Part II

Measures for Each Priority Issue

A Japanese engineer giving instructions to local workers at the construction site of the "Project for the Reinforcement of Marine Transport Capacity at the Gulf of Tadjourah," a grant aid project in Djibouti (Photo: JICA)

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,"[1] 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 huge demand for infrastructure and the investment gap by 2040 is estimated to be approximately $15 trillion.[2] 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"* that takes into account openness, transparency, 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,"[3] which were endorsed at the G20 Osaka Summit in 2019. The importance of "quality infrastructure investment" has been confirmed at various bilateral and multilateral meetings.

At the Organisation for Economic Co-operation and Development (OECD) Ministerial Council Meeting (MCM) in June 2022, then Parliamentary Vice-Minister for Foreign Affairs Miyake pointed out the importance of creating an environment in which Africa's growth should not be hindered by opaque and unfair development finance that is not consistent with international rules and standards, and emphasized the significance of implementing the "G20 Principles for Quality Infrastructure Investment." In the Ministerial Council Statement, the participating ministers and representatives reaffirmed their expectations for the follow-up of the "G20 Principles for Quality Infrastructure Investment," while taking into account some approaches proposed by OECD member countries such as the Global Gateway strategy[4] and the Blue Dot Network certification framework.[5]

The Partnership for Global Infrastructure and Investment (PGII)[6] was launched at the G7 Elmau Summit in June 2022. At the side event on the PGII held during the G20 Bali Summit in November 2022, Prime Minister Kishida stated that Japan is working to improve the investment environment and develop human resources through infrastructure development by introducing concrete examples of quality infrastructure investment. In addition, Prime Minister Kishida stressed the importance of infrastructure development and development finance to be carried out in line with the "G20 Principles for Quality Infrastructure Investment," adhering to international rules and standards and in a transparent and fair manner. He also stated that the Government of Japan is determined to further promote quality infrastructure investment under the Japanese G7 Presidency in 2023 and to support the self-sustaining growth of each partner country through working with them. In the G20 Bali Leaders' Declaration, the leaders confirmed their support for the "Compendium of Quality

1 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).

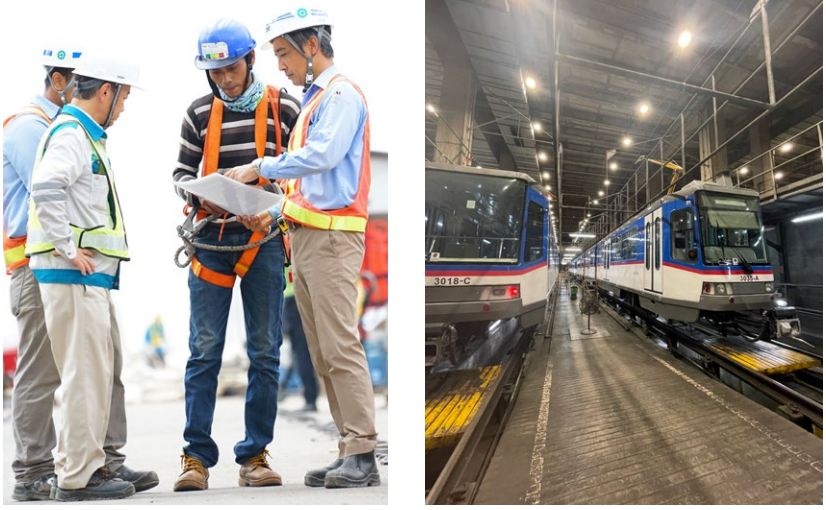
2 Forecasts by the G20 Global Infrastructure Hub (GIH).

3 See the glossary "Quality Infrastructure" on page 33.

4 A new strategy announced by the European Commission in December 2021. It aims to increase investments that promote democratic values and high standards, good governance and transparency, equal partnerships, environmental friendliness and reduced burdens, and secure infrastructure, as well as investments that catalyze private sector investment.

5 A framework for internationally accrediting quality infrastructure projects in developing countries to be established by Japan, the United States, and Australia, with the United States taking the lead since November 2019.

6 An initiative for the G7 to work together to promote quality infrastructure investment, launched at the G7 Elmau Summit in June 2022. At the summit, the G7 leaders announced their aim to collectively mobilize up to $600 billion in public and private investment over the next five years, with a particular focus on quality infrastructure.



An example of Japan's cooperation that contributes to the Japan-ASEAN Connectivity Initiative. JICA experts providing technical guidance for the construction of Indonesia's first subway, the "Jakarta Mass Rapid Transit (MRT) North-South Line" (left photo: JICA), and the train car of the Philippine's Metro Rail Transit Line 3 (MRT Line 3) overhauled with Japanese assistance (right photo: JICA)

Infrastructure Investment (QII) Indicators" developed for the G20, and expressed their expectation for further discussion on how the QII indicators can be applied.

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. The State Railway of Thailand (SRT) Red Line, with Japan-made rolling stocks, opened in August 2021.

The Government of Japan will continue to disseminate the "G20 Principles for Quality Infrastructure Investment" throughout the international community, and will further work on efforts to implement "quality infrastructure investment" together with countries around the world including Asian countries and international organizations such as the World Bank, the Asian Development Bank (ADB), and OECD.

■ 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), the transfer of Japan's industrial technology, and the 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.

At the Eighth Tokyo International Conference on African Development (TICAD 8) [7] held in Tunisia in August 2022, Japan announced initiatives that would promote enhancement in regional connectivity, in addition to social infrastructure development in Africa through the development of quality infrastructure and one-stop border posts at national borders.

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 measures, Japan encourages 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 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 of strengthening 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 2022, through ITC, Japan provided assistance to women entrepreneurs in Africa for the utilization of e-commerce, and technical cooperation for expanding vaccine production and distribution in Nigeria.

Japan provides infrastructure support such as funding

7 See "ODA Topics" on page 127.

Stories from the Field

"Freedom Bridge," a Symbol of Freedom and Peace

—The First Large-Scale Infrastructure Construction Project in South Sudan—

South Sudan, which gained independence from Sudan in July 2011 after many years of conflict, faces a serious lack of social and economic infrastructure. As a landlocked country, South Sudan relies on land transportation for logistics, but the lack of road and bridge development is a hindrance to the country's economic development. The Nile River, which divides the country into east and west, runs through the capital city Juba, but there was only one old bridge over the river that was built in 1972. This bridge was only able to allow one-way traffic for repairs, which significantly disrupted traffic and logistics.

In response to the situation, in 2013, Japan commenced the construction of the second bridge over the Nile River, which would form part of the international transportation corridor that connects to Uganda and to Kenya, under the grant aid "Project for Construction of Nile River Bridge."

The original plan was to complete the construction by the end of 2016, but soon after the construction began in December 2013, it was suspended due to a conflict between the presidential faction and the vice-presidential faction. Although the construction resumed in February 2015, another conflict occurred in July 2016, and the construction was once again forced to be suspended. The construction subsequently resumed in May 2019, but in April 2020, due to the effects of the COVID-19 pandemic, it had to be suspended until March 2021.

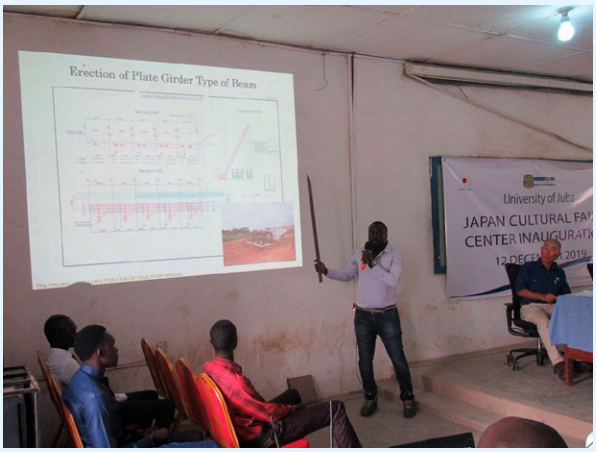
Mr. UMEDA Norio of CTI Engineering International Co., Ltd., who served as a consultant for the construction, describes the situation at that time as follows. "While the period of the construction itself was three years and 10 months, the period of suspension of the construction totaled four years and 11 months. I learned from the reports from our South Sudanese staff, who looked after the construction site while the Japanese staff had evacuated abroad, that South Sudanese government officials often visited the site to inspect it and showed attentiveness for it. I felt that the country had high hopes for the bridge that we were building."

After construction resumed in March 2021, it progressed smoothly with the cooperation of the South Sudanese workers. Mr. Umeda says, "They adapted well to the work that they experienced for the first time. Through their daily work, they learned many things besides techniques, such as being punctual, observing discipline, and striving to keep the work site in good order. Thanks to them, we were also able to work pleasantly."

Furthermore, Mr. Umeda says, "South Sudan has never had such a large-scale civil engineering project. We saw the construction site as a place of learning for university students who major in civil engineering, so we invited them there to experience civil engineering work as the construction progressed and tried to transfer technology to these young people who would lead the future of the country. In addition, under the philosophy that 'to teach is to learn twice,' when we gave a lecture on bridge construction at a local university, I instructed South Sudanese engineers to present the project themselves."

After three suspensions, the 560 meter long bridge was completed in May 2022, eight years and nine months after the construction began. The bridge shortened the time required to cross the Nile River and enabled large vehicles to pass safely. Through this, it is expected to facilitate international logistics, which is important for the economic development of South Sudan, the landlocked country. At the opening ceremony, President Salva Kiir and First Vice President Riek Machar also attended. The President expressed his gratitude to Japan and his hopes for recovery and peace. This bridge is called the "Freedom Bridge" and has become a symbol of peace and freedom. Japan's cooperation leads to the recovery and development of South Sudan.

Completed Freedom Bridge. It is expected to contribute to smoother logistics and economic development. (Photo: Dai Nippon Construction)



Mr. Umeda and a South Sudanese engineer delivering a lecture to the students at the University of Juba (Photo: CTI Engineering International Co., Ltd.)

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 COVID-19 pandemic and Russia's aggression against Ukraine have created interrelated and compound risks, such as food and energy security, which hit people in vulnerable situations harder and threaten their human security.

The Sustainable Development Goals (SDGs),* adopted by the UN in September 2015, are the targets for the entire international community to tackle global issues in an integrated manner, including peace, the rule of law, and human rights, leaving no one behind. Japan will work to address and prevent interrelated and compound risks and will contribute to the achievement of the SDGs by the international community.

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 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.

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 actively works 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.

for the development of transportation networks, including ports, roads, and bridges, as well as for the construction of power generation 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, port development and access toll road construction have 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 toward improving logistics and other matters. One example is that a full-scale operation of a car terminal has started in December 2021 by a local company invested by Japanese companies (see "Stories from the Field" on page 30 and "Project Introduction Column" on page 89 for Japan's infrastructure assistance in South Sudan and Rwanda).

Regarding support for customs, Japan actively

A Japanese expert teaching a survey method at the construction site of the Soumba bridge in Guinea, which is being reconstructed through grant aid (Photo: Dai Nippon Construction)

One Stop Border Post (OSBP) facility on the Tanzania-Kenya border developed with assistance from Japan. Immigration control counters at the front, with a customs office in the back, allowing one-stop procedures for leaving Kenya and entering Tanzania. (Photo: JICA)

provides support mainly in ASEAN member states aimed at improving the capacity of customs through sharing Japan's expertise and skills in the area. With contributions to the World Customs Organization (WCO), Japan supports capacity building activities that help to facilitate international trade while securing safety through promoting the introduction of international standards adopted by WCO as well as of best practices by various different countries. In addition, Japan dispatches its customs officials as JICA long-term experts to six ASEAN countries [8] to provide support tailored to their needs. In Africa, as a JICA-WCO joint project, Japan implements a program (the Master Trainer Programme) to train instructors who will play leading roles in customs administrations in various countries. The program has been expanded to Pacific Island countries since 2021.

Furthermore, Japan provides assistance to small scale production groups and small companies in developing countries over the "One Village, One Product Campaign."* 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 secure 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 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 2022, National Tax Agency (NTA) personnel served as JICA long-term experts in countries such as Laos, the Philippines, and Viet Nam, in areas including taxpayer management, international taxation, and tax collection. In addition, 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 cooperates with IMF and ADBs in their technical assistance on taxation, including domestic resource mobilization, and provides support in terms of human resources, expertise, and financing, thereby contributing to strengthening capabilities in the field of taxation in developing countries in Asia, and beyond.

In order to support the sustainable development of developing countries, it is also important to implement the OECD/G20 BEPS Project,* which works to prevent aggressive tax planning measures by multinational enterprises. By implementing this project in a coordinated manner with various countries, developing countries will be able to address the tax avoidance of multinational enterprises appropriately and to 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 [9] 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 quickly implement the agreement.

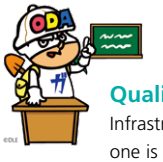
■ Finance

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.

8 The six countries are: Cambodia, the Philippines, Malaysia, Myanmar, Laos, and Thailand.

9 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 their physical presence. Pillar Two is the introduction of a global minimum tax rate from the perspective of curbing the competition to lower corporate income taxes.

Based on this concept, the Financial Services Agency of Japan conducted training on financial administration in emerging countries concerning regulatory and supervisory systems and initiatives in Japan's financial and capital markets. Specifically, "seminars on insurance supervision" were held from January to March, and "seminars on banking supervision" were held from July to November in 2022. Each seminar was held in an on-demand format,[10] with a total of 107 participants from seven countries.



Glossary

Quality Infrastructure
Infrastructure that genuinely contributes to "quality growth" that 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 view of life-cycle costs, and (iv) debt sustainability, were endorsed at the G20 Osaka Summit in June 2019.

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 2022, there are 46 eligible countries: 9 in Asia, 33 in Africa, 1 in Latin America and the Caribbean, 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.

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.

One Village, One Product Campaign
The One Village, One Product Campaign is a globally prevailing initiative launched in Oita Prefecture, Japan in 1979. The initiative 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 of governments and global companies.

(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

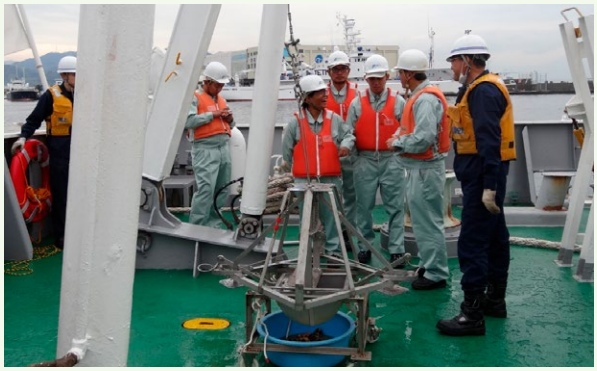
10 A streaming format in which video training materials that have been filmed and edited in advance are uploaded to a streaming server or other forms of distribution, and participants can take the seminar at anytime they wish.

ODA Topics 2

Promoting Efforts toward the Realization of "Free and Open Indo-Pacific (FOIP)"

Sihanoukville Port, Cambodia (Photo: JICA)

The Indo-Pacific region, which extends from the Asia-Pacific Ocean through the Indian Ocean to the Middle East and Africa, is the core of vitality for the world and home to half of the world's population. To establish a free and open order based on the rule of law with the countries and regions of the Indo-Pacific with various partners in the international community that share these ideals, Japan promotes efforts to realize the "Free and Open Indo-Pacific (FOIP)" that Japan advocated in 2016. Japan has already confirmed cooperation on these efforts with not only the United States but also Australia, India, Canada, the Republic of Korea, the Association of Southeast Asian Nations (ASEAN), and major European countries. In May 2022, Prime Minister Kishida hosted the Quad Leaders' Meeting, where the leaders affirmed their continued and strong commitment toward the realization of FOIP, and concurred on further deepening collaboration and cooperation with the respective countries and regions. During the Shangri-La Dialogue held in June, Prime Minister Kishida announced to lay out a new plan to strengthen FOIP cooperation by the following spring. Amid Russia's ongoing aggression against Ukraine, which has shaken the very foundations of the international order, FOIP is becoming even more important.



JICA Knowledge Co-Creation Program (KCCP), "Hydrography for Charting and Disaster Management" course

Japan's ODA is one of the important tools for the realization of FOIP. For example, Japan aims to promote economic prosperity by enhancing connectivity across the region. It intends to achieve the growth of the entire region by developing ports, airports, roads, railways, and other infrastructure within the area and connecting cities and hubs with one another in line with international standards.

One example is assistance for Sihanoukville Port in Cambodia. Sihanoukville Port, which handles approximately 70% of Cambodia's container cargo imports and exports, supports the overall economic development of Cambodia. However, its container cargo handling capacity is becoming strained as a consequence of the country's strong economic growth. Japan provides assistance to construct a new container terminal. Japan also signed a Japanese yen loan agreement in August 2022 for a project to expand the same container terminal, thereby contributing to improving the port's container cargo handling capacity as well as enabling large vessels to dock directly at the port. Japan also provides support to improve the efficiency of the port operations through the dispatch of JICA experts and the implementation of technical cooperation projects so that the port can operate as a hub of principal ports in the region. The development of the port, which is geopolitically important as it is located at the node between the Pacific and Indian Oceans, is expected to boost the realization of FOIP.

In September 2022, Japan decided to provide assistance to Yemen in cooperation with the United Nations Development Programme (UNDP) through the grant aid project "the Project for the Improvement of Efficiency in the Port of Aden." This project also supports the enhancement of the region's connectivity through strengthening the functions of the Port

Teamwork between Japanese and Indonesian engineers in the Patimban Port Development Project, Indonesia, which is undergoing construction through Japanese loan aid

of Aden located near the Bab al-Mandab Strait that serves as the doorway to the Red Sea. As the conflict in Yemen has made it difficult to access some ports in the country, the number of cargo ships entering the Port of Aden is rising every year, making it a vital marine facility for commercial activities and humanitarian aid activities in the country. This project is expected to speed up cargo handling and reduce cargo transportation costs by providing equipment for the renovation of cargo sheds and digitalization of container management at the Port of Aden.

Facilitating smooth logistics processes by securing connectivity also contributes to supporting Japanese companies' exports to the region and overseas expansions. Japan supports the development of quality infrastructure toward the realization of connectivity across the Indian and Pacific Oceans. Japanese technology transfers and human resources development are effective in supporting developing countries to build quality infrastructure and will enhance the competitiveness of Japanese companies in ODA tendering, as well as strengthen trust in Japan.

Japan also contributes to securing maritime peace and safety. For example, in the Straits of Malacca and Singapore, a logistics hub navigated by approximately 16,800 Japan-related vessels every year, Japan utilizes ODA to support capacity building for anti-piracy measures in coastal countries, thereby reducing the number of piracy incidents. Similarly, in the Indian Ocean, Japan contributes to ensuring marine traffic safety by providing capacity building support to coast guard agencies for maritime rescue, technical cooperation for nautical chart preparation, and support toward Vessel Traffic Service (VTS).

Furthermore, Japan strengthens the promotion and consolidation of the rule of law in developing countries by providing assistance for the development of legal systems and judicial reforms. Through such efforts, Japan contributes to establishing good governance in developing countries, creating a foundation that is crucial to the realization of sustainable growth, and fostering an effective trade and investment environment for Japanese companies' overseas expansions.

Japan is an island country and a leading importer ranked fourth in the world. Its industries and the lives of its people are heavily reliant on maritime transportation and cargo. From this perspective, securing connectivity and ensuring the safety of sea lanes are important for Japan's economy, energy, and food security. 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.

Supporting the development of One Stop Border Posts (OSBP) at the border between Zambia and Botswana through the rebuilding of border facilities and the integration of customs, immigration control, quarantine, and other related operations between the two countries, with a view to enhancing connectivity in the southeastern part of Africa. The photograph shows the entry gate to the OSBP facility on the Botswana side. (Photo: JICA)

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 [11] for Heavily Indebted Poor Countries (HIPCs)* and the Paris Club's [12] Evian Approach. [13] 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 order to address the impact of the COVID-19 pandemic on low-income countries, the G20 and Paris Club launched the "Debt Service Suspension Initiative (DSSI)"* in April 2020 and implemented measures that temporarily allow these countries to suspend official debt service payments. It is estimated that at least $12.9 billion of total debt service was deferred under the DSSI between May 2020 and December 2021, thereafter benefiting 48 countries. [14] Although the DSSI expired at the end of December 2021, debt restructuring will be more swiftly implemented under the "Common Framework for Debt Treatments beyond the DSSI,"* agreed on in November 2020.

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. Loans without consideration of debt sustainability are criticized as a "debt trap" by the international community.

The "G20 Principles for Quality Infrastructure Investment" [15] 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. Most of the recipient countries do repay their loans. However, 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, [16] cancellation, and reduction only when they are absolutely necessary. As of the end of 2022, Japan has cancelled ODA debts worth a total of approximately ¥1.129 trillion toward 33 countries since FY2003. However, in 2022, as well as in 2021, no debt cancellation measures have been taken.

At TICAD 8, Japan announced financial cooperation of up to $5 billion under the fifth phase of the "Enhanced Private Sector Assistance for Africa"* (EPSA5) covering the period from 2023 to 2025. This includes a new special window of up to $1 billion to support countries that are engaging in reforms for enhancing debt transparency and sustainability and thereby making steady and significant progress in their debt situations.

From the perspective of ensuring debt sustainability, an important element of the "G20 Principles for Quality Infrastructure Investment," Japan is working on the improvement of 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, in FY2021, Japan conducted a training program on contingent liability risk management in cooperation with the World Bank for 40 government officials from 20

11 An initiative agreed at the Cologne Summit (Germany) in 1999.

12 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.

13 A new Paris Club approach to debt restructuring (the Evian Approach). Debt relief measures 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.

14 See World Bank website (https://www.worldbank.org/en/topic/debt/brief/covid-19-debt-service-suspension-initiative)

15 See the glossary "Quality Infrastructure" on page 33.

16 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.

countries, including Ghana and Zambia. Japan also made new financial contributions to the respective trust funds of the IMF and World Bank, supporting the capacity building of indebted countries.

Glossary

Heavily Indebted Poor Countries (HIPCs)
39 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.

Debt Service Suspension Initiative (DSSI)
A framework for temporarily suspending debt payments for low-income countries facing a liquidity crisis due to COVID-19's impact. The Paris Club, a meeting of major creditor countries and the G20, agreed in April 2020 to temporarily suspend debt repayments that would be due in the period from May 2020 to the end of December 2020, and subsequently extended the suspension period twice (agreed in October 2020 on an extension to June 2021, and in April 2021 on an extension to the end of December 2021). As of February 23, 2022, 42 developing countries had signed a memorandum of understanding with the Paris Club.

Common Framework for Debt Treatments beyond the DSSI
A framework for providing debt relief to low-income countries on a case-by-case basis agreed to by the G20 and Paris Club in November 2020. This is the first agreement to jointly determine the terms of debt measures in a manner that involves non-Paris Club countries such as China.

Enhanced Private Sector Assistance for Africa (EPSA) Initiative
A cooperative framework established by Japan in 2005 together with the African Development Bank (AfDB) to promote private sector-led economic growth. At TICAD 8 held in August 2022, Japan and AfDB announced financial cooperation of up to $5 billion under the fifth phase of Enhanced Private Sector Assistance for Africa (EPSA5) covering the period from 2023 to 2025. The fund consists of $4 billion under existing windows, and a maximum additional $1 billion that will be provided under a new special window. Japan will establish this special window to support countries that are engaging in reforms for enhancing debt transparency and sustainability and thereby making steady and significant progress in their debt situations.

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

The dissemination of Information and Communications Technology (ICT) [17] 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, in order to provide highly competitive products and services and to enhance market competitiveness, it is important to promote Digital Transformation (DX). [18]

Japan's Efforts

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

Japan promotes "quality infrastructure investment" in the ICT field in developing countries. [19] 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 (see also "Project Introduction Columns" on pages 39 and 112). Specifically, Japan actively works to support the overseas promotion and the introduction of the Integrated Services Digital Broadcasting-Terrestrial (ISDB-T), [20] which has been adopted in a total of 20 countries [21] in Latin America and the Caribbean, Asia, Africa, and other regions as of December 2022. In addition, JICA training programs are conducted every 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

17 ICT is an abbreviation for Information and Communications Technology. It is a technology that integrates computers and other information technology with digital communication technology, as represented by the Internet and mobile phones.

18 Making people's lives more convenient and enriching them through the introduction of new information technologies, and generating new value by recreating existing business structures with the introduction of new digital technologies, etc.

19 In 2017, Japan formulated the Playbook for Investment in "Quality ICT Infrastructure" for ICT policymakers and procurement managers of the respective countries and regions.

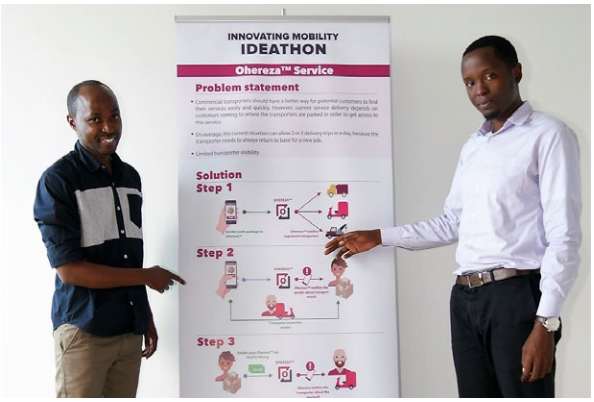
20 A terrestrial digital broadcasting system that was developed in Japan. Its functions, such as an emergency alert broadcast system, TV broadcasting reception on mobile terminals, etc., and data broadcasting, give the system advantages in disaster response and the provision of diverse services.

21 The 20 countries are Japan, the Philippines, Sri Lanka, Maldives, Argentina, Uruguay, Ecuador, El Salvador, Guatemala, Costa Rica, Chile, Nicaragua, Brazil, Paraguay, Peru, Venezuela, Bolivia, Honduras, Angola, and Botswana.

dialogues and joint projects with partner governments.

Japan also works with the International Telecommunication Union (ITU) [22] to provide a variety of development assistance in the fields of telecommunications and ICT to developing countries. Since October 2020, under the COVID-19 pandemic, Japan has 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. Among the pilot projects in the "Giga" initiative [23] jointly implemented by ITU and the United Nations Children's Fund (UNICEF), Japan has provided support for introducing internet connectivity to schools in Rwanda. In 2022, through additional support from Japan, the target countries for C2R were expanded to Benin, the Democratic Republic of the Congo, Kenya, Mozambique, Niger, Sierra Leone, and Zimbabwe, where projects are currently underway.

In the Asia-Pacific region, the Asia-Pacific Telecommunity (APT) [24] 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 FY2021, eight training programs regarding issues such as broadband networks and cybersecurity were implemented and attended by approximately 150 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.



Young people who released a commercial transporters service app that allows potential customers to select the most suitable transporters as part of the "ICT Innovation Ecosystem Strengthening Project," a technical cooperation project in Rwanda (Photo: JICA)

In the Asia-Pacific region, over 2 billion people do not have internet access due to factors including the fragile infrastructure and the inability to afford it. In the Association of Southeast Asian Nations (ASEAN) region and Pacific Island countries, Japan develops an environment to make low-cost, high-speed internet available even in remote islands and areas.

In December 2021, Japan, the United States, Australia, Kiribati, Nauru, and the Federated States of Micronesia jointly announced Japan-U.S.-Australia joint support for the East Micronesia Cable. In July 2022, the Project Executive Board Meeting was held online and attended by the six countries, confirming the steady progress of the project. In these ways, 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. [25] As a specific initiative, the "ASEAN-Japan Cybersecurity Capacity Building Centre (AJCCBC)" was established through the Japan-ASEAN Integration Fund (JAIF) [26] and conducts cybersecurity exercises and other efforts. A total of 948 people had completed the training by 2022, exceeding the initial target of more than 700 attendances over four years that was set when the Center was opened in 2018 (see page 55 for efforts of AJCCBC).

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

The Science and Technology Research Partnership for Sustainable Development (SATREPS) program,* [27] 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

22 A UN specialized agency that 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. In 2022, Mr. ONOE Seizo was elected as Director of the Telecommunication Standardization Bureau of the ITU.

23 An initiative launched by UNICEF and ITU in 2019 with the aim of enabling internet access in schools around the world, focusing on developing countries.

24 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. Since 2020, Mr. KONDO Masanori has been serving as the Secretary General.

25 In 2015, the Cybersecurity Strategic Headquarters was established in the Cabinet Secretariat of Japan, and in 2016 the "Basic Policy to Support Cybersecurity Capacity Building in Developing Countries" was reported to the Headquarters.

26 See 4 on page 93.

27 See also Part IV 1(5).

Promote Infrastructure Development in Thailand by Utilizing Japanese Technology

Thailand

The Project for Capacity Development and Promotion of Utilization of National CORS*1 Data Center

Technical Cooperation Project (September 2020 – February 2024)

In Thailand, work efficiency and productivity enhancement are a challenge in various industries due to a shortage of human resources and a decrease in veteran engineers associated with declining birthrates and aging populations in society. In particular, there is significant demand for infrastructure development and business promotion with ICT construction machinery*2 that uses high-precision positioning*3 to enable autonomous operations of construction and agricultural machinery. It is important to appropriately operate a network of CORS. However, as multiple government agencies independently set and measure CORS according to their respective purposes of use, errors occurred in positioning data and those agencies were unable to share and mutually use the obtained information. Thus, the Government of Thailand established the National CORS Data Center (NCDC) as a reference station to observe and correct errors that occur in CORS.

Road construction using high-precision positioning data and ICT construction machinery (Photo: JICA)

Under this project, Japan provides technical assistance to allow NCDC to centrally and accurately analyze and distribute positioning data from CORS, by means of networking 240 CORS across Thailand and by building a network that enables advanced surveying, so that relevant agencies can utilize disseminated information.

In order to promote the utilization of high-precision positioning, Japan publicly invited Japanese and Thai companies to undertake projects. Japan, together with agencies of the Government of Thailand, selected a total of eight projects in the sectors of agriculture, surveying, construction, and automated vehicle operation, and launched pilot projects. In the agricultural sector, a project is underway to develop a method to precisely spray agricultural chemicals using self-driving agricultural helicopters by leveraging high-precision positioning. In the construction sector, a road construction project is underway applying autonomous driving construction machinery, in addition to high-precision surveying and construction by making use of three-dimensional (3D) data, and there are growing expectations for higher quality and efficient construction work with the use of high-precision positioning.

Through these pilot projects, Japan will continue to provide support for industrial promotion and infrastructure development using high-precision positioning, and will contribute to the further stable management of high-precision positioning data.

An on-site tour of road construction using high-precision positioning data and ICT construction machinery (Photo: JICA)

*1 Continuously Operating Reference Stations (facilities that take an accurate measurement of a position and altitude on Earth by continuously receiving radio waves from a positioning satellite).
*2 Heavy machinery in the construction sector that incorporates information and communication technology (ICT).
*3 Real-time and accurate measurement of positions and altitudes of data operation anywhere on Earth. It is expected that autonomous construction and agricultural machinery operation, as well as industrial development through the use of autonomous driving technology, can be realized by leveraging high-precision positioning.

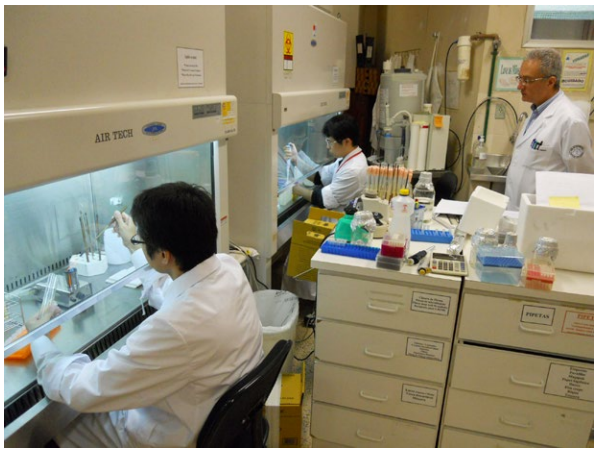
technology fields in Japan and developing countries. 179 research projects in 53 countries around the world have been adopted by FY2022 (see also "Master Techniques from Japan to the World" on pages 76 and 82).

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

In Asia, Japan provides support to the Malaysia-Japan International Institute of Technology (MJIIT), which was founded with the aim of establishing Japanese-style engineering education, by procuring equipment and supplies for education and research and by developing curriculum designs, while also conducting cooperation on education and research with Japanese universities. As of 2022, a consortium has been organized by 29 universities, 2 research organizations, and other institutions in Japan, and people-to-people exchanges between Japan and Malaysia have also been promoted through dispatching Japanese faculty and joint research. Since 2012, Japan has provided scholarships to students studying remote sensing (satellite image analysis) in courses taught by Japanese instructors at the Asian Institute of Technology (AIT) 28 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 Mongolia, Japan has implemented the "Higher Engineering Education Development Project" since 2014, in which engineering teachers and researchers

28 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.



Japanese and Brazilian medical institutions conducting joint research on fungal infection diagnosis (Photo: JICA)

from the National University of Mongolia and the Mongolian University of Science and Technology conduct joint research with Japanese universities and research institutes. This project provides opportunities to study abroad. Furthermore, it promotes support for the purpose of industrial diversification by providing equipment such as Artificial Intelligence Training Servers and spark plasma sintering machines to Mongolian universities, and supporting AI development, such as autonomous vehicles, and research on product processing of Mongolian rare metals (for the Egypt-Japan University of Science and Technology (E-JUST), see "Stories from the Field" on page 68).

(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,[29] 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 have diverse 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 utilizes its insight and know-how in cooperation with the private sector. Japan supports the capacity building of teachers and trainers, the reinforcement of the operational capacity of training schools, and the development and revision of curriculums and teaching materials, in order to further strengthen the linkages between education and employment.

Between 2016 and 2022, Japan, in collaboration with the industrial sector, provided comprehensive assistance including facility and equipment improvement to 19 Technical and Vocational Education and Training (TVET) institutions through 13 projects in nine countries. 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, demobilized soldiers, and refugees and those whose lives had been affected by conflicts.

In Asia, with a view toward the 50th Year of ASEAN-Japan Friendship and Cooperation in 2023, Japan has implemented the "Industrial Human Resource Development Cooperation Initiative 2.0,"[30] 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 the previously focused cooperation in practical technology, design and development capabilities, innovation, business administration, planning, and management capabilities.

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.

Moreover, the Ministry of Health, Labour and Welfare

Members of a self-help group in Tripura state in India, working on sewing as part of livelihood development activities (Photo: Tripura Forest Department)

29 Mechanisms in which people can live in safety and without difficulties.

30 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.

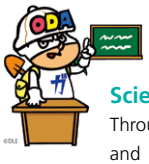
(MHLW) conducts training both in Japan and in targeted countries of Cambodia, Indonesia, and Viet Nam. The training [31] is designed to transfer the know-how of Japan's skills evaluation system accumulated in the government and the private sector (Japan's National Trade Skill Test and Certification and skills competitions) to those in targeted countries in order to develop and secure a quality workforce. In FY2021, a total of 211 people from three 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 the African region, Japan has supported the development of industrial human resources for the sustainable growth of each individual, through the ABE Initiative (African Business Education Initiative for Youth)* and the Kaizen [32] Initiative, which are driven by industry-academia-government collaboration, as well as technical assistance in partnership with international organizations. The ABE Initiative had provided training opportunities to approximately 2,000 people by December 2022 (see "Project Introduction Columns" on pages 94 and 119 for Kaizen Initiatives). At TICAD 8 held in August, Japan announced its intention to help develop human resources in fields such as industry, health, medicine, education, agriculture, justice, and administration that would support the future of Africa. In addition, Japan has set up Project NINJA (Next Innovation with Japan) [33] to support startup ecosystems in developing countries and provides assistance for identifying issues faced by entrepreneurs, policy recommendations, capacity building of corporate management, promoting cooperation among entrepreneurs, business matching between entrepreneurs in developing countries and Japanese companies, and promoting investment, in collaboration with various stakeholders.

■ Employment, Including Job Creation

Japan also provides assistance in the area of labor issues. The COVID-19 pandemic and Russia's aggression against Ukraine have had major socio-economic impacts on various countries, and the impact has been particularly severe on socially vulnerable people including youth and women. In light of this, there is a strong international need for support and response to realize decent work for all workers. Japan provides technical cooperation mainly in the Asian region to improve standards of occupational safety and health and social insurance systems, through contributions to the ILO, among others. In addition, Japan contributes to employment support for youth in Africa [34] as efforts to realize decent work.

Preparing for instructor training in the technical cooperation "Project for Improvement of Technical Education for Industrial Human Resources Development," in Bangladesh (Photo: JICA)



Glossary

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

Through the collaboration of Japan's advanced science and technology and ODA, SATREPS aims to resolve global issues in the fields of environment and energy, bioresources, disaster prevention and mitigation, and infectious disease control. Under this program, research institutes both in developing countries and Japan work together to conduct international joint research with the following objectives: (i) enhancing international cooperation in science and technology, (ii) acquiring new knowledge and technologies that lead to the resolution of global issues, and through this process, creating innovations (iii) promoting 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.

African Business Education Initiative for Youth (ABE Initiative)

This program aims to promote human resources development for business and industry in Africa, and to foster "navigators" who support the business activities of Japanese companies in Africa. Continuously carried out since its launch at TICAD V in 2013, the program has provided youth from Africa with opportunities to pursue master's degrees at Japanese universities, as well as business programs such as internships at Japanese companies, Japanese language training, and business skills training.

31 The types of training include "Training for people in charge of writing test standards and test questions, etc.," and "Training for people in charge of testing and grading, etc." The number of participants above is the total for all types of training.

32 An approach in which each worker at a production site comes up with and implements their own ideas on how to eliminate inefficiency in the production process and improve quality and productivity. In Japan, in the period of rapid growth after WWII, this approach was cultivated on the job by the manufacturing industry to increase quality and productivity, and is based on 5S: "Sort, Set, Shine, Standardize, and Sustain."

33 Entrepreneur support activities aimed at creating business innovation in developing countries, which were launched by JICA in January 2020.

34 Ethiopia, Gambia, Madagascar, Mauritania, Mozambique, and Sudan.

Dominican Republic

Project for Enhancing the Mechanism for Sustainable Community Based Tourism Development in the North Region

Technical Cooperation Project (April 2016 – March 2022)

In the Dominican Republic, one of the most popular tourist destinations in the Caribbean, large-scale development projects with foreign capital have been actively implemented to date. Such large-scale development, however, did not properly utilize the natural and cultural resources of the surrounding area, and opportunities for local residents to benefit were also limited.

Japan, therefore, provides assistance for Community-Based Tourism (CBT) promoted and led by local communities, which the Government of the Dominican Republic advocates, and supports sustainable tourism development that leads to regional development.

This project aimed to create employment and revitalize the regions through the promotion of local specialty products, targeting the 14 northern prefectures. To achieve this, Japan helped develop new tourism products such as experience-based tourism that emphasizes the experience of enjoying the culture and nature unique to the region. Japan further supported planning tourism routes to attract tourists to rural areas and developing human resources related to marketing.

A JICA expert introducing experience-based programs and local products that utilize local resources at a regional exposition (Photo: JICA)

As a result, the project succeeded in creating new tourism demand that utilized local resources, such as adventure experiences including kayaking and rock climbing, and workshops for making folk crafts. Community-led tourism activities bring benefits to areas that were previously left out of tourism development.

A Japan Overseas Cooperation Volunteer (JOCV) giving instructions during a folk craft workshop at a regional exposition (Photo: JICA)

In addition, as COVID-19 countermeasures, Japan provided assistance for formulating infection prevention guidelines and protective equipment against infectious diseases so that CBT could continue amid the pandemic. Furthermore, in cooperation with the World Tourism Organization (UNWTO), Japan also supported the formulation of a post-COVID-19 recovery plan, whose results were reflected in the Government of the Dominican Republic's Strategic Vision 2030 for CBT Promotion.

Japan will continue to support sustainable tourism development in which local communities play an active role.