2, Section 2.) In Ethiopia, Japan has been conducting a survey on agriculture within the framework of PRSP in cooperation with UNDP.

27. It is a pledge made by African leaders to pursue, through hard work and determination of African people, poverty reduction as well as sustainable growth and development in Africa, and full participation of Africa in the world's economy and politics.

28. For further information on the HIPC Initiative, see Part II, Chapter 2, Section 3, 2-(7) regarding debt problems.

Chart II-33 Japan's ODA Disbursements to Africa

2003

(Net disbursement basis, \$ million)

Rank	Country or Region	Grant			Yen loans, etc.	Total
		Grant aid	Technical cooperation	Total		
1	Tanzania	53.90	22.32	76.22	-1.76	74.47
2	Ethiopia	45.21	11.32	56.53	-	56.53
3	Mozambique	32.53	3.14	35.67	-0.40	35.27
4	Angola	32.66	0.44	33.10	-	33.10
5	Malawi	20.94	14.01	34.95	-3.54	31.41
6	Ghana	15.54	14.22	29.75	-	29.75
7	Senegal	19.59	15.61	35.20	-6.52	28.68
8	Zambia	19.55	16.45	36.00	-7.68	28.32
9	Mauritania	19.33	4.61	23.94	-0.02	23.93
10	Guinea	20.27	3.37	23.64	-2.81	20.83
11	South Africa	11.11	7.94	19.06	-1.44	17.61
12	Mali	11.89	3.00	14.89	-0.84	14.05
13	Niger	8.37	5.89	14.25	-0.60	13.66
14	Cape Verde	10.81	0.96	11.77	-	11.77
15	Eritrea	11.01	0.73	11.74	-	11.74
16	Cameroon	9.75	1.03	10.79	-	10.79
17	Burkina Faso	3.90	6.69	10.58	-	10.58
18	Madagascar	6.47	4.55	11.01	-1.31	9.70
19	Uganda	3.14	6.39	9.54	-	9.54
20	Gambia	5.68	3.18	8.86	-	8.86
21	Djibouti	6.08	1.97	8.06	-	8.06
22	Nigeria	17.91	2.32	20.24	-13.84	6.40
23	Benin	4.02	2.25	6.27	-	6.27
24	Swaziland	1.82	2.18	4.00	1.02	5.02
25	Zimbabwe	0.08	4.93	5.01	-	5.01
26	Lesotho	2.48	1.53	4.01	-	4.01
27	Sierra Leone	3.69	0.04	3.73	-	3.73
28	Mauritius	3.54	0.56	4.10	-1.18	2.92
29	Côte d'Ivoire	0.40	2.05	2.44	-	2.44
30	Gabon	0.37	1.70	2.07	-0.31	1.77
31	Central Africa	1.40	0.32	1.73	-	1.73
32	São Tomé and Príncipe	1.34	0.02	1.37	-	1.37
33	Botswana	2.78	2.79	5.58	-4.31	1.27
34	Namibia	0.14	0.68	0.82	-	0.82
35	Seychelles	-	0.68	0.68	-	0.68
36	Rwanda	0.45	0.24	0.69	-0.04	0.66
37	Congo, Democratic Republic of (formerly Zaire)	0.32	0.31	0.63	-	0.63
38	Togo	0.03	0.30	0.34	-	0.34
39	Chad	0.04	0.23	0.26	-	0.26
40	Congo	-	0.10	0.10	-	0.10
41	Burundi	-	0.09	0.09	-	0.09
42	Guinea-Bissau	-	0.06	0.06	-	0.06
43	Equatorial Guinea	-	0.03	0.03	-	0.03
44	Comoros	-	0.00	0.00	-	0.00
45	Liberia	-	0.00	0.00	-	0.00
46	Kenya	17.19	26.14	43.33	-49.92	-6.59
	Others	-	2.31	2.31	-	2.31
Africa Total		425.77	199.69	625.46	-95.48	529.98

Note: (1) The geographic division was made based on the classification by the Foreign Ministry.
 (2) As the figures in the table are rounded off, they do not necessarily add up to the totals.

5. Middle East²⁹

Japan's ODA given to the Middle East on a bilateral basis totaled approximately 416.48 million dollars in 2003, accounting for 6.9% of the total bilateral ODA.

Japan and the Middle East are closely interdependent. For example, Japan depended on the Middle East for approximately 87% of its imported crude oil in 2003. Moreover, Japan is one of the most important trading partners for many Middle Eastern countries. In the ODA Charter, the Middle East is regarded as a very important region for international peace and stability especially from the viewpoint of energy supply. Meanwhile, the Middle East has been confronted with such challenges as the Middle East peace process and the reconstruction of Iraq and Afghanistan. Some Middle Eastern countries other than major oil producers are facing economic difficulties including external payments deficits and accumulated debts. The stabilization of the Middle East has become even more important since the terrorist attacks on the U.S. in September 2001. In consideration of these situations, Japan has been providing the Middle East with assistance especially for peace and social stability in the region.

In fiscal year 2003, Japan provided non-project grant aid of 6 billion yen to Jordan that had suffered enormous economic damage arising from the Iraq crisis taking into consideration the situations in the region.

To Yemen, Egypt, and Morocco, which are relatively less developed countries in the region, Japan has given assistance mostly in the form of grant aid for the improvement of social and economic infrastructure, such as the construction of medical institutions and educational facilities, supply of medical equipment, and development of agricultural villages and water resources. For example, such grant aid was given to Yemen under the "Project for Supplying School Textbook Printing Equipment," and also to Egypt under the "Project for Improvement of Water Supply System at the Northern Pyramids Area in Giza City." Moreover, Japan has provided Egypt with technical cooperation and other assistance under the project named "Improvement of Educational Achievement in Science, Technology, and Mathematics in Primary Schools (2003-2006, technical cooperation project)" in order to reduce poverty through human resources development in the fields of education, health and medical care, water resources development, and the industry of agriculture, forestry and fishery.

On the other hand, to relatively developed countries in the region (Iran, Oman, Tunisia, and Turkey), Japan has been

given assistance for these countries' efforts to reduce poverty and narrow gaps and for the diversification of economy through the development of the IT industry and other industries and also for human resources development in such fields as environmental protection. For example, Japan has provided Oman with technical cooperation to protect the environment of the coastal area of the country. Such assistance has been given under a project named "Master Plan Study on Restoration, Conservation and Management of Mangrove," in which Japan cooperated with the country in preparing plans and transferring technologies to Omani government staff.

In fiscal year 2003, Japan provided Yen loans to Egypt, Turkey, Morocco, and Tunisia mainly for projects that directly reduce poverty through the construction of social and economic infrastructure. Japan provided Egypt with financial aid for the "Cairo-Alexandria Transmission System Project" and the "Zafarana Wind Power Plant Project" in order to meet the growing demand of Egypt for electric power and also to build an environmentally friendly wind power plant. To Turkey, Japan decided to give financial assistance for the "Ankara Water Supply Project," according to which 170 million tons of water per year is planned to be supplied to the capital, Ankara, which is projected to have a larger demand for water. To Morocco, Japan decided to provide financial assistance for the "Rural Secondary Education Expansion Project" in an attempt to give every student in rural areas as well as every female student access to secondary education. To Tunisia, Japan decided to provide financial assistance for the "Water Pipeline Construction Project in Northern Tunisia," which aims at improving health and sanitary conditions by introducing water of better quality with lower salt levels and also at raising income levels by increasing agricultural produce.

Regarding Japan's assistance to Iraq and Afghanistan, see the section titled "Establishment of Peace" in Part II, Chapter 2, Section 3, 4-(1).

■ Assistance for the Middle East Peace Process

In April 2003, Foreign Minister Yoriko Kawaguchi announced, on her visit to Israel and the Palestinian self-governing areas, Japan's intention to implement an assistance package consisting of three components, namely, emergency humanitarian assistance, assistance for reform, and assistance for building confidence, pledging to give assistance totaling approximately 22.25 million dollars over the following one

29. The geographic division was made based on the classification by the Foreign Ministry. In this context, Sudan is included in the Middle East.

year. Based on this Package, Japan has supported the Palestinians in struggle for peace and efforts to consolidate the foundations to build an independent Palestinian state in future with enhancing governance through reforming.

In response to the U.N. Consolidated Appeals Process announced in November 2003 to improve the extremely deteriorated situations of Palestinian self-governing areas, Japan provided additional emergency assistance of approximately 15 million dollars in total. Moreover, Japan gave non-project grant aid of 500 million yen to improve the economic conditions of Palestinian self-governing areas, which had been deteriorating greatly.

Over the period from 1993 through March 2004, Japan provided Palestine with assistance totaling more than 680 million dollars. In an effort to stabilize the Middle East, Japan also gave financial assistance and technical cooperation for projects in various fields to Egypt, Syria, Jordan, and Lebanon, which are engaged in the Middle East peace process.

6. Latin America

Japan's ODA given to Latin America on a bilateral basis totaled approximately 463.87 million dollars in 2003, accounting for 7.7% of the total bilateral ODA.

While some countries in Latin America have not fully recovered from the "Argentinean Economic Crisis" in December 2001, the region as a whole has generally been stabilized politically and economically through democratization and economic reform carried out in the 1990s. In the region, the process of regional economic unification has progressed as shown in the formation of MERCOSUR (Mercado Comun del Sur) and CARICOM (Caribbean Community), etc. As a part of such efforts, discussions have been held for the formation of the FTAA (Free Trade Area of Americas), which covers both North and South America. Despite such progress, Latin America has seen drastic economic reforms widening economic gaps in the region and within each country in the region. As a result, social problems such as poverty and domestic instability have worsened in some countries. The ODA Charter specifies that Japan should provide Latin America with necessary assistance in consideration of the

Chart II-34 Japan's ODA Disbursements to the Middle East

2003		(Net disbursement basis, \$ million)				
Rank	Country or region	Grant			Yen loans, etc.	Total
		Grant aid	Technical cooperation	Total		
1	Afghanistan	107.09	27.33	134.42	—	134.42
2	Tunisia	1.09	10.35	11.44	74.08	85.52
3	Morocco	15.95	15.24	31.19	33.59	64.79
4	Jordan	60.94	8.71	69.65	-21.32	48.33
5	Yemen	26.28	2.21	28.49	-3.95	24.54
6	Egypt	9.23	19.37	28.60	-6.92	21.68
7	Lebanon	1.95	2.98	4.93	8.58	13.51
8	Iran	1.72	15.90	17.62	-6.30	11.32
9	(Palestine)	3.13	1.34	4.46	—	4.46
10	Saudi Arabia	—	4.41	4.41	—	4.41
11	Iraq	2.44	0.69	3.13	—	3.13
12	Oman	—	2.69	2.69	—	2.69
13	Sudan	0.60	0.87	1.47	—	1.47
14	Turkey	0.46	18.08	18.54	-17.55	1.00
15	Bahrain	—	0.29	0.29	—	0.29
16	Algeria	0.11	1.08	1.19	-1.05	0.14
17	Syria	20.29	9.80	30.09	-36.71	-6.62
	Others	0.00	1.39	1.39	0.00	1.39
Middle East Total		251.27	142.74	394.02	22.47	416.48

Note: (1) The geographic division was made based on the classification by the Foreign Ministry. The parentheses indicate the name of a region.

(2) Includes graduated countries.

(3) As the figures in the table are rounded off, they do not necessarily add up to the totals.

widening gaps in the region and within each Latin American country. In order to narrow the gaps, reduce poverty, and realize stable growth of the regional economy, it is necessary to improve basic living conditions such as education and health and medical care because they are the basis for solving those challenges. Latin America is a region that has diverse and serious environmental and social problems such as destruction of tropical rain forests, environmental deterioration in big cities, and expansion of slums due to concentration of population in cities.

Japan has given Latin America assistance designed to contribute to the solution of the above-mentioned problems, taking into consideration that there are many Japanese immigrants and Japanese descendants in the region who have traditionally played a role as a bridge between Japan and Latin America and that the economic connection between Japan and the region has been strengthened as a result of the rapid economic growth of the region in recent years.

Japan has also provided the region with technical cooperation and financial assistance for environmental protection. For example, Japan has given the region technical cooperation in preparing plans for water quality improvement and other projects. To countries where people's income levels are relatively high, Japan has provided Yen loan projects related to the environment. Furthermore, to Guatemala, Nicaragua, Honduras and others, Japan has given grant aid for improving housing for low-income groups, water supply systems, and other basic housing conditions. Moreover, Japan gave technical cooperation to Mexico and Chile by implementing "The National

Center for Environmental Research and Training (CENICA)" in Mexico and "The National Center for Environment (CENMA)" in Chile.

In consideration of regional unification, Japan needs to give effective assistance to Caribbean countries which have formed CARICOM, and Latin American countries, which have been studying the possibility of further unification since the formation of MERCOSUR. Japan will make efforts to give comprehensive assistance to Latin American countries and Caribbean countries and also to strengthen relationships with those countries by making the most of the Japan-Central America Forum, which holds an annual meeting, and by taking action within the New Framework for Japan-CARICOM Cooperation for the 21st Century,³⁰ which was adopted at the CARICOM-Japan Ministerial Level Meeting held in November 2000.

Moreover, Japan has actively given assistance to the region for projects that have positive effects on the environment of large areas, contribute to the region as a whole, and support post-disaster restoration. For example, Japan provided Chile with technical assistance for environmental protection by offering "Project for Strengthening Institutional Capacity of Mining Environmental Management (technical cooperation project)" and other support. The project is aimed at transferring technologies necessary for the management of information on mines and also for the closing of mines to Chile, which needs to take measures to prevent mining pollution caused by the closing or suspension of mines. The projects that contribute to the region as a whole include the "Technical



Water tower build by grant aid from Japan (Phase II Project for Groundwater Development in Rural Area in Bolivia)

30. The Framework covers the provision of cooperation in such diverse fields as creation of employment, diversification of industries, increase of job training, improvement of sanitation and prevention of AIDS, protection of the environment, enhancement of natural disaster management capabilities, promotion of tourism and fishery, and development of IT.

Chart II -35 Japan's ODA Disbursements to Latin America

2003 (Net disbursement basis, \$ million)

Rank	Country or region	Grant			Yen loans, etc.	Total
		Grant aid	Technical cooperation	Total		
1	Peru	4.27	11.37	15.64	89.26	104.90
2	Brazil	2.03	33.17	35.20	57.01	92.21
3	Guatemala	20.10	9.97	30.07	7.34	37.40
4	Bolivia	12.75	21.61	34.36	-2.04	32.32
5	Honduras	19.74	12.25	31.99	-	31.99
6	Dominican Republic	8.82	13.07	21.89	8.72	30.61
7	Nicaragua	20.48	9.32	29.80	-5.42	24.38
8	El Salvador	3.73	11.85	15.58	5.79	21.37
9	Paraguay	1.49	17.90	19.38	0.83	20.22
10	Argentina	-	15.32	15.32	-3.74	11.58
11	Mexico	2.52	23.77	26.29	-14.99	11.30
12	Panama	2.65	11.76	14.41	-6.04	8.37
13	Ecuador	8.83	7.15	15.99	-8.67	7.32
14	Chile	1.83	9.76	11.59	-4.51	7.07
15	Grenada	6.89	0.12	7.00	-	7.00
16	Cuba	1.01	4.78	5.79	-	5.79
17	Haiti	4.06	0.67	4.73	-	4.73
18	Saint Lucia	2.81	0.98	3.79	-	3.79
19	Venezuela	0.14	3.40	3.54	-0.01	3.53
20	Guyana	2.39	0.46	2.85	-	2.85
21	Antigua and Barbuda	1.92	0.82	2.74	-	2.74
22	Dominica	1.81	0.48	2.29	-	2.29
23	Trinidad and Tobago	0.11	2.12	2.23	-	2.23
24	Uruguay	-	3.77	3.77	-1.67	2.11
25	Saint Vincent	0.23	0.88	1.12	-	1.12
26	Barbados	-	0.85	0.85	-	0.85
27	Belize	0.08	0.66	0.73	-	0.73
28	Suriname	0.17	0.48	0.65	-	0.65
29	(Montserrat)	-	0.05	0.05	-	0.05
30	Saint Christopher and Nevis	-	0.01	0.01	-	0.01
31	Costa Rica	0.92	5.63	6.56	-10.80	-4.24
32	Colombia	6.48	5.54	12.01	-19.23	-7.22
33	Jamaica	0.97	3.33	4.31	-15.71	-11.41
	Others	-	5.23	5.23	-	5.23
Latin America Total		139.23	248.52	387.75	76.12	463.87

Note: (1) The geographic division was made based on the classification by the Foreign Ministry. The parentheses indicate the name of a region.
(2) As the figures in the table are rounded off, they do not necessarily add up to the totals.

Instructor and Personnel Training Center for Industrial Development of Central America (technical cooperation project)" in Costa Rica and the "Caribbean Disaster Management (technical cooperation project)," which is designed to provide CARICOM member countries, Barbados, Saint Vincent and Trinidad and Tobago, with assistance for disaster management

by helping the countries prepare hazard maps for floods, landslides, volcano eruptions, and earthquakes in an effort to enhance their disaster management capabilities. In addition, Japan has given relatively developed countries including Brazil, Argentina, and Chile comprehensive assistance such as South-South Cooperation. In October 2003, Mexican

President Vicente Fox came to Japan and signed a framework document regarding the "Japan-Mexico Partnership Program," aimed at promoting social and economic development of other developing countries by strengthening Japan-Mexico Tripartite Cooperation. Japan has also given assistance to Japanese emigrants who emigrated from Japan under the emigration project and their descendants in the region. For example, Japan has accepted them as trainees. Furthermore, Japan implemented projects aimed at constructing social and economic infrastructure in the communities of Japanese emigrants and the surrounding area. Such projects include the "Project for Construction of Bridges in the North of the Department of Santa Cruz" in Bolivia and the "Constanza Valley Irrigation Project" in the Dominican Republic.

7. Oceania

Japan's ODA given to Oceania on a bilateral basis totaled approximately 52.14 million dollars in 2003, accounting for 0.9% of the total bilateral ODA.

Oceanian countries are neighbors of Japan, which share the Pacific Ocean with us. The peace and prosperity of the region is therefore very important for Japan.

While some countries were under Japanese control after

the First World War, Japan and Oceanian countries have strong historical ties and friendly relationships. Some Oceanian countries have elected Japanese descendants as presidents. Furthermore, Oceanian countries are an important support base for Japan at such international arenas as the United Nations. Moreover, having vast EEZs (Exclusive Economic Zones), Oceanian countries provide Japan with key fishing grounds for Japan's deep-sea fishery and serve as a strategically important region for marine transport. In consideration of these situations, Japan will continue to support Oceanian countries as good partners.

The Oceania region has many countries that have won their independence relatively recently. These countries face the urgent task of becoming a self-sustainable country socially as well as economically. The common issues among these countries include small-scale economy, heavy economic dependence on primary industry, geographically dispersed national territory, limited accessibility to the international markets, susceptibility to natural disasters, and risk of losing national territory. In consideration of these issues and the situation of each country, Japan has been providing the region with assistance.

Oceania is divided into three major regions: Melanesia,

Chart II -36 Japan's ODA Disbursements to Oceania

2003		(Net disbursement basis, \$ million)				
Rank	Country or region	Grant			Yen loans, etc.	Total
		Grant aid	Technical cooperation	Total		
1	Fiji	7.58	10.13	17.71	7.08	24.79
2	Samoa	6.08	5.40	11.48	-	11.48
3	Palau	6.05	4.66	10.71	-	10.71
4	Micronesia	3.62	4.20	7.81	-	7.81
5	Tonga	1.17	3.73	4.89	-	4.89
6	Kiribati	2.22	1.48	3.70	-	3.70
7	Marshall Islands	0.96	2.48	3.44	-	3.44
8	Vanuatu	0.05	2.37	2.41	-0.10	2.32
9	Tuvalu	1.85	0.43	2.28	-	2.28
10	Nauru	-	0.22	0.22	-	0.22
11	(Cook Islands)	-	0.19	0.19	-	0.19
12	(Niue)	-	0.05	0.05	-	0.05
13	Papua New Guinea	6.97	10.14	17.11	-20.25	-3.14
14	Solomon Islands	0.73	1.09	1.82	-20.71	-18.89
	Others	-	2.29	2.29	-	2.29
Oceania Total		37.28	48.84	86.12	-33.98	52.14

Note: (1) The geographic division was made based on the classification by the Foreign Ministry. The parentheses indicate the name of a region.

(2) As the figures in the table are rounded off, they do not necessarily add up to the totals.

Polynesia, and Micronesia,³¹ each of which has distinctive ethnic and traditional social systems and geological characteristics.

The Melanesian region includes some countries suffering bad economic conditions such as low national income where a demand for development is high. In particular, the Solomon Islands have been making vigorous efforts to conduct reconstruction since the end of its long domestic political turmoil. To provide the Solomon Islands with assistance, Japan dispatched Japanese personnel to the country in May 2003 for the first time in about three years. At the donors' meeting held in November 2003, Japan announced its plan to provide assistance for conflict prevention, peace building, good governance, and infrastructure building, and also its support for the Solomon Islands' efforts for reconstruction. On the other hand, some countries in the region are large in terms of population and economic scale and relatively well developed, having headquarters of regional institutions such as USP (University of the South Pacific) and PIF (Pacific Islands Forum). One such country is Fiji, which is a famous tourist resort in the Pacific. Japan has been supporting the development of Fiji to help the country achieve economic independence. For this purpose, Japan gave USP cooperation for the development of distance education and information and telecommunications technology and also dispatched experts to Fiji in order to promote tourism.

Before the Second World War, the Micronesian region was put under Japanese mandate by the League of Nations. Japan ruled the Pacific islands in the region until the United Nations made them into trust territories of the U.S. after the Second World War. Some countries became independent nations thereafter. They are, however, still dependent on financial support from the U.S. As the U.S. will stop providing such support on the day agreed in advance, Japan is expected to play a more important role in providing assistance to Micronesian countries for their financial independence. Economic development of the Micronesian region is extremely difficult because the region has many countries consisting of atolls and coral islands very widely dispersed in the region with little underground resources. Assistance is therefore still necessary for the region to achieve economic independence. In fiscal year 2003, Japan provided the region with grant assistance to build the basis structures of Micronesian countries. The assistance included the construction of infrastructure under such plans as the Project for Improvement of the Circumferential Road in the Pohnpei Island in Micronesia and

also the dispatch of experts on marine product marketing to Micronesia in an effort to develop the fishery industry, which is one of the main industries of Micronesian countries.

In the Polynesian region, some countries such as Tonga and Samoa are volcanic islands with relatively fertile land suitable for farming, while other countries are small islands such as Tuvalu, the Cook Islands, and Niue. The Cook Islands and Niue are part of the Dominion of New Zealand.

Japan has cooperated with the PIF (Pacific Islands Forum), which is a framework for regional cooperation established by the heads of Oceanian countries. Japan held a Japan-Pacific Islands Forum Summit Meeting in 1997 and 2000 respectively, which is a summit between Japan and PIF member countries. In May 2003, the third Japan-Pacific Islands Forum Summit Meeting was held in Okinawa, which has the same characteristics as Oceanian countries in terms of climate and oceanic environment. In the meeting, Japan adopted the "Okinawa Initiative," which reflects the cooperation between Japan and Oceanian countries in the past, the discussions at the WSSD (World Summit on Sustainable Development) in September 2002, and the Koizumi Initiative, which is about specific measures to take for sustainable development. The Okinawa Initiative gives us the guidelines and an action plan to follow when Japan and Oceanian countries cooperate in planning and carrying out the development of Oceania. Japan and Oceanian countries have been performing respective responsibilities in five important areas: security, trade, health, education, and the environment.

Taking into consideration the geographically dispersed national territory of Oceanian countries, Japan has been giving assistance that benefits not only a specific country but also the whole region in order to make its assistance more efficient and effective. Japan's assistance has been targeted at the fields of environmental protection and education services. Regarding assistance for environmental protection, Japan established the Training and Education Center for SPREP (South Pacific Regional Environment Programme), which is a regional institution, and dispatched experts to the Center and also offered training for waste treatment. Furthermore, Japan helped island countries set guidelines for waste treatment. Through these efforts, Japan has been contributing to solving environmental problems in the region. With regard to assistance for education services, Japan helped USP establish distance education networks in order to provide people in island countries with wider opportunities to receive higher education.

31. Three regions are as follows: Melanesia (Papua New Guinea, Solomon, Fiji, and Vanuatu), Polynesia (Tonga, Tuvalu, Samoa, Cook Islands, and Niue), and Micronesia (Micronesia, Marshall Islands, Palau, Kiribati, and Nauru).

8. Europe

Japan's ODA given to Europe on a bilateral basis totaled approximately 215.47 million dollars in 2003, accounting for 3.6% of the total bilateral ODA.

Countries in Central and Eastern Europe have been making transition to democracy and market economy since the collapse of communism in 1989. To support their efforts, the EU took the initiative in establishing the G24 (Meeting of the Group of 24 to coordinate assistance to Eastern Europe). Since then, Japan has been giving assistance to Central and Eastern Europe and Baltic States for almost 15 years in harmony with the international community's efforts to support the region.

In Central and Eastern Europe, the development level greatly differs from one country to another. Ten countries including three Baltic states (Poland, Hungary, Czech Republic, Slovakia, Slovenia, Latvia, Lithuania, Estonia, Cyprus, and Malta) reformed their domestic systems with determination, while receiving assistance from other countries. As a result, the ten countries joined the EU in May 2004. Japan has been providing these countries with comprehensive long-term assistance in order to improve the living conditions of citizens suffering economic and social difficulties caused by the transition of their systems and also to contribute to the smooth transition of their systems. As these new EU member countries have already transformed themselves from recipients of assistance to providers of assistance, Japan needs to

adjust its assistance and role to the changing situations in Europe and to shift assistance to other regions and fields where there is more the demand for assistance. For this reason, Japan allocates an increasing proportion of its assistance to Europe to the region's less developed countries such as Western Balkan states, Ukraine, and Moldova. Making effective use of the know-how accumulated through giving assistance over almost 15 years, Japan has been offering Triangular Cooperation in which Japan uses Hungary and Poland as a base to transfer technology and give other assistance to third countries such as Ukraine and Western Balkan states. Through this process, Japan has been assisting Central and Eastern European countries to become donors of assistance themselves.

To Romania and Bulgaria, which are trying to become EU member countries in 2007, Japan has been giving assistance to promote trade and investment, in order to develop their economies and also helping those countries take environmental measures that should have been implemented earlier. Japan has been providing both countries with active support. For example, in 2003, Japan commenced the Study on "Coastal Protection of the Romanian Black Sea Shore." The Black Sea coast is located at the estuary of the Danube Delta, which is designated as a World Heritage and an Environmental Protection Area. The Danube Delta is an important tourist attraction in Romania.

In contrast, Ukraine and Moldova still have many prob-

Chart II -37 Japan's ODA Disbursements to Europe

2003		(Net disbursement basis, \$ million)				
Rank	Country or region	Grant			Yen loans, etc.	Total
		Grant aid	Technical cooperation	Total		
1	Romania	0.85	10.60	11.45	59.48	70.93
2	Bosnia and Herzegovina	28.63	4.93	33.55	20.41	53.97
3	Bulgaria	0.38	5.51	5.90	19.28	25.18
4	Serbia and Montenegro	11.77	0.31	12.07	–	12.07
5	Slovakia	0.42	1.96	2.39	8.67	11.06
6	Albania	4.72	0.50	5.21	5.45	10.67
7	Hungary	0.77	5.81	6.58	–	6.58
8	Macedonia	3.37	1.38	4.75	–	4.75
9	Moldova	2.91	1.40	4.30	–	4.30
10	Czech Republic	0.48	1.33	1.81	-0.00	1.81
11	Croatia	0.84	0.58	1.43	-0.43	1.00
12	Poland	0.40	6.01	6.41	-9.98	-3.57
	Others	15.47	1.97	17.44	-0.71	16.72
	Europe Total	71.01	42.28	113.29	102.18	215.47

Note: (1) The geographic division was made based on the classification by the Foreign Ministry.

(2) Includes Eastern Europe and graduated countries.

(3) As the figures in the table are rounded off, they do not necessarily add up to the totals.

lems such as the spread of HIV/AIDS and poverty due to chronic shortage of food. The Western Balkan region has such countries as Bosnia and Herzegovina and also Serbia and Montenegro, which have been severely damaged by conflicts lasting for many years. These countries have finally started making the transition from the restoration and reconstruction stage to the development stage. In April 2004, Ireland, which was the EU presidency holder, and Japan co-hosted the "Ministerial Meeting on Peace Consolidation and Economic Development of the Western Balkans" in Tokyo, in which ministers of Western Balkans and representatives of donor countries and international organizations participated. In the Meeting, Japan emphasized the importance of sustainable economic growth and consolidation of peace through ethnic collaboration. Japan also stressed the necessity for the Western Balkans to combine their efforts to tackle their common problems such as organized crime and high unemployment rates. Japan announced its intention to continue its support for the region.

Most of Japan's assistance to the Western Balkan region used to be directed to the reconstruction of damaged infrastructures and the development of health and medical care in order to restore and reconstruct the region. Today, Japan puts a high priority on human resource development through dispatch of experts and acceptance of trainees for the creation of an environment that would promote trade, investment and industrial development centered on small and midsize companies. Japan has taken some action for consolidation of peace as well. For example, in Serbia and Montenegro, Japan invited police officers to its training programs in an effort to improve the domestic security while in Kosovo, it has been giving financial assistance, via the Trust Fund for Human Security, to the UNDP for its "Illicit Small Arms Control Programme" for the purpose of collecting small arms, which are so prevalent in the society that domestic security and the safety of citizens' lives are seriously jeopardized. In Bosnia and Herzegovina and also in Croatia, Japan has been providing assistance for diverse purposes such as supporting NGOs engaging in landmine removal.

Environmental deterioration is a common problem among Balkan states. They failed to take measures for environmental protection in a timely manner because they had been in the midst of rapid transition to a market economy. In an effort to assist them to solve environmental problems, Japan dispatched experts for the management of water quality of Sava River, which is an international river. In addition, Japan has been actively providing assistance for solving water problems. In October 2003, Japan provided Macedonia with assistance of

approximately 9.7 billion yen in the form of Yen loans for the "Zletovica Basin Water Utilization Improvement Project." This Plan is designed to ensure a stable supply of safe drinking water in order to improve living conditions of local residents who suffer from chronic water shortage and also designed to supply industrial water to surrounding areas and irrigation water for the use in the agricultural sector, which is an important industry in Macedonia.

Section 5 Compliance with the Principle of ODA Implementation

The Principle of ODA Implementation specified in the revised ODA Charter is basically the same as that specified in the old ODA Charter because of the idea that the basic concepts expressed in the principles of the old ODA Charter still apply to today's situations and that the validity and importance of the four guidelines contained in the principles remain unchanged.

The Principle of ODA Implementation specifies that Japan should provide ODA in accordance with the philosophy of the ODA Charter (Objectives, Basic Policies, Priority Issues, and Priority Regions) in compliance with the principles of the United Nations (especially sovereign equality and non-interference in domestic matters) and also with the following four points in consideration of developing country's need for assistance, socio-economic conditions and Japan's bilateral relations with the recipient country.

- (1) Environmental conservation and development should be pursued in tandem.
- (2) Any use of ODA for military purposes or for aggravation of international conflicts should be avoided.
- (3) Full attention should be paid to trends in recipient countries' military expenditures and their development and production of weapons of mass destruction.
- (4) Full attention should be paid to efforts for promoting democratization and the introduction of a market-oriented economy, and the situation regarding the protection of freedom and basic human rights.

In order to turn over the Principle of ODA Implementation, Japan monitors candidate recipient countries, especially developing countries' military expenditures, imports or exports of arms, democratization, and human rights protection, etc., and takes action accordingly. For example, if a candidate recipient country shows a positive move, it is important to increase ODA to that country to express active support for the move and also to take other diplomatic measures to give further support. In contrast, if a candidate recipient country shows a negative move, Japan should use a diplomatic channel to request the country to solve the problem or otherwise remedy the situation and should then review and suspend its ODA to that country if necessary. Such decision should be made in consideration of various factors including the political, social, and economic conditions of the country, the state of national security, and the positive and negative developments from the past in terms of those factors.

The Principle of ODA Implementation should not be applied in an inflexible manner in strict compliance with a single standard. Japan should decide whether to give ODA to a recipient country on a case-by-case basis in consideration of various factors such as the situations of the country, the background of the ODA, and a comparison between the present and the past.

When applying the Principles to the provision of ODA to a developing country, it is important to give humanitarian consideration to the lives of people in that country. Because ordinary people, especially poor people, in the country would suffer the most if Japan suspends or reduces ODA to the country based on the Principles. When Japan suspends or reduces ODA to a certain country, it is therefore sometimes necessary to take special measures such as continuing the provision of emergency and humanitarian aid to the country.

The Principle of ODA Implementation should be applied to all assistance from Japan. There has recently been, however, much controversy as to how to apply the Principle to such cases as described below. For reference, also see page 59 of the ODA White Paper 2003.

1. Myanmar

Japan's economic cooperation to Myanmar has in principle been suspended since the military regime came to power in 1988 but in 1995, reflecting the improvements to the situation, such as the release of Daw Aung San Suu Kyi of the National League for Democracy (NLD) from home arrest, the Government of Japan decided to consider and implement ongoing projects at the time and projects that would directly benefit the people of Myanmar by addressing their BHN, on a

case-by-case basis while monitoring the progress of democratization and human rights protection in Myanmar.

Since January 2001, there have been movements by the Government of Myanmar toward democratization and the improvement of the human rights situation. Political detainees such as members of the NLD were released and lifting of restrictions on the movements of Daw Aung San Suu Kyi. However, in May 2003 the authorities placed Daw Aung San Suu Kyi and some people related to NLD in protective custody and shut down the NLD headquarters, etc.

Right after the above incident occurred, Japan has been concerned about the situation in Myanmar and has requested the Government of Myanmar to allow NLD members including Daw Aung San Suu Kyi to resume free political activities immediately, to explain the incident to the international community in detail, and to promote the national reconciliation and the democratization process. Under the circumstances, some changes were seen toward democratization. For example, Prime Minister General Khin Nyunt took office in August 2003 and announced in his inaugural speech the "Road Map" for democratization, consisting of seven steps. Daw Aung San Suu Kyi was transferred home in September 2003, and some political prisoners were released.

Although the National Convention was reconvened in May 2004 for the first time since 1996 for the purpose of drafting a new constitution, it started without all the relevant parties being involved. For example, Daw Aung San Suu Kyi is still under house arrest and three political parties including the NLD refused to participate in the National Convention. Japan will promote the democratization of Myanmar and persistently call on both the Government of Myanmar and the pro-democracy parties including Daw Aung San Suu Kyi to take positive steps.

Concerning economic cooperation, in light of the situation in Myanmar since the incident of May 2003, basically Japan has suspended new projects. However, taking the poor living conditions in Myanmar into consideration, Japan has been sequentially implementing highly urgent and humanitarian projects after being carefully and individually considered.

2. Pakistan

In recent years, Pakistan has played an important role in combating terrorism as a front line state, contributing to the maintenance of peace and stability of the international community. Japan recognizes the importance of Pakistan to develop into a democratic, moderate Islamic state and has been providing the country with assistance..

Pakistan had followed India by conducting underground

nuclear tests in May 1998, despite strong pleas to refrain from carrying out such tests from Japan and the international community. The Japanese Government responded by strongly protesting to the Pakistan Government for conducting these tests and once again strongly urged Pakistan to sign the NPT (Treaty on the Non-Proliferation of Nuclear Weapons) and CTBT (Comprehensive Nuclear-Test-Ban Treaty) as soon as possible. Japan simultaneously imposed economic measures on Pakistan based on the Principles of ODA Implementation in the ODA Charter which included the suspension of new Yen loans and grant aid with the exception of emergency and humanitarian assistance and Grant Assistance for Grassroots Projects. The Japanese Government has since made it a point to seize every possible opportunity to urge the Pakistan Government to take specific measures for nonproliferation and, most importantly, to sign the NPT and CTBT.

The terrorist attacks on the U.S. in September 2001, however consequently triggered an influx of Afghanistan refugees to Pakistan, worsened public security in Pakistan as well as inflicting other negative effects. This resulted in severely deteriorating the Pakistan economy, and in light of this situation, Japan announced its intention to provide Pakistan with emergency economic assistance of 4.7 billion yen. In October 2001, Japan discontinued the economic measures on Pakistan. This was a decision based on a comprehensive review of all factors, including an evaluation that the above measures had achieved their objective to a certain degree in view of Pakistan's intention to maintain a nuclear-test moratorium and to ensure strict control of nuclear and missile related goods and technologies. The importance of Pakistan's stability and cooperation in the fight against terrorism was also a factor.

In February 2004, the Pakistan Government investigated and publicized a case in which Dr. Abdul Qadeer Khan was charged with leaking nuclear-related technologies. While the Pakistan Government has denied any involvement in the incident and promised to take action to prevent the recurrence of another such incident, Japan has expressed concern over the incident and strongly requested Pakistan to provide further information as well as taking specific measures to prevent such an incidence to recur. In response, the Pakistan Government took positive steps such as exchanging opinions with Japan on export control and submitting a bill for stricter export control to the National Assembly, which Japan has appreciated as intentions to vigorously pursue nonproliferation. Japan, however, in accordance with Japan's ODA Charter, has requested that the Pakistan Government pledge to Japan and the international community to take further appropriate measures to improve the nonproliferation system and

reduce the concerns of the international community.

Japan will continue to persuade Pakistan to sign and ratify the NPT and CTBT and take other measures for nonproliferation. Japan will consider taking measures including the resumption of the afore-mentioned economic measures in the event that Pakistan conducts actions contrary to the efforts of the international community on nonproliferation and nuclear arms reduction,

3. India

India has been playing an important role for the stability of the South Asia region and increasing its presence in the international community. Japan attaches importance to establish good relationships with India and has been assisting the country to develop socially and economically, recognizing that India is still suffering from serious poverty while it is keeping high economic growth.

Immediately after India conducted an underground nuclear test in May 1998, Japan strongly protest to India and strongly urged the country to stop carrying out nuclear tests and nuclear arms development and to sign the NPT and CTBT as soon as possible. Japan imposed economic measures on India based on the Principles of ODA Implementation in the ODA Charter including the suspension of new Yen loans and grant aid with the exception of emergency and humanitarian assistance and Grant Assistance for Grassroots Projects. Since then, the Japanese Government has seized every possible opportunity to continually urge the Indian Government to take specific measures for nonproliferation and, most importantly, to sign the CTBT.

In October 2001, Japan discontinued the economic measures on India. This was a decision based on a comprehensive review of all factors, including an evaluation that the above measures had achieved objective to a certain degree in view of Pakistan's intention to maintain a nuclear-test moratorium and to ensure strict control of nuclear and missile related goods and technologies. The need to deepen relationships with India, which will play an important role in combating terrorism and in stabilizing South Asia, was another important factor.

India has continued the moratorium, even after the measures were lifted, but in January 2003, India unveiled its nuclear strategy which covered issues such as enhancement and maintenance of nuclear deterrence and use of nuclear arms in retaliatory attacks. Japan has been urging India to make efforts towards arms reduction and nonproliferation and, most importantly, to sign the NPT and CTBT during such opportunity as Foreign Minister Yoriko Kawaguchi's visit to India in January 2003 and the Japan-India Foreign Ministers' Meeting in June 2004.

Japan will continue to persistently urge India to sign and ratify the NPT and CTBT and take other measures for nonproliferation and nuclear arms reduction. Japan will consider taking measures including the resumption of the aforementioned economic measures, in the event that India conducts actions contrary to the efforts of the international community on nonproliferation and nuclear arms reduction.

Section 6 Formulation and Implementation of ODA Policy

The Japanese government should take a series of measures to further enhance its ODA, which has been changing in recent years. These reform measures are specified in the ODA Charter from three points of view: the formulation and implementation systems of assistance policies, increasing public participation, and matters essential for effective implementation. The ODA reform measures that were promoted in fiscal year 2003 are described below. This document has the same structure as that of the ODA Charter.

1. System of Formulation and Implementation of ODA Policy

(1) Coherent Formulation of ODA policy

In Japan, many central ministries and agencies individually provide ODA. They therefore need to prevent any inconsistency among their ODA programs in order to make ODA more effective. It is important for the government as a whole to share the same policy and goals and maintain uniformity. For this purpose, the government determines the Medium-Term Policy and Country Assistance Programs in accordance with the ODA Charter. ODA policies are formulated and implemented based on these policy and programs in cooperation and coordination with various aid providers in the international community.

For more information about the Medium-Term Policy and Country Assistance Programs, see Part II, Chapter 2, Section 1.

(2) Collaboration among Related Ministries and Agencies

Ministries and agencies need to more closely cooperate and coordinate with each other to maintain the consistency in their ODA programs as a whole. Such cooperation and coordination are essential for effective and efficient implementation of the ODA programs. In an effort to establish and implement policies that represent the unity and consistency of the government as a whole, the government has been enhancing coordination among related ministries and agencies through various

measures such as personnel exchanges among those ministries and agencies. In addition, in order to exchange useful information and knowledge among ministries and agencies, the government holds ministerial meetings and other meetings concerning economic assistance to foreign countries and has MOFA (the Ministry of Foreign Affairs) act as the main coordinator of these meetings.

These meetings are held at different levels to promote the coordination among related ministries and agencies. The top-level meeting is the ministerial-level Council of Overseas Economic Cooperation-Related Ministers, under which many lower-level meetings are held including the Inter-Ministerial Meeting on ODA, the Bureau meeting for Inter-ministerial meeting on ODA of the ODA-Related Ministry and Agency Liaison Council, Experts Meeting on Financial Cooperation, Experts Meeting of Technical Cooperation, and Inter-Ministerial Meeting on ODA Evaluation. Furthermore, ODA-related ministries and agencies have been strengthening cooperation to provide ODA to specific areas. For example, regarding ODA for the health and medical sector, representatives of the Ministry of Foreign Affairs, the Ministry of Health, Labour and Welfare, the Ministry of Education, Culture, Sports, Science and Technology, and other related ministries and agencies regularly gather for a meeting to exchange information. Regarding ODA for the IT sector, the Cabinet Secretariat's IT Security Office coordinated related ministries and agencies and established a working group to conduct a study on each country covered by the Asia IT Initiative (AITI). Against this backdrop, MOFA plays a role as a key coordinator to implement ODA programs that require collective action of related ministries and agencies based on the Basic Law for Central Government Reform, which was established in June 1998.

(3) Collaboration between Government and Implementing Agencies

The effective and efficient implementation of ODA requires more than collaboration among related ministries and agencies. The government needs to further cooperate with implementing agencies to provide ODA with consistency through synergistic collaboration. It is therefore important to clarify the roles and responsibilities of the government and implementing agencies (JICA, JBIC, etc.) and maintain synergistic collaboration. To promote such collaboration, the government and implementing agencies should work more closely with each other through such efforts as personnel exchanges. In addition to the collaboration between the government and implementing agencies, it is also important to enhance

Chart II-38 Meetings Held by ODA-Related Ministries and Agencies in FY 2003

Council of Overseas Economic Cooperation-Related Ministers		
The 13th meeting	August 28, 2003	Revision of the ODA Charter
Inter-Ministerial Meeting on ODA		
The 8th meeting	August 19, 2003	<ol style="list-style-type: none"> 1. Revision of the ODA Charter 2. ODA budget request for FY2004 3. Report on donations and investments in international organizations 4. Others
The 9th meeting	November 6, 2003	<ol style="list-style-type: none"> 1. Report on the International Donors Conference for the Reconstruction of Iraq 2. Explanation about Japan's policy for assistance to Iraq 3. Security situation in Iraq 4. Others
Bureau Meeting for Inter-Ministerial Meeting on ODA		
The 4th meeting	October 23, 2003	<ol style="list-style-type: none"> 1. Explanation about the ODA White Paper 2003 2. Country Assistance Programs for Viet Nam and Sri Lanka 3. Assistance for the reconstruction of Iraq 4. Reports from the Experts Meeting on Financial Cooperation, Experts Meeting of Technical Cooperation, and Inter-Ministerial Meeting on ODA Evaluation.
Experts Meeting on Financial Cooperation		
The 5th meeting	April 25, 2003	<ol style="list-style-type: none"> 1. Financial assistance to China 2. Local systems and localization
The 6th meeting	June 16, 2003	<ol style="list-style-type: none"> 1. Financial assistance to Thailand and Cambodia 2. Collaboration
The 7th meeting	July 31, 2003	Financial assistance to Malaysia and the Philippines
The 8th meeting	September 8, 2003	<ol style="list-style-type: none"> 1. Financial assistance to Pakistan 2. Systems, policy environment evaluation, and desirable assistance
The 9th meeting	October 30, 2003	Desirable financial assistance in preparation for the ASEAN-Japan Commemorative Summit Meeting (regarding the Mekong region development and human resources development in the ASEAN region)
The 10th meeting	November 28, 2003	<ol style="list-style-type: none"> 1. Financial assistance to Central Asia 2. Loans based on policies
The 11th meeting	January 22, 2004	<ol style="list-style-type: none"> 1. Financial assistance to North African countries (Tunisia, Morocco, Algeria, Egypt) 2. Consultative Group on Indonesia 3. CDM
The 12th meeting	February 24, 2004	Financial assistance to Mongolia and India
The 13th meeting	March 25, 2004	<ol style="list-style-type: none"> 1. Collaboration 2. Financial assistance provided in this fiscal year and plan for the future 3. Financial support
Experts Meeting of Technical Cooperation		
The 1st meeting	August 22, 2003	<ol style="list-style-type: none"> 1. The role of the Experts Meeting of Technical Cooperation 2. Basic policy for the request for the estimated budget of JICA for FY 2004 3. Basic policy for budget requests for FY 2004 for technical cooperation provided under the jurisdiction of ministries and agencies
The 2nd meeting	March 19, 2004	<ol style="list-style-type: none"> 1. Organization Reform of JICA 2. Others
Inter-Ministerial Meeting on ODA Evaluation		
	April 25, 2003	Compilation of major results of the ODA evaluations conducted by ministries and agencies
Overseas Economic Cooperation Operations Management Council		
	November 11, 2003	<ol style="list-style-type: none"> 1. Recent achievements 2. Budget for FY 2004 3. Implementation of the environment guidelines

collaboration among implementing cooperation.

In October 2003, JICA turned itself into an independent administrative institution. As a result, the roles and responsibilities of the government and JICA are more clearly defined. The role of planning and establishing policies is allotted to the government, while that of implementing technical assistance projects and other projects pursuant to the policies is allotted to JICA. Having become an independent administrative institution, JICA has been given broader authority in the hope of making its assistance activities more effective and efficient.

In March 2003, in an attempt to strengthen the ties between the government and implementing agencies, there was a meeting attended by the Foreign Minister and the heads of four organizations (JICA, JBIC, JETRO, and the Japan Foundation), who used that opportunity to freely discuss Japan's economic cooperation.

JICA and JBIC, both of which are implementing agencies, have been exchanging information and opinions with regard to ODA. In order to further improve the relationships among implementing agencies, they need to promote information sharing among themselves within the framework of Country-based ODA Task Forces and work more closely with each other for the implementation of individual projects. Personnel exchanges would also contribute to the enhancement of relationships.

(4) Enhancing Policy Consultation

Japan has long adopted the "request-basis principle," under which it provides a recipient country with assistance in response to a request from the country. To make development aid more effective, it is necessary for any donor to have frequent policy consultations with each recipient country about the details of the assistance so that both parties can share the same recognition and understanding of the assistance and implement the development projects based on the shared vision. The ODA Charter reflects this principle, and while it requires a request from a recipient country for the provision of assistance from the perspective of self-help efforts, the Charter specifies that, in planning and implementing ODA policies, Japan should start having active policy consultations with each recipient country even before such request is made by the country and get a full grasp of country's development policy and need for assistance. Japan has been making efforts to coordinate its assistance policy with the development policy of each recipient country in order to make its assistance more effective in the context of that country's development strategy.

To enhance policy consultation, Country-based ODA

Task Forces were established in fiscal year 2003 consisting primarily of Japanese Embassies and local offices of JICA and JBIC. The establishment of the ODA Task Forces contributed to the strengthening the role and system of the field level in the implementation of ODA. It is intended that these Country-based ODA Task Forces will have active policy consultations with recipient governments so as to coordinate Japan's assistance policy and the developing country's development policy with the aim of making Japan's assistance more effective and efficient. As of July 2004, Country-based ODA Task Forces have been established in 64 countries. These Task Forces held policy consultations in 36 countries including Mongolia and Ethiopia during the period from April 2003 through July 2004.

The ODA Charter stipulates that Japan should take initiative in formulation of development projects for each recipient country even before a request for assistance is made by that country. The Charter also specifies that Japan should assist recipient countries to improve their policies and systems so that they can better form and implement projects. For the developing countries which do not have enough ability to formulate aid programs themselves, Japan has been assisting them to determine the direction of assistance programs by conducting a project formation study to identify and develop appropriate projects. Japan voluntarily dispatches from JICA project formulation adviser well-versed in the priority sectors of developing countries and has those coordinators cooperate with the recipient countries in identifying and developing good projects.

(5) Strengthening of the Functions at the Field Level

To further improving ODA in terms of strategy, transparency, effectiveness, and accountability, strengthening functions at the local level is indispensable in determining country-specific aid strategies. Based on this understanding, the ODA Charter advocated the policy of "strengthening of the functions of field missions." The policy aims to strengthen the functions of local Japanese Embassies and local offices of implementing agencies so that they can play a leading role in determining and implementing assistance policies. In addition, the ODA Charter states that Japan shall make further efforts to understand comprehensively and accurately what priority development issues each recipient country faces and to which of those issues Japan should give the highest priority in providing assistance. It is important to fully grasp the local social and economic situations through utilization of outside personnel who have deep understanding of and wide experience with the recipient country in question such as personnel

of the Japanese Embassies and the field offices of aid agencies as well as through close collaboration with local people well versed in local situations. It is also important to create a system thereof.

Through the strengthening of the functions at the field level as mentioned above, Japan has been making an active contribution to strengthening cooperation with other donors. Such contribution is especially important against the backdrop that donors and other related organizations are in the position of preparing and implementing Poverty Reduction Strategy Papers (PRSPs) in cooperation with one another under the ownership of recipient countries and are now in the process of preparing and revising them. This cooperative approach developed for PRSPs has promoted aid coordination at the field level in many parts of the world. In this connection, Japan has been actively participating in discussions with other donors in order to implement assistance programs more effectively. For example, in Vietnam, Japan took the leading role in donors' consultation on an enhanced version of economic growth strategy in the PRSP.

■ Country-based ODA Task Forces

As mentioned earlier, in an effort to make effective use of Japan's limited human resources in recipient countries, Country-based ODA Task Forces have been formed in countries, which are deemed to be important recipients of Japan's ODA. So far, such Country-based ODA Task Forces have been formed in 64 countries³² and have been engaging in the following activities.

[1] Grasp and analysis of trends in the development of recipient countries

Country-based ODA Task Forces analyze development projects and macroeconomic situations of recipient countries, accumulate and analyze information on major sectors, study aid approaches, evaluate the results of past economic assistance, and engage in other activities. Many Country-based ODA Task Forces hold a general meeting one to four times a month and also separately hold other study-group-level meetings. In addition, Task Forces hold meetings to exchange opinions with Japanese people engaging in assistance activities who work for Japanese companies, NGOs, or other international organizations.

[2] Policy consultation between Country-based ODA Task Forces and the recipient governments

Country-based ODA Task Forces consult with the recipient governments based on the information and analytical results accumulated through daily activities. Task Forces share Japan's aid policy with them and actively exchange opinions with them with the aim of forming specific projects.

[3] Participation in the process of formulation and revision of Country Assistance Programs

Country-based Task Forces prepare the outlines or drafts of Country Assistance Programs so that assistance programs reflect the local situations. Some Task Forces also draft assistance policies for each priority sector.

[4] Collaboration with the local aid community

Aid donor coordination has been improving especially in low-income countries. Country-based ODA Task Forces have actively been participating in the community of aid donors to collect information and explain Japan's assistance policy. Japan leads donor discussions and submits policy recommendations if necessary in sectors that are important in its aid policy (for further information on Country-based ODA Task Forces, see Part II, Chapter 2, Section 1 of this white paper and page 66 of the ODA White Paper 2003).

(6) Collaboration with Relevant Parties in and out of Japan

Citizens' organizations such as NGOs can provide effective assistance carefully tailored for a specific community and a specific group of residents in a developing country and can also provide swift and flexible emergency humanitarian aid. It is important for citizens' organizations to collaborate with each other in such a way that enables them to make full use of their strengths. Furthermore, in implementing ODA, it is also important to appropriately use technology and know-how accumulated by Japanese private companies.

Japan has used its past experiences to develop advanced technologies for environmental protection and other fields. Japan also has the ability to create new technologies. If such technologies are used in Japan's assistance activities to meet the local people's needs for assistance, it would not only benefit local communities but also lead to more direct

32. 64 countries in total consisting of 25 countries in the Asia Pacific region, 16 countries in Latin America, 2 countries in Europe, 8 countries in the Middle East, and 13 countries in Africa. For further information, see Chart II-10.

participation of Japanese people in assistance activities, deepening Japanese people's understanding of such activities.

The Japanese government has been making efforts to promote communication and collaboration with and support for NGOs. For example, the Japanese government holds meetings with NGOs. Moreover, in developing countries where a relatively large number of Japanese NGOs engage in assistance activities, so-called "NGO-Embassy Meetings"³³ started from fiscal year 2002. It is a council consisting of the Japanese Embassy, local offices of JICA and JBIC, and NGOs in the developing country concerned. So far, "NGO-Embassy Meetings" have been held in 12 countries including Cambodia, Bangladesh, and Kenya. The program of Grant Aid for Japanese NGOs expanded its coverage and started giving grants for a part of the expenses of their headquarters. In order to ensure appropriate use of grants, the government obliges NGOs to undergo an external audit of every project to which grants have been given. Furthermore, NGOs are required to be more strictly accountable for the use of grants. From the budget of Grant Aid for Japanese NGOs, the government provided Japan Platform (see Part I, Chapter 2, Section 3, footnote 1) with a grant of 700 million yen in May 2003.

2. Increasing Public Participation

(1) Broad Participation by Japanese Citizens from All Walks of Life

In order to continue ODA programs, the government needs to make efforts to promote Japanese people's understanding and support for ODA through publicity activities and enhanced development education, given the fact that ODA programs are financed partly by tax money paid by Japanese citizens. The government should also endeavor to further promote direct participation of Japanese people in ODA programs so as to make people from different sectors of the Japanese society engage in ODA activities and familiarize them with ODA programs.

More participation of Japanese citizens is sought in the process of establishing assistance policies such as Country Assistance Programs. In principle, the government publicizes through the ODA Website of MOFA all the Country Assistance Programs currently in preparation and solicits opinions from the general public on the programs. In this way, Japanese people are given opportunities to express their opinions and influence the formulation of ODA policies.

The Senior Overseas Volunteer Project is another example

Chart II -39 NGOs-MOFA Regular Meetings in FY 2003

Year	Date	Name of meeting	Agenda (discussed matters)
FY 2003	July 4, 2003	The 1st subcommittee on ODA policy in FY 2003	1. Desirable support for the reconstruction of Iraq and cooperation for the world peace 2. Monitoring after debt waiver 3. Review of the ODA Charter and the role of the Board on Comprehensive ODA Strategy
	July 25, 2003	The 1st subcommittee on NGO-MOFA collaboration in FY 2003	1. Frequency of meetings of the subcommittee on NGO-MOFA collaboration 2. Research, analyses, and recommendations for improvement of measures taken by MOFA to support NGOs 3. Grant Aid for Japanese NGOs
	October 31, 2003	The 2nd subcommittee on ODA policy in FY 2003	1. Desirable support for the reconstruction of Iraq and cooperation for world peace 2. The process of revising the ODA Charter and the implementation policy for the future 3. Provision of ODA in consideration of the environment and the society
	November 21, 2003	The 2nd subcommittee on NGO-MOFA collaboration in FY 2003	1. The "11 suggestions about Grant Assistance for Japanese NGO Projects" 2. Projects for capacity building of Japanese NGOs
	February 20, 2004	The 3rd subcommittee on ODA policy in FY 2003	1. Policy to support the reconstruction of Iraq 2. The process of reviewing the ODA policy formulation and the Board on Comprehensive ODA Strategy
	March 12, 2004	The 3rd subcommittee on NGO-MOFA collaboration in FY 2003	1. The progress of the study on the "eleven proposals concerning Grant Aid for NGOs" 2. MOFA's vision to support NGOs

Note: NGOs-MOFA Regular Meetings consist of a general meeting and meetings of two sub-committees (subcommittee on ODA policy and subcommittee on NGO-MOFA collaboration). A general meeting is held once a year, while a meeting of the subcommittee is held three times a year. At a general meeting, the agenda of each subcommittee's meeting is finalized. At a subcommittee on ODA policy, attendants discuss the ODA policy formulated by MOFA. At a subcommittee on NGO-MOFA collaboration, attendants discuss new and existing measures to support NGOs.

33. Regular meetings between Japan's overseas diplomatic missions and NGOs

of an attempt to encourage Japanese people from different sectors to take part in ODA programs. This project is a public-participation-type project supported by JICA. The project enables middle-aged people from the age of 40 to 69 who desire to use their wide range of technical skills and abundant experience for the development of developing countries with a volunteer spirit to participate in ODA activities. The project was commenced in fiscal year 1990. As of fiscal year 2003, 1,746 seniors had been dispatched to 53 countries in total as overseas volunteers.

Other systems to promote public participation include the annual International Cooperation Festival held in commemoration of International Cooperation Day (October 6), the ODA Town Meetings commenced from August 2001, and ODA Citizen Inspection commenced from fiscal year 1999. For further information on the current state of the Town Meetings, see Part II, Chapter 2, Section 6, 2-(4).

(2) Human Resource Development and Development Research

In order to solve ever-diversifying development issues and provide assistance in cooperation with the international community, it is essential to develop human resources because assistance activities would not succeed without the help of people with expertise and deep knowledge about as well as wide experience in developing countries who can communicate well in foreign languages. For promotion of public participation and improvement in efficiency, it is important to find and nurture such development professionals.

In an effort to promote human resources development, FASID (Foundation for Advanced Studies on International Development) was established in 1990 as a part of the vision to create an international development university. FASID provides training for development professionals, dispatches researchers and other personnel overseas, and conducts studies and research. In April 2000, in collaboration with GRIPS (National Graduate Institute for Policy Studies), FASID started offering the International Development Program (Collaborative program) as a part of the master's course of GRIPS. In April 2002, FASID started offering the Program in the doctor's course of GRIPS. FASID also sends teachers to some universities to give lectures and teach classes on issues related development cooperation.

Studies and research on issues and themes concerning development and assistance are conducted by JICA as well in order to accurately understand the needs of developing countries and carefully observe the trends of the international community. JICA accepts external experts as researchers



A class of the international development program at GRIPS
(Photo: FASID)

mostly from universities and research institutions. The subjects of studies and research conducted by JICA include (1) strategies for projects carried out in major recipient countries and regions and projects related to major sectors and issues, (2) know-how and methods for provision of assistance, and (3) individual issues that are important for the implementation of specific assistance programs. JBIC also accepts visiting researchers and conducts studies and research on issues concerning development assistance and development policies in collaboration with researchers at home and abroad in cooperation with the World Bank and other international organizations.

As part of such efforts as mentioned above, the government commenced offering services at the Human Resources Information Center for International Cooperation of JICA in October 2003. In order to make effective use of personnel engaging in international cooperation on a wide scale, the Center offers job information of JICA and other international cooperation organizations, accepts registration under JICA's International Cooperation Personnel Registration System, and provides information about training programs and seminars.

Furthermore, in order to make better use of intellectual resources possessed by Japanese universities and to promote collaboration among organizations engaging in assistance activities, the Support and Coordination Project for University Cooperation in International Development was established in July 2003 in the campus of GRIPS, and the development of the environment for participation of universities and other institutions in development cooperation activities has been promoted through compilation of databases and holding of training courses.

(3) Development Education

Children who have received development education have greater interest in environmental problems and deeper

understanding of international cooperation including ODA. Those children are more likely to contribute to international cooperation when they get older.

An increasing number of students in Japanese primary schools and junior high schools are given opportunities to learn about problems confronted by developing countries. Japanese primary schools and junior high schools started using some course hours for "integrated study" and using the time to teach students about international understanding, which naturally overlaps with development education. This is because a lecture on international understanding is on the list of subjects that could be taught during a class of integrated study. The Japanese government has been actively taking measures to promote development education. For example, MOFA launched, through its ODA website, Development Education website which contains learning material for compulsory education.

Since the fiscal year 2002, JICA and JBIC have also been making efforts to promote development education through such activities as dispatching former Japan Overseas Cooperation Volunteers and others to schools to give lectures on international cooperation, holding an essay contest for junior high school and high school students, and accepting students on school excursions.

In addition to such activities as mentioned above, the Japanese government held Development Education for Local Leaders' Training and Development Education for Promotion and Networking in Local Areas in fiscal year 2003 in addition to Development Education for Promotion and Networking in Local Areas and National Conference of Development Educators, which the government had been holding since before fiscal year 2003. JICA held Practical Development Education Seminar and implemented domestic programs targeted at students. JICA also appointed former Japan Overseas Cooperation Volunteers as international cooperation promoters of international associations in many parts of Japan. In this way, JICA has been taking various measures and making efforts to promote development education mainly at primary schools and junior high schools from various perspectives.

(4) Information Disclosure and Public Relations

It is indispensable to obtain Japanese citizens' understanding of and support for ODA, which plays a key role in Japan's diplomacy. To promote understanding and support of the general public, the Japanese government has been increasing public disclosure of information concerning ODA.



A former volunteer giving a lecture at a school

■ Active public relations and information provision in Japan

In order to provide Japanese people with information about ODA and give them opportunities to learn about ODA projects, the following measures have been taken in addition to the issue of government publications including the ODA White Paper.

[1] Website and ODA mail magazine

The government has been increasing the amount of information disclosed through ODA-related websites. MOFA, JICA, and JBIC have opened their respective websites, which provide website users with a great amount of information in a timely manner and give them easy-to-understand introduction to ODA.

In addition to the ODA website, MOFA issues a mail magazine regarding ODA. As of August 18, 2004, 49 newsletters had been sent to subscribers. These newsletters contain timely information concerning economic cooperation and also carry episodes related to assistance activities and stories about hands-on experiences of staff members of overseas Japanese Embassies, Japan Overseas Cooperation Volunteers, Senior Overseas Volunteers and others. Anyone who desires to subscribe to the mail magazine can make the necessary registration through the ODA website at any time. As of August 16, 2004, the number of registered subscribers was over 9,082.

[2] ODA Town Meetings

ODA Town Meetings are held on a regular basis in many parts of Japan as part of the efforts to promote communication with citizens about ODA, with the aim of explaining recent developments related to the ODA reform to the general public and directly listening to candid public opinions about the ODA reform and ODA in general. The meetings had been held 23 times by June 2004, in each of which frank opinions were exchanged between the general public and ODA

Chart II -40 ODA Town Meetings Held in FY 2003

13	Sunday, July 20, 2003	Osaka
14	Monday, July 21, 2003	Tokyo
15	Saturday, August 2, 2003	Fukuoka
16	Saturday, September 20, 2003	Mito
17	Sunday, October 5, 2003	Tokyo
18	Sunday, November 2, 2003	Osaka
19	Sunday, December 7, 2003	Yamagata
20	Saturday, February 7, 2004	Kumamoto
21	Saturday, February 28, 2004	Fukui
22	Saturday, March 20, 2004	Nara

Note: The 13th through 15th meetings were held under the name of "public comment on the revised ODA Charter."

specialists such as experts on related fields, members of the Board on Comprehensive ODA Strategy, and staffs of MOFA.

[3] Dispatch of Monitors

The aim of the ODA Citizen Monitoring Program is to promote a proper understanding of the significance and importance of ODA by giving opportunity to Japanese citizens who have a high interest in ODA and sending them to an ODA-recipient country to conduct an on-site inspection of Japanese ODA projects. This program also enables the obtaining of opinions and insights from citizens. This program was started in fiscal year 1999, and a total of 406 citizens were sent by fiscal year 2003 to developing countries in Asia, Africa and Latin America to inspect Japanese ODA projects on-site. The citizens who had participated in an inspection tour commented that the inspection deepened their understanding about the necessity of ODA and the contribution made by ODA to the development and stabilization of developing countries.³⁴ This program is expected to further deepen the understanding of the general public about ODA.

■ Enhancement of public relations activities in the international community

In order to promote correct understanding and recognition of the international community about Japan's active international contribution through ODA, it is important to perform public relations activities overseas as well as in Japan.

In an effort to promote correct understanding in the international community about Japanese assistance activities and wide recognition of Japanese ODA projects, Japan has been performing such public relations activities as allowing the local media to cover signing ceremonies and delivery



Report on ODA Citizen Monitoring Program was submitted to Vice Foreign Minister Ichiro Aisawa.

ceremonies, affixing stickers of the Japanese flag (English, Arabic) or ODA logo (English, French, Spanish, and Arabic) to aid supplies, and placing signs notifying the presence of Japanese ODA.

In ODA-receiving countries, Japan has broadcasted PR TV programs about Japanese ODA by satellite broadcasting or other systems, made arrangements for the local press to take an on-site inspection tour of Japanese ODA projects, and also placed signs at the sites of past projects funded by Yen loans. These efforts were made to widely publicize the Japanese ODA policy and the achievements of ODA programs to the citizens of ODA recipient countries. Moreover, Japanese Embassies in ODA-receiving countries provide various lectures on ODA, provide ODA-related information through their respective websites, and also prepare and distribute PR materials such as leaflets and brochures about Japanese ODA in cooperation with local office of JICA and JBIC. Furthermore, Japan has been making

active efforts to provide ODA-related information to the international community including other donors through holding of various symposiums and seminars and on websites as well as through regular diplomatic channels and international conferences.

3. Matters Essential to Effective Implementation

(1) Enhancement of Evaluation

For the effective and Efficient implementation of ODA, it is important to Accurately understand the Progress and effectiveness of its implementation in making necessary improvements. For this purpose, ministries related to ODA including MOFA, and implementing agencies such as JICA and JBIC conduct ODA monitoring and evaluation. In the past, most evaluations were conducted on individual ODA projects. Nowadays, they also evaluate ODA activities as a whole conducted in one sector or in one country in addition to individual ODA projects, because the assistance strategies for sectors and countries have been increasingly important in recent years.

In fiscal year 2003, Japan conducted country assistance evaluations of Japanese ODA to India, Indonesia, Pakistan, and Jordan. The three major points examined in the evaluation were: (1) the extent to which Japan's assistance policy is consistent with the needs of the ODA recipient countries; (2) the effectiveness of the assistance policy; and (3) the appropriateness of the implementation process of assistance policy. In Country Assistance Evaluation for India, it was revealed that the sectors prioritized for assistance were those in which the need of the recipient country is generally high, with good ODA input performance. However, the evaluation also found that there are sections with few requests from the recipient country and few ODA input. Based on these findings, it was recommended for Japan to revise its priority sectors in Country Assistance Policy to India. In response to these recommendations, the government has been preparing a Country Assistance Programs to India, while reviewing the priority sectors. As for the Country Assistance Evaluation of Jordan, it became the first to be commissioned to the External Advisory Meeting on ODA Evaluation.

Regarding evaluations on priority issues, an evaluation was conducted on the Okinawa Infectious Disease Initiative (IDI), adopted at the Kyushu-Okinawa Summit in 2000. The points examined in the evaluation were: (1) the consistency between IDI and international efforts against infectious diseases; (2) the appropriateness and efficiency of the formulation and implementation process of IDI; and (3) the

effectiveness of IDI. Based on the results of the evaluation, it was concluded that the significance of IDI was considerable. Japan's announcement of a concrete financial contribution to combat infectious diseases has facilitated to increase the political involvement of the international community in combating infectious diseases. It was recommended that human resource development be enforced, for those who can push forward global-scale measures against infectious diseases.

Regarding sector-specific evaluations of Japanese ODA,



IDI (Okinawa Infectious Disease Initiative) evaluation seminar

evaluation was conducted on Japan's assistive to the education sector of Senegal, the infrastructure development sector of Papua New Guinea, and the water resources development sector of Morocco. The points examined in the evaluation include (1) the extent to which Japanese ODA for the sector reflected the needs of recipient countries; and (2) the effectiveness of ODA. Based on the evaluation results, it was recommended that it was necessary to correctly understand the changing needs of recipient countries for an accurate implementation of ODA, and also that a system be established to monitor the effects of projects.

With regard to project evaluations, ex-post evaluation is conducted on every implemented projects funded by Yen loans, from the view points of the feasibility of the plan, the efficiency of the implementation, and the effectiveness and impact of the project. For example, a third-party evaluation was conducted on the effects and impact of the Small Scale Irrigation Management Project (II) carried out in Indonesia, which was a project designed to assist farmers raise their income levels and reduce poverty by developing small-scale irrigation systems that would enable the increase in crop production. The results of the evaluation revealed that the project contributed to an increase in agricultural production, which led to a rise in the living standards of beneficiary farmers. However, recommendation was made to enforce guidance and practice of farm management and marketing for beneficiary farmers and water user associations, in consideration of the

future shift of price system of rice to the market price system.

Individual evaluation is also conducted on grant aid projects and technical cooperation projects. In an mid-term evaluation of the Cebu Socio-Economic Empowerment and Development Project (Cebu-SEED) in the Philippines, verification was conducted on the consistency between the project objectives and the policy of the recipient country, the progress in accomplishing the objectives, and self-sustainability. The results of the evaluation revealed that the objectives of the project had been generally achieved, but it was recommended that experience and know-how obtained through pilot projects be applied to other projects in order to consolidate these achievements. Upon this recommendation, the Japanese government has been implementing projects with a consideration on its applicability to other projects. The Japanese government is also actively providing related information through publications and PR videos of the provincial government.

As described above, the Japanese government conducts various types of evaluations from policy evaluations to project evaluations, and gives feedback of the evaluation results to ODA implementing agencies in an effort to further improve ODA. The government also publicizes the evaluation results through the websites of the government and implementing agencies in order to fulfill public accountability.

(2) Ensuring Appropriate Procedures

Development activities without due consideration for environment preservation and social ramifications might be effective in the short run. From a medium and long-term perspective, however, such activities would hinder social and economic development of the country concerned. This is contrary to the idea of sustainable development, which Japan has been long supporting.

In pursuit of sustainable development, Japan has been making efforts to prevent or minimize negative effects caused by Japanese ODA projects on the environment or local communities. For this purpose, the Japanese government checks whether implementing agencies have taken appropriate measures to prevent or minimize social damage such as the involuntary relocation of local residents and the violation of the right of indigenous people to land or resources as well as damage to the environment. Moreover, efforts have been made to further simplify and speed up the procurement procedures because it is important to ensure appropriate and effective procurement of equipment, materials, and consulting services in terms of quality and price for effective and efficient implementation of ODA projects (for further information on

procurement, see "(3) Prevention of fraud and corruption" in this section).

Furthermore, before starting a project in a recipient country, Japan has made it a rule to check the measures taken by the country in accordance with various environmental guidelines. In recent years, Japan has been making efforts to further enhance those guidelines. Regarding loan aid projects, the JBIC Guidelines for Confirmation of Environmental and Social Considerations were created and publicized in April 2002, which is designed to take into consideration social aspects such as relocation of local residents and the rights of women and indigenous people as well as the environmental aspect. The Guidelines reflect a wide range of opinions obtained in a public consultation meeting held to listen to experts, NGO staff, and other people concerned. It fully took effect on October 1, 2003.

Regarding technical cooperation projects, the JICA Guidelines for Environmental and Social Considerations were revised in March 2004 based on a wide range of opinions of external experts, NGO staff, and other people concerned. The Guidelines took effect in April 2004. With regard to grant aid projects, the Guideline of Project Assessment for Japan's Grant Aid was created in April 2004 in line with the JICA Guidelines for Environmental and Social Considerations (for further information, see Part II, Chapter 2, Section 1).

Japan will continue and further increase its efforts to check the negative effects of Japanese ODA on the environment and the society and also check the measures taken to ensure the effective and efficient implementation of ODA projects.

(3) Prevention of Fraud and Corruption

Japanese ODA is designed to develop the ODA recipient countries socially as well as economically, and is partly funded by tax money of Japanese people. Therefore, the funds provided as ODA must be used only for that purpose and must not be used for any fraudulent purpose or cause corruption in the recipient countries.

Regarding loan aid projects, a list of candidate projects (Long List) is prepared and publicized at the stage of selecting projects. Meetings of the Committee for Proper Implementation of Grant Aid are held regarding grant aid projects. A Yen loan candidate list has been prepared and publicized for six countries (Vietnam, Tunisia, Morocco, China, India, and Indonesia). Candidate projects on the list do not necessarily receive a Yen loan. It is simply a list of candidate projects scheduled for years to come. After the preparation of the list, official requests for Yen loans may be made on a yearly

basis for some of the projects on the list. Upon receipt of the requests, projects are selected and ODA is implemented. The preparation and publication of such a list enables the finding or forming of a project that could make more effective and efficient use of Yen loans from a medium and long-term perspective. It is also expected to promote collaboration with other donors and international organizations.

The Japanese government has taken measures to ensure transparency of the procurement process of each ODA project, whether it is a loan aid project, grant aid project, or technical cooperation project. For example, parties on the side of the recipient countries usually submit bids in accordance with the procurement guidelines of either JICA or JBIC as the case may be. JICA or JBIC checks the bidding result and publicize it including the name of the successful bidder and the bid price. In case any company tries to win a bid by a fraudulent means, there is an established system to exclude such company from the bidding and contracting process of ODA projects for a certain period of time.

Regarding audits, improvements will be made for more extensive audits, spot-checks without prior notice, and establishment of a system to adopt improvement measures.

With regard to improvements for more extensive audits, the government has been gradually increasing the number of countries subject to review on the Yen loans procurement procedures by external experts, which has been conducted for some countries with respect to loan aid. In principle, external auditing is required for any projects under Grassroots Human Security Grant Aid worth 3 million yen or more (it used to be 20 million yen or more). Such auditing has been conducted whenever possible. Regarding technical cooperation projects, an external auditing company audits the accounting of JICA.

Regarding "spot-checks without prior notice," for loan aid projects, the government adopts external auditing by sampling from the projects agreed in and after fiscal year 2002 between the governments concerned. Regarding grant aid projects, the government has introduced external auditing to the process of checking whether all the contracts related to the projects are in line with the agreements between the governments concerned. With regard to technical cooperation, the above-mentioned external auditing company conducts an audit on JICA without prior notice.

With regard to "establishment of a system to adopt improvement measures," the government has been improving the existing follow-up system, which allows a department of the implementing agency in charge of actual implementation of a loan aid project or technical cooperation project to take improvement measures based on the audit results.

(4) Ensuring the Safety of ODA Personnel

Japan currently uses the ODA budget to provide assistance to more than 160 countries and regions. Each of them has different security situations. ODA personnel who work there have to deal with ever-changing security situations. It has become extremely important to ensure the security of ODA personnel who support peace-building efforts since the terrorist attacks on the U.S., which has heightened the tension in the Middle East and South Asia and increased terrorist activities throughout the world.

In order to ensure the security of ODA personnel, the government collects as much information as possible about local security situations through Japanese diplomatic missions and local offices overseas, provide overseas travel information and other useful information, and promote information exchange and sharing among ODA personnel. In addition, JICA and JBIC hold training sessions and seminars for their personnel who are leaving Japan, secure a means of communication in case of an emergency, appoint security advisors, and install security equipment in the houses of their personnel.

To enhance the security of Japanese diplomatic missions, the government introduced new equipment and devices in fiscal year 2003 such as an additional supply of ten bullet-proof cars, bullet-proof vests, and concrete blocks. The budget for fiscal year 2004 included funding for a significant increase in the number of guards entrusted by Japanese diplomatic missions, introduction of bodyguards in Iraq and Afghanistan, and security seminars for staff of high-risk Japanese diplomatic missions. Moreover, in terms of request for institution and increase of personnel of the Ministry of Foreign Affairs, a post of Deputy Director-General in charge of Crisis Management was created and an increase in the number of security officer as well as that of personnel in charge of consular affairs and visa administration by 19 and 21 respectively were approved, which contributed to a substantial improvement of the security of Japanese diplomatic missions.

JICA takes appropriate security measures when necessary. For instance, it exchanges information with Japanese diplomatic missions abroad and prepares a security manual for each country and region in consideration of the respective local security situations. JBIC also takes security measures similar to JICA's. If a Japanese company engaging in an ODA project in a recipient country needs to withdraw from that country, JBIC tries to ensure the security of the company by helping the company negotiate with its local business partners for the suspension of the project so that the company's employees can return to Japan.