

# Part II

## Measures for Each Priority Issue



A JICA expert conducting market research on rice under the technical cooperation "Project for Rice Productivity Improvement and Management of Watershed and Irrigated Area (Phase 2)" in Madagascar (Photo: KUNO Shinichi/JICA)

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## Part II Measures for Each Priority Issue

### 1 Cooperation Aimed at Achieving “Quality Growth”

#### (1) Development of Industrial Infrastructure and Industries and Economic Policy

In order to achieve “quality growth,” <sup>1</sup> it is important to improve the socio-economic infrastructure that serves as the foundation for development. Moreover, it is crucial that the private sector plays a key role, and it is indispensable to boost private sector activities, such as the development of industries and the expansion of trade and investment. In developing countries, however, it can sometimes be difficult to develop capacities or set in place an environment for promoting trade and attracting private investment. Thus, support from the international community is required.

#### Japan's Efforts

##### ■ Quality Infrastructure

Developing countries continue to have an enormous demand for infrastructure. It is forecasted that the infrastructure supply and demand gap by 2040 is approximately \$15 trillion. <sup>2</sup> However, in order to achieve “quality growth” in developing countries, it is necessary not only to develop a large amount of infrastructure, but also to develop “quality infrastructure”<sup>\*</sup> that takes into account transparency, openness, economic efficiency in view of life-cycle cost, and debt sustainability, etc.

Japan develops “quality infrastructure” in line with

the economic and development strategies of developing countries and trains human resources to maintain and operate the infrastructure. Japan’s strength lies in helping develop infrastructure that is truly contributory to “quality growth” in developing countries, which also includes technology transfer and job creation.

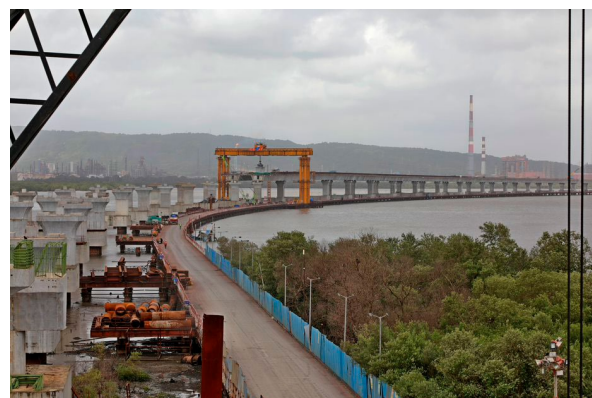
Japan cooperates with various countries and international organizations to promote and implement the “G20 Principles for Quality Infrastructure Investment,” <sup>3</sup> which were endorsed at the 2019 Osaka Summit. The importance of “quality infrastructure investment” has been confirmed at various bilateral and multilateral meetings.

At the G20 Rome Summit in October 2021, Prime Minister Kishida stressed that it is necessary to implement “quality infrastructure investment” in accordance with the G20 Principles for the recovery of the global economy. The Leaders’ Declaration recognized the critical role of quality infrastructure investments in the recovery phase and affirmed that the G20 would continue to advance the work related to the G20 Principles for Quality Infrastructure Investment.

At the ASEAN-Japan Summit Meeting in November 2020, Japan launched the “Japan-ASEAN Connectivity Initiative” with a focus on quality infrastructure projects worth ¥2 trillion and announced that it would help strengthen land, sea, and air corridor connectivity through infrastructure development together with human resources development of 1,000 individuals in three years. In August 2021, the Thai State Railway of Thailand (SRT) Red Line was opened using Japan-made rolling stocks.



Toamasina Autonomous Port staff and Japanese experts discussing truck traffic routes at Toamasina Port in Madagascar, which is being expanded with a Japanese ODA loan (Photo: KUNO Shinichi/JICA)



Construction site of the Mumbai Trans Harbour Link, the longest bridge in India (Photo: Mumbai Metropolitan Region Development Authority)

<sup>1</sup> Growth that is “inclusive” in that the fruits of growth are shared within society as a whole, leaving no one behind, “sustainable” in that it can be sustained while being in harmony with society and the environment, and “resilient” in that it is able to withstand and recover from economic crises, natural disasters, and other shocks (Development Cooperation Charter).

<sup>2</sup> Forecasts by the G20 Global Infrastructure Hub (GIH).

<sup>3</sup> See the Glossary “Quality Infrastructure” on page 31.

## Promotion of the Sustainable Development Goals (SDGs)

The international community has been confronted with various challenges that cross national borders such as poverty and disparity, terrorism, refugees and displaced persons, infectious diseases, natural disasters, climate change, and environmental issues. The spread of COVID-19 has dealt a severe blow to people in vulnerable situations and threatens human security. Japan has positioned the SDGs\* as an important compass for overcoming these unprecedented crises and guiding the world toward a better future, and advances initiatives to achieve them.

Achieving the SDGs requires cooperation within the international community beyond the conventional concept of developed and developing countries. It also requires action not only by governments and development agencies, but also by all stakeholders, including private companies, local public entities, research institutions, civil society, and individuals. The Government of Japan provides multifaceted support by linking various initiatives using ODA as a catalyst and taking a deep approach so that the entire international community, including developing countries, can achieve the SDGs.

## Voluntary National Review 2021: Report on the Implementation of the 2030 Agenda

The Government of Japan established the SDGs Promotion Headquarters, with the Prime Minister as its head and all the Cabinet Ministers as its members, and has actively worked on achieving the SDGs both in Japan and abroad through the formulation of the SDGs Implementation Guiding Principles,

which sets the direction for the promotion of the SDGs, and the implementation of the SDGs Action Plan, which compiles specific policies.

The 2030 Agenda for Sustainable Development encourages UN member states to conduct regular, country-led, and country-driven voluntary national reviews (VNRs) to confirm progress on the SDGs. In July 2021, Japan presented its second VNR since 2017 to the High-level Political Forum on Sustainable Development (HLPF) held under the auspices of the United Nations Economic and Social Council. In order to achieve the SDGs, every country must develop new strategies that are not limited by past precedent, and work together to accelerate their efforts. Japan's VNR was compiled taking into account the valuable opinions of various organizations, associations, and civil society.

Then Prime Minister Suga, who was then the Chair of the SDGs Promotion Headquarters, participated in the “SDG Moment 2021” held at the United Nations Headquarters in September. He stated that, based on its VNR, Japan would promote international cooperation and raise awareness in Japan, and do its utmost towards achieving the SDGs by 2030 and creating a hopeful future.

In addition, other international conferences and events deeply related to the SDGs were held in 2021, including the 14th UN Congress on Crime Prevention and Criminal Justice (Kyoto Congress), the Tokyo 2020 Olympic and Paralympic Games, the 26th Session of the Conference of the Parties to the UN Framework Convention on Climate Change (COP26), and the Tokyo Nutrition for Growth Summit 2021. The message sent from Japan toward achieving the SDGs attracted worldwide attention. Based on the vision, initiatives, and current status summarized in its VNR, Japan will promote efforts to achieve the SDGs by 2030 in cooperation with all stakeholders, including young people and women.





## ■ Improving the Trade and Investment Environment

Japan utilizes ODA and Other Official Flows (OOF)\* to support the development of small and medium-sized enterprises (SMEs), transfer of Japan's industrial technology, and formulation of economic policies in developing countries. In addition, Japan supports the development of the trade and investment environment and economic infrastructures in order to enhance the export capabilities and competitiveness of developing countries.

With regard to access to the Japanese market, Japan has implemented the Generalized System of Preferences (GSP), which applies tariff rates that are lower than the general tariff to products originating from developing countries. Furthermore, for the Least Developed Countries (LDCs),\* Japan applies duty-free quota-free access\* by introducing a special preferential treatment. Through these schemes, Japan intends to encourage the import of products from developing countries. Moreover, Japan actively promotes Economic Partnership Agreements (EPAs)\* and investment agreements. It is expected that these agreements will promote

the facilitation of business environments through liberalization and protection of trade and investment, which will encourage Japanese companies to enter the markets in developing countries, and consequently, contribute to economic growth in developing countries.

Discussions regarding Aid for Trade (Aft)\* have intensified in various international organizations such as the World Trade Organization (WTO) and the OECD, as a means of further promoting support from developed countries, including Japan. Japan has contributed to organizations such as the International Trade Centre (ITC), which implements Aft, with the aim to strengthen the capacity of developing countries to engage in trade negotiations and participate in the global market, and to raise their ability to implement the WTO agreements. In 2021, through the ITC, Japan provided assistance to women entrepreneurs in Africa for the utilization of e-commerce, and support for self-reliance through IT training for displaced persons in the Gaza Strip and Somalia.

Japan provides infrastructure supports such as funding for the development of transportation

## Timor-Leste

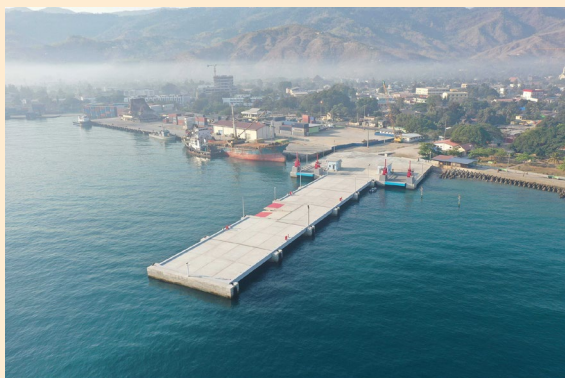
### (1) The Project for Urgent Relocation of Ferry Terminal in Dili Port, (2) Advisor for Port Planning and Facility

(1) Grant Aid (September 2016 - January 2020), (2) Technical Cooperation (Expert) (March 2017 - March 2020)



Timor-Leste, an island country, depends heavily on imports for many of its daily necessities and port development is an important issue. The Port of Dili, the capital of Timor-Leste, is one of the country's most important infrastructure facilities, serving as a hub for marine logistics and a port of call for ferries that transport people and daily necessities to exclave and remote islands. However, in addition to the growing volumes of cargo being handled as a result of increasing economic activity, there were no separate routes for containers and ferry passengers, which created considerable danger for passengers when boarding and disembarking from vessels.

In response to those issues, Japan has supported the relocation and maintenance of the ferry terminal through grant aid. The completion of the new passenger ferry terminal through Japanese assistance has provided separate routes for cargo and passengers, which ensures safe docking and mooring of vessels and safety of passengers when boarding and disembarking. It is expected to promote economic activity by improving access to exclave and remote islands and marine transportation capacity.



The new ferry terminal constructed through Japanese grant aid has enabled safe berthing of two ships at the same time, as well as 24-hour operation. (Photo: Tobishima Corporation)



Mr. Sasa (center) (currently a JICA senior advisor) giving technical instruction to his counterparts in Timor-Leste (Photo: JICA)

It will also strengthen connectivity across the Indian Ocean and Pacific, contributing to the realization of a "Free and Open Indo-Pacific (FOIP)."

In addition, Japan has been addressing development of human resources in port maintenance. Mr. Jose Madeira Marques, vice president of the Autoridade Portuária Timor-Leste (APORTIL), the port authority that supervises and manages port operations in Timor-Leste, is one of the participants who studied under Japan's human resources development program. He came to Japan as a JICA trainee in 2007 and learned the basics of ship safety for about four months. After returning to his home country, he continued to study at JICA seminars and other events. "It was Mr. Marques who asked me questions very enthusiastically from the beginning of the session. Thinking more questions would be asked in-depth during the following session, I set up time to explain in detail just for him," said JICA senior advisor Mr. SAsA Kenji,\*1 who served as a lecturer at the seminars after having been dispatched as a JICA expert to the country. Following this, Mr. Marques and Mr. Sasa have cooperated on work on the port maintenance projects in Timor-Leste and played their part in leading the country's port sector.

\*1 Title at the time of writing. His then title was JICA expert.



(Left photo) Ceremony featuring the handover of operation of the car terminal and the first export shipments held at Patimban Port in Indonesia, which is under construction with a Japanese ODA loan. (Right photo: Oriental Consultants Global) The current construction site of the port, including the car terminal, of which full-scale operation has begun.

networks, including ports, roads, and bridges, as well as for projects to construct facilities such as power plants and power grids, all of which are vital for developing countries to engage in trade. Japan also implements technical cooperation in trade-related areas, including the training of customs officials and intellectual property rights experts. For example, in Indonesia, construction work has been underway since 2018 at Patimban Port in West Java Province under the cooperation of Japanese companies with ODA loans and technical cooperation. Public and private sector cooperation has advanced towards improving logistics and other matters, including a local company, which has been invested in by Japanese companies, that started full-scale operation of a car terminal in December 2021 (see “Stories from the Field” on pages 32 and 120 for Japan’s infrastructure assistance in Laos and Rwanda (including technical cooperation for customs staff in Rwanda), and “Project Introduction Column” on page 34 for cooperation for tax officers in Kyrgyz Republic).

Regarding support for customs in developing countries, mainly ASEAN member states, among such

technical cooperation, Japan has actively provided support aimed at improving the capacity of customs in developing countries through sharing of Japan’s expertise and skills in customs. Through contributions to the World Customs Organization (WCO), Japan supports capacity building activities implemented by the WCO and helps to facilitate international trade while securing safety through promoting the introduction and wider adoption of WCO tools and best practices. In addition, Japan dispatches its customs officials as JICA long-term experts to six ASEAN countries<sup>4</sup> to provide support tailored to the needs of individual fields. In Africa, under a JICA/WCO joint project, Japan provides support for strengthening border control capacity through region-wide technical cooperation projects and implements a program (the Master Trainer Programme) to train instructors who will play leading roles in customs administrations in various countries (see “Stories from the Field” on page 120 for Japan’s support for facilitating smoother border procedures in international corridors in East Africa). The program was expanded to Pacific Island countries in 2021.

Furthermore, Japan provides assistance to small-scale production groups and small companies in developing countries over the “One Village, One Product Campaign”<sup>\*</sup> (see “Project Introduction Column” on page 40). In addition, to attract private sector investment in developing countries, Japan advances support by identifying unique challenges in those countries and by offering recommendations or advice to local governments.

#### ■ Support for Mobilization of Domestic Resources

In order to enable developing countries to achieve quality growth by resolving various development issues under their ownership, it is critical that developing countries ensure the necessary development funds in the form of tax revenue collection or others with their own capacities. This is known as “domestic resource mobilization,” and its importance has been pointed



Paraguay’s then Minister of Industry and Commerce and Vice-Minister for Micro, Small and Medium Enterprises of the Ministry of Industry and Commerce visiting the “One Village, One Product” shop opened in Paraguay’s capital city Asunción by the JICA Alumni Association (Photo: JICA)

<sup>4</sup> The six countries are: Cambodia, the Philippines, Malaysia, Myanmar, Laos, and Thailand.

out in light of insufficient development funding for achieving the SDGs.

Japan, together with the international organizations and other entities concerned, contributes to discussions regarding domestic resource mobilization and provides relevant support to developing countries. For example, Japan proactively provides technical cooperation to developing countries for improving their tax administration. In 2021, National Tax Agency (NTA) personnel served as JICA long-term experts in Indonesia, Laos, the Philippines, Viet Nam, and elsewhere in fields including international taxation, tax audits, and taxpayer awareness raising. In addition, the NTA conducts the International Seminar on Taxation (ISTAX) and training on international taxation for Asian countries for tax officials and others from developing countries. Japan also provides cooperation on the human resources, expertise, and financing for technical assistance provided by the IMF and ADB in the field of taxation, including domestic resource mobilization, thereby contributing to strengthening capabilities in the field of taxation in developing countries, including Asia.

Furthermore, the outcomes of the OECD/G20 BEPS Project,<sup>\*</sup> which was launched to prevent aggressive tax planning measures by multinational enterprises, are also important for the sustainable development of developing countries. Through the cooperation among countries to implement the outcomes of this project, developing countries will be able to respond to the tax avoidance of multinational enterprises appropriately and impose and collect tax properly in their own countries. At the same time, their tax systems and tax administration will be in line with international standards, and a

stable, highly predictable, and attractive investment environment will be created for companies and investors. At present, more than 140 countries and regions, including developing countries, are participating in the framework that implements measures recommended under the BEPS Project. Under this framework, a two-pillar solution <sup>5</sup> was agreed upon in October 2021 to address the tax challenges arising from economic globalization and digitalization. Work is underway to formulate a multilateral convention and change domestic laws to implement the agreement in 2023.

#### ■ Finance

A sound and stable financial system, coupled with smooth financial and capital markets, forms an essential foundation for the sustainable economic development of developing countries. As financial globalization advances, it is pivotal that financial systems in emerging countries are properly established and that assistance is provided for the development of sound financial markets.

Based on this concept, the Financial Services Agency conducted the “Seminar on Improvement of Banking/Securities/Insurance Supervision” for emerging countries on the regulatory and supervisory systems and initiatives of Japan’s financial and capital markets. Specifically, a seminar on insurance supervision was held in February 2021, a seminar on securities supervision was held from February to March, and a seminar on banking supervision was held in September. Each seminar was held in an online format, with a total of 43 participants from 13 countries. Another seminar on securities supervision was also implemented in an on-demand format <sup>6</sup> from October to December.

<sup>5</sup> Pillar One is a revision of international taxation principles to allow the taxation of global corporations with large scale and high profit levels in market countries regardless of whether they have a physical presence there. Pillar Two is the introduction of a global minimum tax rate from the perspective of curbing the competition to lower corporate income taxes.

<sup>6</sup> A streaming format in which video training materials that have been filmed and edited in advance are uploaded to a streaming server or other forms of distribution, and participants can take the seminar at anytime they wish.



## Glossary

### Quality Infrastructure

Infrastructure that genuinely contributes to “quality growth” and is “resilient” against natural disasters and other risks, “inclusive” so that no one is left behind, and “sustainable” taking into account its impact on society and the environment. The “G20 Principles for Quality Infrastructure Investment,” which incorporate key elements for investing in “quality infrastructure” such as (i) openness, (ii) transparency, (iii) economic efficiency in terms of life-cycle costs, and (iv) debt sustainability, were endorsed at the Osaka Summit in June 2019.

### Sustainable Development Goals (SDGs)

International goals aimed at a sustainable and better world by 2030, as described in the 2030 Agenda for Sustainable Development adopted by all UN member states at the UN Summit in September 2015 as the successor to the Millennium Development Goals (MDGs, 2001). The SDGs consist of 17 goals and 169 targets.

### Other Official Flows (OOF)

OOF refers to flows of funds to developing countries from governments, which are not considered as ODA because their main purpose is not development, the leniency of their conditions does not reach the standards, and/or other reasons. Examples include export credit, direct investment by governmental financial institutions, and financing to international organizations.

### Least Developed Countries (LDCs)

According to the classification by the UN, LDCs are countries particularly behind in development compared to other developing countries based on their income levels. LDCs meet certain criteria, including gross national income (GNI) per capita of \$1,018 or less on average between 2017 and 2019. As of 2020, there are 46 eligible countries: 7 in Asia, 2 in the Middle East, 33 in Africa, 1 in Latin America, and 3 in Oceania.

### Duty-free quota-free access

A measure to make products imported from LDCs tariff free and without any import quotas. Japan has been expanding the number of applicable products under this measure, and approximately 98% of all products can be imported under such conditions.

### Economic Partnership Agreement (EPA)

EPAs are agreements for strengthening a wide range of economic relations, incorporating not only elements of Free Trade Agreements (FTAs) that are aimed at reducing and eliminating tariffs on goods and barriers to trade in services between specific countries and regions, but also elements of cooperation in various sectors such as investment, movement of persons, protection of intellectual property, and rulemaking on competition policy. These agreements are expected to further vitalize trade and investment between countries and accelerate economic growth.

### Aid for Trade (Aft)

Aft is an assistance provided to developing countries to improve trade-related capabilities and to develop infrastructure for the purpose of achieving economic growth and poverty reduction through trade in developing countries under the WTO's multilateral trading system. The WTO emphasizes the significance of promoting the development of developing countries through their participation in the multilateral free trading system.

### One Village, One Product Campaign

The One Village, One Product Campaign is an initiative, which was launched in Oita Prefecture, Japan in 1979 and prevails globally, that aims to create jobs and to revitalize local communities through promoting unique products that take advantage of local resources and traditional techniques. In Asia and Africa, this Campaign facilitates expanding exports of developing countries' products by discovering attractive goods, such as handcrafts, textiles, and toys that represent the unique ethnic characteristics of those countries and by reaching out to a wider range of people.

### OECD/G20 BEPS Project

Base Erosion and Profit Shifting (BEPS) refers to the issue of multinational enterprises' aggressive tax planning measures that exploit gaps and loopholes in international tax systems, including tax treaties, in order to intentionally reduce the tax burden for economic activities that should have been taxed. In order to address this issue, the BEPS Project was launched in June 2012 by the OECD's Committee on Fiscal Affairs, with the aim of ensuring fair competition and making international taxation rules conform with the situation of the global economy and company trends, as well as reviewing international taxation rules across the board in order to raise transparency among all governments and global companies.



## Stories from the Field

### Utilizing Japan's experience in extending the lifetime of the infrastructure in Laos and promoting quality infrastructure!

—Nagasaki University promotes maintenance and management of the road infrastructure in Laos as well as human resources development in this field through industry-government-academia collaboration—



Public nomination

1

Laos is a landlocked country and the movement of people and goods heavily depends on its road network. Laos is as large as Japan's main island Honshu and about 80% of its territory is in a mountainous area. Therefore, the country needs to operate the road network soundly through the appropriate maintenance and management of over 3,600 bridges scattered across the country in order for the well-balanced socio-economic development of the country. In Laos, more than 15% of the bridges on the national roads have been in service for over 40 years, and 10% of them require early and urgent repairs. The technology for systematically maintaining and managing these bridges had been required in Laos.

In Japan, many bridges were intensively constructed during and after the period of high economic growth and these bridges are aging at the same time as those in Laos. Around half of the bridges in Japan are expected to exceed 50 years of service within a few years. In order to improve the situation, industrial, governmental and academic sectors are working together and research institutes and the industrial sector are leading the development of technological innovations for extending the lifetime of the infrastructure, while central and local governments are promoting the practical application of these technologies.

In line with these trends, Nagasaki University established the "Infrastructures Lifetime-Extending Maintenance Research Center" in 2007, and has been managing its "Michimori" (Road Guardian)" training course for local governments, private companies, NPOs and local residents, which aims to develop human resources for maintenance and management of the road infrastructure. The course has engaged more than 900 people qualified for maintenance and management of the road infrastructure. Nagasaki University takes an initiative and expands its activities covering development of international human resources.

As one of these initiatives, Nagasaki University has accepted government officials and engineers from developing countries and enrolled them in "Bridge Maintenance," a Knowledge Co-Creation Program (KCCP) of JICA that aims to develop human resources responsible for the maintenance and management of infrastructure. 102 participants from 42 countries enrolled between FY2015 and FY2019 are playing active roles in their own countries while utilizing Japanese technology. In addition, Nagasaki University Graduate School has also accepted government officials, engineers, and researchers from developing countries for JICA's KCCP Long Term Training, "Core Human Resource Development for Road



An on-site exploratory survey at a bridge during the "Bridge Maintenance" training course (second from the left: Dr. Nishikawa) (Photo: International Development Center of Japan)

Asset Management." Two bridge engineers from the Ministry of Public Works and Transport (MPWT) of Laos were enrolled in the university's doctoral course through said program and completed it in 2021 with a doctorate degree.

Dr. Thavone, one of the participants, has carried out research on "Load Bearing Behaviors and Maintenance Methodology of Bailey Bridge."<sup>\*1</sup> He has returned to the MPWT of Laos and has achieved some results for on-site technical guidance on bridge maintenance and management as well as in nurturing junior staffs. He has also been contributing as a key person to the "Project for Capacity Development on Bridge Maintenance and Management," a technical cooperation project conducted through a public-private-academia collaboration involving Nagasaki University, the International Development Center of Japan, and other stakeholders.

Nagasaki University has been contributing to infrastructure longevity in Laos through practical and academic approach, by dispatching experts to Laos, supporting systematic maintenance and management of 860 bridges on national roads, and trying to ensure that the outcomes of Dr. Thavone and others' researches are utilized in actual infrastructure maintenance and management on-site. Dr. NISHIKAWA Takafumi, Associate Professor of Nagasaki University and deputy chief advisor of the project, said as follows: "Bridges and other infrastructure play a key role as social apparatus for a very long period of time, from planning to construction and after completion, serving for decades or more than a century. It will not happen overnight to develop organizations, human resources, and technologies for appropriate development, operation, maintenance and management of infrastructure. I really hope that these initiatives in Laos will contribute to the formation of a safe and secure road network and bring about further development of the country."

In this way, Japan is working to extend the lifetime of the infrastructure in developing countries through industrial-government-academia collaboration involving governments, universities and private companies. Such efforts contribute to the realization of economic viability considering life cycle costs, an element of the "G20 Principles for Quality Infrastructure Investment."<sup>\*2</sup>



Dr. Thavone confirming the strength of the components of a collapsed Bailey bridge, as part of his research activities in Laos (Photo: Nagasaki University)

<sup>\*1</sup> A temporary bridge used in many developing countries. Originally developed for military purposes, this kind of bridge can be easily set up but is not designed for long-term use. As these are being used as regular bridges in developing countries, bridge collapses happen frequently due to overloaded vehicles being driven across them and other similar situations.

<sup>\*2</sup> See the glossary "Quality Infrastructure" on page 31.



ODA  
Topics

2

Promoting Initiatives for the Realization  
of a “Free and Open Indo-Pacific”

The Indo-Pacific region, which extends from the Asia-Pacific region through the Indian Ocean to the Middle East and Africa, is the core of vitality for the world that is home to half of the world's population. To establish a free and open order based on the rule of law in this region, Japan advocated the concept of a “Free and Open Indo-Pacific (FOIP)” in 2016 and promotes efforts to realize it. The vision is widely shared not only by the United States but also by Australia, India, ASEAN, and major European countries and is becoming increasingly important towards the post-COVID-19 era.

Japan's Official Development Assistance (ODA) is one of the most important instruments for such efforts to realize FOIP.

For example, under FOIP, it is aimed to promote economic prosperity by enhancing connectivity across this region. It intends to achieve the growth of the entire region by developing ports, airports, roads, railways, and other infrastructure within the area in line with international standards and connecting cities and hubs with one another. The Mass Transit System Project in Bangkok (Red Line) in Thailand, which was developed through Japan's ODA loans and opened in August 2021, is one example of assistance for enhancing connectivity. This railway line, which connects the center of Bangkok, the capital of Thailand, with Don Mueang Airport and the surrounding areas, will contribute to alleviating and improving the issues of traffic congestion and air pollution in the metropolitan region. The new Bang Sue Grand Station, constructed as a part of this project, becomes Thailand's new symbolic terminal station for long-distance lines, and will be used for high-speed railway and conventional national railway lines in the future.

Japan's assistance towards Djibouti in East Africa is also introduced here as an example of efforts for securing peace and stability. The areas off the coast of Somalia and in the



A patrol vessel provided to the Djibouti Coast Guard in October 2021

Gulf of Aden, which Djibouti faces, are critically important sea lanes for Japan, with approximately 1,600 vessels related to Japan passing through these areas each year. However, piracy, armed robbery, illegal passage, illegal fishing, smuggling, and accidents occur frequently in the area. To address these issues, Japan has deployed anti-piracy operations by the Self-Defense Forces, as well as supported the Djibouti Coast Guard through ODA, including the provision of patrol vessels for maritime surveillance, capacity building in the operation and maintenance of vessels, and the establishment of Djibouti Coast Guard training frameworks.

With regard to the efforts to promote and consolidate the rule of law, to date, Japan has also provided assistance with the drafting of civil laws in China, Viet Nam, Cambodia, Nepal, and Laos through JICA technical cooperation. For Laos, Japan has consistently worked to support the development of the legal system over the course of approximately 20 years, and the country's first civil code was enacted in 2020 as the culmination of assistance. Japan had invested considerable amounts of time in human resources development, which played a central role in the drafting of the civil code and continues to provide assistance in the country aimed at the utilization and dissemination of the civil code following its enactment.

The stability and prosperity of Japan and this region cannot be realized without a “Free and Open Indo-Pacific” where various people, goods, and wisdom are actively exchanged, supported by highly transparent rules. Japan will make efforts to realize FOIP by utilizing various forms of assistance, including ODA.



Thailand's Mass Transit System Red Line, which opened in August 2021  
(Photo: JICA)

## (2) Efforts on Debt Issues

Development assistance through public financing is utilized to promote economic growth in developing countries. However, if it becomes difficult for those countries to repay the funds received due to the deterioration of their macroeconomic environment or other reasons, they may become overburdened with excessive debt, which can inhibit their sustainable growth. Such issues must essentially be resolved by the indebted countries themselves by putting forward reforms and other efforts. However, should their excessive debt stand in the way of their development path, the international community needs to respond.

In regard to international efforts to address debt issues, debt relief measures have been implemented through efforts such as the Enhanced HIPC Initiative<sup>7</sup> for Heavily Indebted Poor Countries (HIPCs)\* and the Paris Club's<sup>8</sup> Evian Approach.<sup>9</sup> However, in recent

years, there are some cases among low-income countries in which they accumulate official debt again, despite having received debt relief. Thus, there are concerns in regards to their debt sustainability. The reason behind this situation on the countries' side is pointed out as being that indebted countries lack the capabilities to gather and disclose their own debt data and appropriately manage their debt. The reasons on the creditors' side are pointed out as being that the funding providers are diversified and loans from emerging donor countries and private creditors, including the provision of untraditional and non-concessional loans such as secured loans, have increased, while the proportion of Paris Club loans is decreasing.

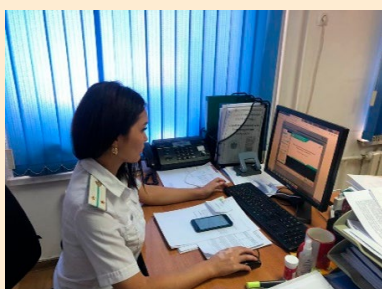
In April 2020, in order to respond to the impact of the spread of COVID-19 on low-income countries, the G20 and Paris Club agreed on the "Debt Service Suspension

### Kyrgyz Republic

#### Project on Improvement of Human Resources Development System of the State Tax Service under the Government of the Kyrgyz Republic Technical Cooperation Project (July 2017 – November 2020)



Since the Kyrgyz Republic joined the Eurasian Economic Union in 2015, the country's domestic tax system has considerably changed. Developing the capacity of staff members involved in taxation has become essential for improving their understanding of the tax system. There are around 2,200 staff members of the State Tax Service Head Office and 62 branch offices around the Kyrgyz Republic\*<sup>1</sup> and its land of which 98% is mountainous, divided from north to south and from east to west by 4,000 meter-class mountain ranges. Therefore, there have been cases in which some regional staff have had difficulty participating in training in the capital city Bishkek. Moreover, the training systems in the capital were themselves not adequately developed.



A tax officer in Bishkek participating in taxation training for new staff, using the distance learning system

Japan has therefore supported human resources development utilizing a distance learning (e-learning) system with the aim of improving the capacity of the regional staff.

Japanese experts worked with the State Tax Service under the Government of the Kyrgyz Republic (STS) to formulate a human resources development plan and develop digital teaching materials



Members of STS Working Group and JICA experts working together to develop training materials  
(Photo: Kinzai Institute for Financial Affairs, Inc.)

that were adapted for the Kyrgyz language for three courses for new staff, middle staff, and staff in charge of educating taxpayers. They developed a system taking into account local realities, such as the introduction of smartphone applications for staff unable to learn via computer, and continued project activities after the COVID-19 pandemic. As a result, 585 staff members participated in training, greatly above the original target of 300 participants, with over 90% of course participants expressing satisfaction.

Furthermore, during the project period, STS itself proactively strengthened their organizational capacity to roll out training, including the development of two training courses with its own initiatives and the addition of two more staff members in charge of training. Based on the outcomes of this project, it is expected that STS will implement continuous human resources development going forward whereby tax administration in the Kyrgyz Republic is improved.

\*1 As of October 2020 (Project Completion Report).

<sup>7</sup> An initiative agreed at the Cologne Summit (Germany) in 1999.

<sup>8</sup> An informal group of creditor countries to discuss rescheduling of public debts. The name of the Paris Club derives from the fact that France has chaired meetings and invited creditor countries to Paris upon requests from indebted countries.

<sup>9</sup> A new Paris Club approach to debt restructuring (the Evian Approach). Debt relief measures which focus more on the debt sustainability of recipient countries, especially low-income and middle-income indebted countries other than HIPCs, and take case-by-case measures corresponding with the circumstances of each indebted country.

Initiative (DSSI),” which temporarily allowed these countries to suspend official debt service payments. Furthermore, in November 2020, the G20 and Paris Club agreed on the “Common Framework for Debt Treatments beyond the DSSI (Common Framework).” <sup>10</sup> In the G20 Rome Leaders’ Declaration issued at the G20 Rome Summit in October 2021, it was stated that preliminary estimates point out at least \$12.7 billion of total debt service was deferred, under the DSSI, between May 2020 and December 2021, benefiting 50 countries. Since the DSSI expired at the end of December 2021, debt measures under the “Common Framework” need to be quickly implemented going forward (see also page 5 for Japan’s response in relation to this).

One of the factors that can significantly affect debt sustainability of countries, including low-income countries, is infrastructure investment. Infrastructure projects such as ports and railroads come at a large cost, and debt repayments can become a significant burden for the borrowing countries. When financing infrastructure projects, it is necessary for both the borrowers and lenders to fully consider debt sustainability, and loans without consideration of debt sustainability are criticized as a “debt trap” by the international community.

The “G20 Principles for Quality Infrastructure Investment” <sup>11</sup> incorporated the importance of considering macro (country)-level debt sustainability as well as project-level financial sustainability. They also include the principles of openness, transparency, and economic efficiency in view of life-cycle cost. Each G20 country is required to implement these principles as an international standard in their infrastructure investments and to work to ensure that these principles are implemented in the countries receiving loans.

## Japan’s Efforts

In providing ODA loans, Japan makes its decisions based on the careful consideration of the cooperation structure, debt repayment ability, operational capacity, credit protection measures, etc. of the recipient countries. In most cases, the recipient countries do repay their loans, but there are also exceptional cases in which they face serious difficulties in their repayment due to events that could not be foreseen when they received ODA loans. In such cases, based on international agreements such as the aforementioned Enhanced HIPC Initiative and Paris Club agreements, Japan takes debt relief measures such as debt rescheduling, <sup>12</sup> cancellation, and reduction only when they are absolutely necessary. As of the end of 2020, Japan has cancelled ODA debts worth a total of approximately ¥1.129 trillion toward 33 countries since FY2003. However, in 2021, as well as in 2020, no debt cancellation measures have been taken.

From the perspective of ensuring debt sustainability, an important element of the “G20 Principles for Quality Infrastructure Investment,” Japan is engaged in improving the capabilities related to public debt and risk management among management personnel at the finance ministries of developing countries through contributions to international organizations, as well as through training and the dispatch of experts by JICA. For example, Japan has provided a training program on contingent liability risk management in cooperation with the World Bank for 41 government officials from 21 countries, including Ghana and Zambia, and made new contributions to the trust funds of the IMF and World Bank, supporting the capacity building of indebted countries.



## Glossary

### Heavily Indebted Poor Countries (HIPC)

Developing countries, mainly from the Africa region, that are poor and have heavy debt burdens, and that are applicable for the Enhanced HIPC Initiative, a framework to provide comprehensive debt relief. At the end of June 2021, Sudan reached the HIPC Decision Point and became the 38th country to which the Initiative applies.

<sup>10</sup> The “Common Framework” is the first agreement to jointly determine the terms of debt measures in a manner that involves emerging donor countries and other non-Paris Club countries. See also the glossary on page 8.

<sup>11</sup> See the Glossary “Quality Infrastructure” on page 31.

<sup>12</sup> Debt rescheduling is one form of debt relief, wherein payment is postponed for a certain period of time in order to reduce the burden of debt payment on the indebted country.



### (3) Promotion of Information and Communications Technology (ICT), Science, Technology, and Innovation, and Research and Development

The dissemination of Information and Communications Technology (ICT) <sup>13</sup> contributes to the upgrading of industry and improvement of productivity. It also contributes to solving social issues of medical care, education, energy, environment, disaster risk reduction, and other areas, and helps promote democratization by encouraging information disclosure and establishing broadcasting media. Moreover, the importance of Digital Transformation (DX) <sup>14</sup> is increasing under the spread of COVID-19.



The JICA-JAXA Forest Early Warning System in the Tropics (JJ-FAST) uses JAXA's DAICHI-2 (Advanced Land Observing Satellite-2) to monitor tropical forests in 77 countries every 1.5 months (See also page 51 for the Outer Space)

year for countries adopting or considering ISDB-T. The Ministry of Internal Affairs and Communications (MIC) also promotes assistance that offers ICT solutions to resolve social issues by way of dialogues and joint projects with partner governments.

Japan works with the International Telecommunication Union (ITU) <sup>18</sup> to provide a variety of development assistance in the fields of telecommunications and ICT to developing countries. In October 2020, under the spread of COVID-19, Japan cooperated with the ITU to launch Connect2Recover (C2R), which supports developing countries and regions mainly in Africa to draft national strategies for strengthening digital infrastructure and improving their usage environments. In 2021, Japan provided support for the first phase of internet connection in Rwandan schools (10 out of 63 pilot schools) under the "Giga" initiative jointly implemented by ITU and UNICEF.

In the Asia-Pacific region, the Asia-Pacific Telecommunity (APT) <sup>19</sup> contributes to the balanced development of the telecommunication services and information infrastructure in the region. In order to promote human resources development related to telecommunications, Japan finances a number of training programs conducted by APT every year. In FY2020, seven training programs regarding issues such as broadband networks

#### Japan's Efforts

##### ■ Information and Communications Technology (ICT)

Japan promotes "quality infrastructure investment" in the ICT field in developing countries. <sup>15</sup> It actively supports the establishment of telecommunications and broadcasting equipment and facilities, the introduction of the technology and systems they require, and relevant human resources development. Specifically, Japan actively works to support the overseas spread and introduction of the Integrated Services Digital Broadcasting-Terrestrial (ISDB-T), <sup>16</sup> which has been adopted in a total of 20 countries <sup>17</sup> in Latin America and the Caribbean, Asia, Africa, and other regions as of December 2021. In addition, JICA training programs are conducted every



Training through the "Project on Capacity Building for Cyber Security in Viet Nam" (Photo: JICA)

<sup>13</sup> See <sup>5</sup> on page 4.

<sup>14</sup> See <sup>6</sup> on page 4.

<sup>15</sup> In 2017, Japan formulated the Playbook for Investment in "Quality ICT Infrastructure" for ICT policymakers and procurement managers of the respective countries and regions.

<sup>16</sup> ISDB-T is a terrestrial digital broadcasting system that was developed in Japan. Its functions, such as emergency alert broadcast, TV reception on mobile terminals, and data broadcasting, give the system advantages in disaster response and the provision of diverse services.

<sup>17</sup> The 20 countries are Japan, Brazil, Peru, Argentina, Chile, Venezuela, Ecuador, Costa Rica, Paraguay, the Philippines, Bolivia, Uruguay, Botswana, Guatemala, Honduras, Maldives, Sri Lanka, Nicaragua, El Salvador, and Angola (as of December 2021).

<sup>18</sup> A UN specialized agency, which covers the fields of telecommunications and broadcasting. To ensure that people around the world are able to make use of telecommunications technologies, ITU organizes the following: (i) international allocation of radio frequencies used in mobile phones, satellite broadcasting, and other technologies, (ii) international standardization of telecommunications technologies, and (iii) support for development in the field of telecommunications in developing countries.

<sup>19</sup> An international telecommunication organization established in the Asia-Pacific region. Aiming for a balanced development of telecommunication services and information infrastructure in the Asia-Pacific region, it implements human resources development through training courses and seminars, and coordinates regional policies on standardization, wireless communications, and other telecommunication issues. In 2020, Mr. KONDO Masanori was elected as the Secretary General.

and cybersecurity were implemented and attended by approximately 120 people from the APT member states. The trainees utilize Japanese technology for the development of their own countries’ ICT, and Japanese companies’ expansion into the Asia-Pacific region is also expected through introducing Japanese technology systems.

In the Asia-Pacific region, over two billion people do not have internet access due to factors including fragile infrastructure and the inability to afford it. In the Association of Southeast Asian Nations (ASEAN) region and Pacific Island countries, Japan provides support to develop low-cost, high-speed internet connectivity to remote islands and areas.

On December 12, 2021, Japan, the United States, Australia, the Federated States of Micronesia, Kiribati, and Nauru issued a joint media statement titled “Improving East Micronesia Telecommunications Connectivity.” For the purpose of strengthening telecommunications infrastructure and supporting increased economic growth in the region, in response to the requests from the three Pacific island countries, Japan, the United States, and Australia, in cooperation with the World Bank and the Asian Development Bank (ADB), will support a project to build a new undersea cable. Japan will continue to support the development of quality infrastructure in the Indo-Pacific region in order to realize a “Free and Open Indo-Pacific (FOIP)” in cooperation with the United States, Australia, and other like-minded countries.

With regard to the issues of cyber-attacks that have become key concerns of countries in recent years, Japan and ASEAN have agreed to further strengthen their cooperation.<sup>20</sup> As a specific initiative, the ASEAN-Japan Cybersecurity Capacity Building Centre (AJCCBC) was established through the Japan-ASEAN Integration Fund (JAIF) and conducted cybersecurity exercises and other efforts (see page 52 for details).

### ■ Promoting Science, Technology and Innovation, and Research and Development

The Science and Technology Research Partnership for Sustainable Development (SATREPS) program,<sup>21</sup> which links ODA and the science and technology budget, was launched in 2008 to support joint research between research institutions and researchers in science and technology fields in Japan and developing countries. 168 research projects in 53 countries around the world have been adopted by FY2021 (see also “Master Techniques from Japan to the World” on pages 73 and 135).



Visit to the Thai coastline for the project under the SATREPS “Formation of a Center of Excellence for Marine Plastic Pollution Studies in the Southeast Asian Seas” (Photo: JICA) (See also “Master Techniques from Japan to the World” on page 73.)

Based on cooperation for human resources development, Japan develops networks among the next generation by strengthening assistance for overseas engineering universities.

In Asia, Japan provides support to the Malaysia-Japan International Institute of Technology (MJIT) by procuring equipment and supplies for education and research as well as developing curriculum designs. As of 2021, Japan also collaborates with 28 universities and two research organizations in Japan to extend cooperation for establishing educational curriculums, dispatching Japanese faculty, and other objectives (see also “ODA Topics” on page 95 for Malaysia’s Look East Policy). Since 2012, Japan provides scholarships to students studying remote sensing (satellite image analysis) in courses taught by Japanese instructors at the Asian Institute of Technology (AIT)<sup>22</sup> located in Thailand, contributing to the development of the human resources who will constitute the crux of the space industry development in the Asian region.

In Egypt, Japan has continued to support the Egypt-Japan University of Science and Technology (E-JUST)<sup>23</sup> since 2008. With the cooperation from universities in Japan, in addition to providing support for the operation of graduate schools and departments, such as the provision of practical and international-standard engineering education and promotion of joint research with the industrial sector, Japan also supports the acceptance of exchange students from the Middle East and Africa regions, contributing to industrial and science and technology human resources development in the regions.

<sup>20</sup> In 2015, the Cybersecurity Strategic Headquarters was established in the Cabinet Secretariat, and in 2016 the “Basic Policy to Support Cybersecurity Capacity Building in Developing Countries” was reported to the Headquarters.

<sup>21</sup> See also Part IV 1(5).

<sup>22</sup> One of the Asia’s leading graduate schools offering master’s and Ph.D. programs at the School of Engineering and Technology, the School of Environment, Resources and Development, and other faculties.

<sup>23</sup> A public university based on the concept of providing graduate school, research-centered, pragmatic, and international-standard education for a small number of students, drawing on the features of Japanese-style engineering graduate school education.

#### (4) Vocational Training, Industrial Human Resources Development, and Employment Creation

For quality growth, it is essential to acquire vocational skills, obtain stable employment, and increase income. In developing countries, however, opportunities to receive education and training are limited, which poses a major obstacle to industrial development in those countries.

Moreover, in order to create stable employment under the uncertain global employment situation, each country must urgently prepare for risks by building social safety nets, <sup>24</sup> as well as engage in an international effort to realize decent work, stipulated in SDG 8.

##### Japan's Efforts

#### ■ Vocational Training and Industrial Human Resources Development

With the aim of assisting developing countries in fostering human resources who can respond to diverse needs in technology and technical skills, Japan provides support to leading polytechnic and vocational training schools, which will serve as core centers in each country. In implementing this assistance, Japan, in cooperation with the private sector, supports the capacity building of teachers and trainers, the reinforcement of the operational capacity of training schools, and curriculum improvement in order to further strengthen the linkages between education and employment.

In the field of industrial human resources development, Japan implemented 10 comprehensive cooperation projects in nine countries between 2016 and 2021. The projects drew on Japan's insight and know-how for the development and revision of curriculums and



Pakistani women receiving e-commerce technology training through the project of the Women Entrepreneurs Finance Initiative (We-Fi) (Photo: World Bank)

teaching materials, capacity development of trainers, and collaboration with the industrial sector. As a result, Japan provided support for improving facilities and equipment at 15 schools, as well as Technical and Vocational Education and Training (TVET) institutions. In 2021, Japan also contributed to skill development through 21 projects in 59 countries and regions, with the aim of improving the livelihoods of women, persons with disabilities, and demobilized soldiers, as well as refugees and others whose lives have been impacted by conflicts.

In Asia, with a view towards the 50th Year of ASEAN-Japan Friendship and Cooperation in 2023, Japan has implemented the "Industrial Human Resource Development Cooperation Initiative 2.0," <sup>25</sup> which aims to support industrial human resources development of approximately 80,000 people in Asia over five years from 2018. In this initiative, Japan has steadily implemented human resources development in cooperative fields for industrial advancement capabilities, including in AI and other digital fields, in addition to cooperation in practical technology, design and development capabilities, innovation, business administration, planning, and management capabilities, which have been emphasized thus far.

The "Innovative Asia" Initiative, which has been implemented since FY2017, also provides excellent science and technology students from developing countries in Asia with opportunities to study abroad and intern at companies in Japan to promote the circulation of highly-skilled human resources between Japan and other Asian countries.

In addition, the Ministry of Health, Labour and Welfare (MHLW) conducts training both in Japan and in targeted countries primarily from Southeast Asia. <sup>26</sup> The training <sup>27</sup> is designed to transfer the government and private sector's accumulated know-how on Japan's skills evaluation system (Japan's National Trade Skill Test and Certification) to those in targeted countries, with a view to developing and securing a quality workforce. In FY2020, a total of 95 people from four countries participated in these training programs. The training is expected to develop and improve skills evaluation systems in these countries, which in turn will promote the development of their skilled workers and elevate their social standing through increased employment opportunities.

In relation to Africa, Japan highlighted the assistance in developing industrial human resources as part of Japan's contributions for Africa announced at TICAD7 held in 2019. Japan has been implementing its

<sup>24</sup> Mechanisms in which people can live in safety and without difficulties.

<sup>25</sup> The "Industrial Human Resource Development Cooperation Initiative," which was announced at the ASEAN-Japan Summit Meeting in 2015, was achieved and far exceeded the original goal of assisting industrial human resources development of 40,000 people over three years. Following this, Japan announced the "Industrial Human Resource Development Cooperation Initiative 2.0" at the ASEAN-Japan Summit Meeting in 2018.

<sup>26</sup> The target countries are Cambodia, Indonesia, Myanmar, and Viet Nam.

<sup>27</sup> There are three types of training in this project: "training for people in charge of the creation of test standards and test problems," "training for people in charge of tests and marking," and "training for people in charge of trial certification evaluation." The number of participants above is the total value for all types of training.



commitment, aiming to train 140,000 people in order to diversify industries and create jobs in such areas as innovation, agriculture and blue economy <sup>28</sup> through the KAIZEN Initiative, vocational training centers, and technical assistance by AfDB’s trust fund. Japan’s efforts also go on in training 3,000 people as industrial human resources to promote business between Japan and Africa in six years through the African Business Education



KAIZEN Consultant candidates and trainees from Cameroon provide instruction to wood processors through the technical cooperation “Project on Integrated SME Promotion with the Enhancement of KAIZEN” in Cameroon (Photo: JICA)

Initiative for Youth (ABE Initiative 3.0)\*. Through the ABE Initiative, which is driven by industry-academia-government cooperation, Japan has already provided training opportunities to approximately 1,600 trainees with the cooperation of 77 universities throughout Japan by the end of December 2021.

### ■ Employment, Including Job Creation

Japan also provides support in the area of employment. The spread of COVID-19 has had major socio-economic impacts on various countries, with particularly great effects on socially vulnerable people including youth and women. In light of this, there is a strong international need for support and measures to realize decent work for all workers. Japan provides technical cooperation primarily in the Asian region for the enhancement of security and hygienic standards of work as well as the improvement of social insurance systems, through means such as voluntary contributions to the ILO. In addition, Japan is also providing employment support for youth and others in Ethiopia, Gambia, Mauritania, Mozambique, and Sudan, so that Japan contributes to the realization of “decent work” in Africa.



## Glossary

### African Business Education Initiative for Youth (ABE Initiative)

A program launched at TICAD V in 2013 with the aim of promoting human resources development for business and industry in Africa and fostering “navigators” who will support the business activities of Japanese companies in Africa. It was announced at TICAD VI (2016) and TICAD7 (2019) that the program would continue. Under the program, Japan invites youth in Africa to Japan and provides them with opportunities to gain master’s degrees at Japanese universities, as well as business programs such as internships at Japanese companies, Japanese language training, and entrepreneurship training.

### Science and Technology Research Partnership for Sustainable Development (SATREPS) program

→ See also “Master Techniques from Japan to the World” on pages 73 and 135

Through the collaboration of Japan’s advanced science and technology and ODA, SATREPS is an initiative to conduct research to solve global issues relating to the environment and energy, bio-resources, disaster prevention and mitigation, and infectious diseases. Under this program, research institutes both in developing countries and Japan work together to conduct international joint research with the following objectives: (i) strengthening international science and technology cooperation, (ii) acquiring new expertise and technologies that will lead to resolving global issues, and using these to create innovation, and (iii) capacity development. The Ministry of Foreign Affairs (MOFA) and JICA, in collaboration with the Ministry of Education, Culture, Sports, Science and Technology (MEXT), the Japan Science and Technology Agency (JST), and the Japan Agency for Medical Research and Development (AMED), provide support to research institutes and researchers in Japan and the developing countries.

<sup>28</sup> The blue economy aims to balance the conservation of ocean resources and economic development through the sustainable use of resources from the oceans, rivers, lakes, and more.

In Argentina, poverty and income disparities in rural areas have become a problem and it is required to make policies to promote self-sustaining regional development through support for production activities and human resources development. However, there was not enough development of value-added products that meet market needs and continuous human resources development.

This project started in June 2019 targeting five provinces<sup>\*1</sup> of Argentina upon a request by the Government of Argentina, which had become interested in regional development utilizing Japan's One Village One Product (OVOP) Campaign.<sup>\*2</sup> The project has implemented capacity building of the Ministry of Health and Social Development and the development, improvement, and sales-promotion of products reflecting the market needs of each region. The project has also supported the establishment of value chains from production to sale that embody as one added value social inclusiveness including NGOs that support local residents and communities such as women and young people.

Immediately after the start of this project, it became impossible to travel to Argentina due to the spread of COVID-19. Therefore, activities were carried out online from June 2020 onwards, and a total of 19 seminars were held over FY2020 including the



Implementing exhibition and promotional activities featuring processed agricultural products and traditional crafts, etc., at Shiraoi Town, Hokkaido Prefecture (Photo: JICA)

introduction of examples of the OVOP in Japan and overseas, and lectures on value chains, among other topics. With regard to promoting indigenous culture, in which Argentina is highly interested, exhibitions and promotional activities featuring processed agricultural products and traditional artifacts from the Argentinian provinces were held at Shiraoi Town, Hokkaido Prefecture, which practices the creation of the local attractions by maintaining and passing on traditional Ainu crafts and indigenous culture. Questionnaires were also circulated among visitors to the exhibition.

Such creative and deeply thought out efforts, as well as the enthusiasm shown by the people involved, earned high appreciation from the Government of Argentina, and there are high expectations for future development of this project. Japan will continue to advance assistance for regional development tailored to Argentina.



Instruction being given on a visit to handicraft producers in Salta Province (Photo: JICA)

<sup>\*1</sup> The five provinces of Salta, Chaco, Misiones, Catamarca and Buenos Aires in North East and North West area of Argentina.

<sup>\*2</sup> See the glossary on page 31.