

Chapter 1

Japan's ODA: Accomplishments of 50 Years



The engineers express their joy on the completion of the Kali-Konto Dam's Temporary Drainage Tunnel (1966)

Key Points

- Japan has contributed greatly to social and economic development of developing countries as one of the major donor countries.
- Japan's ODA is highly praised and appreciated by recipient countries. At the same time, it contributes to ensuring Japan's security and prosperity through building a peaceful and stable international order and strengthening Japan's position and influence in the international community.
- In East Asia, Japan has supported the infrastructure development that forms the foundations of development, mainly through Yen loans, and contributes to remarkable economic development in the countries of this region.
- In the aspect of human resource development, also, which is key to nation-building, Japan has supported over a long period the fostering of the human resources that leads in the development of developing countries.

Japan's Official Development Assistance (ODA) celebrates its 50th anniversary in October 2004. On October 6,

1954, Japan joined the Colombo Plan¹ and started to provide technical cooperation. The government of Japan fixed this date as the beginning of Japan's ODA and set October 6 as the annual International Cooperation Day.

On the occasion of reaching this significant milestone, looking back at the accomplishments and progress of Japan's ODA over the past 50 years has profound significance. The 50th anniversary is an opportunity to examine the role Japan's ODA has played to date in the development of developing countries. It is also a chance to consider how Japan's ODA has changed in the process in which Japan has improved its position after World War II in the international community. Particularly, following last year's revision of the ODA Charter, Japan's ODA is now in transformation. Furthermore, for considering the desirable future form of Japan's ODA and the direction of ODA reforms, reflecting on its accomplishments and progress over the past 50 years is also extremely beneficial and important.

In Part I, while reviewing the accomplishments and progress of 50 years of Japan's ODA, the special features of Japan's cooperation are set out. First, what kind of contribution Japan's ODA has made to improving development of developing countries and improvement of their welfare is examined. Then, the progress of Japan's ODA is reviewed, including the path Japan took after World War II to acquire its current position in the world while strengthening cooperation and collaboration with the other members of the international community. Furthermore, in the context of recent new trends in international community surrounding assistance, how Japan should provide assistance in the future and what direction ODA reforms should take is explained.

In Chapter 1, the past 50 years are reviewed, focusing on the accomplishments that Japan's assistance has achieved during that period. Japan's assistance has contributed to the development of many developing countries, particularly Asian countries, and it has received high praise from countries throughout the world. Moreover, such contribution to development has also been achieving other considerable accomplishments. These include bolstering friendships between these countries and Japan, strengthening exchange between people throughout the world and the Japanese people, and improving Japan's position in the international community.

Evaluation is possible from a variety of angles regarding what kind of accomplishments Japanese assistance has

1. Regional inter-governmental organization established in January 1950 with the objective of promoting economic and social development in Asia and the Pacific. Japan approved to become a member of this organization at the Cabinet meeting on October 6, 1954.

achieved over the past 50 years. First, in Section 1, the contribution of Japan's assistance from the perspective of total amount disbursed is summarized. In Section 2, Japan's cooperation to Asia is taken up, the priority region for Japan's ODA, particularly East Asia, while the accomplishments of this assistance are covered comprehensively. Then, in Section 3, the contribution Japan has made to the aspect of human resource development in the world is reviewed.

Section 1 Japan's ODA Contributing to World Development for Half a Century

Contribution to the world in the aspect of total amount of assistance disbursed

Japan started to provide technical cooperation by joining the Colombo Plan in 1954. Subsequently, while drawing on its own experience of economic development, it expanded its disbursement of assistance in line with its increasing economic power. According to Organisation for Economic Co-operation

and Development - Development Assistance Committee (OECD-DAC)*¹ statistics, Japan was ranked as the world's top ODA provider for the 10 years from 1991 to 2000, on a net disbursement basis. Moreover, though Japan is currently reducing its disbursement of assistance, it remains one of the world's major donor countries. Japan has provided assistance to a total of 185 countries and regions, and the total amount of assistance disbursed up to 2003 came to approximately 221 billion dollars. Meanwhile, from the perspective of recipient countries, there are many such countries for which Japan is the top donor. In the 1990s, after the end of the Cold War, in particular, at a time when other developed countries reduced their disbursement of assistance, Japan supported the development of developing countries by disbursing 120 billion dollars in ODA during the decade. Japan's ODA accounted for more than 20% of the overall disbursement of assistance of 550 billion dollars provided by the 22 DAC member countries during that decade.

Chart 1-1 ODA Disbursements of Japan



Source: Development Assistance Committee (DAC)
Note: Excludes aid to Eastern Europe and graduated countries

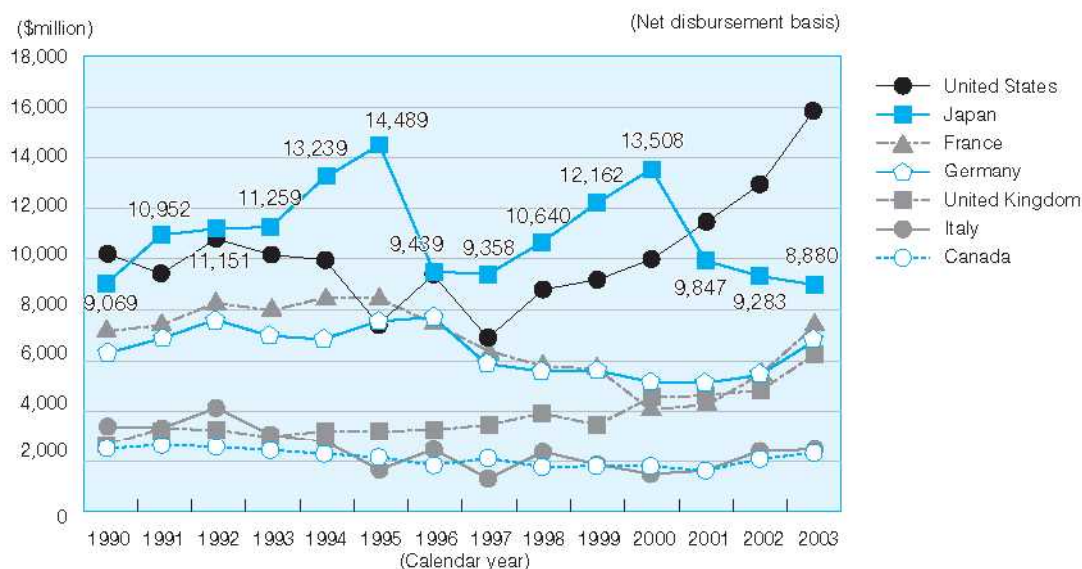
***1: Organisation for Economic Co-operation and Development – Development Assistance Committee (OECD-DAC)**

A key forum of major bilateral donors, and a subordinate body of the OECD. Facilitates opinion exchange among donor countries mainly regarding enhancement of aid levels and improvement of aid quality. Established in 1961, it currently has 22 developed countries including Japan as well as the European Commission as its members.

Aid accomplishments, needless to say, cannot be measured by amount of assistance input alone. However, it is clear that Japan's assistance over the past half a century has contributed greatly to economic development and improving welfare in the world's developing countries. Japan has been making active efforts in building the economic and social infrastructure that forms the foundation of nation-building and economic and social development, based on the concept of providing support for the self-help efforts of developing countries. For instance, it has provided assistance through Yen loans for electric power equivalent to approximately 20% of the overall capacity of electric power facilities in each of the countries of Indonesia, Thailand, Vietnam and Sri Lanka. It also provided assistance covering approximately 50% of the construction of the communications network in Indonesia. In addition, Japan is developing through Yen loans many capital city airports in the countries of East Asia. Such infrastructure development has come to play a major role in the economic growth as well as, poverty reduction, through economic growth, of these countries. Meanwhile, from the perspective of human resource development and responding to the problem of poverty, in the five-year period from 1998 to 2003, for example, Japan has

contributed to improving access to education for approximately 2.6 million children in Africa, through measures such as building schools. Recently, interest in the area of water supply and sanitation has been increasing. In the five-year period from fiscal 1996 to fiscal 2000, Japan has been supporting approximately one third of the total assistance of DAC member countries in this area,² through support such as stable supplying of safe drinking water and extending the reach of sanitary sewerage systems to more than 40 million people throughout the world. Furthermore, with a view to achieving the shared international goal of eradicating polio, Japan provided polio vaccinations for 600 million children in the nine years from 1993 to 2001. In particular, Japan made the largest contribution to polio eradication in the Western Pacific Region,³ and the region was declared polio-free in 2000. As for assistance for increased food production, as a result of comprehensive support combining measures such as breeding of superior seeds and building of irrigation facilities, (First Umbrella Cooperation (1981-1985)), Indonesia, the world's top rice importer, managed, albeit temporarily, to achieve self-sufficiency in rice in 1984. In forms such as these, Japan has contributed greatly in the aspect of development

Chart 1-2 Trends in ODA Disbursements of Major DAC Countries (1990-2003)



Source: DAC, News Releases 2004, The DAC Journal: Development Co-operation 2003 report

Notes: (1) Excludes aid to Eastern Europe and graduated countries

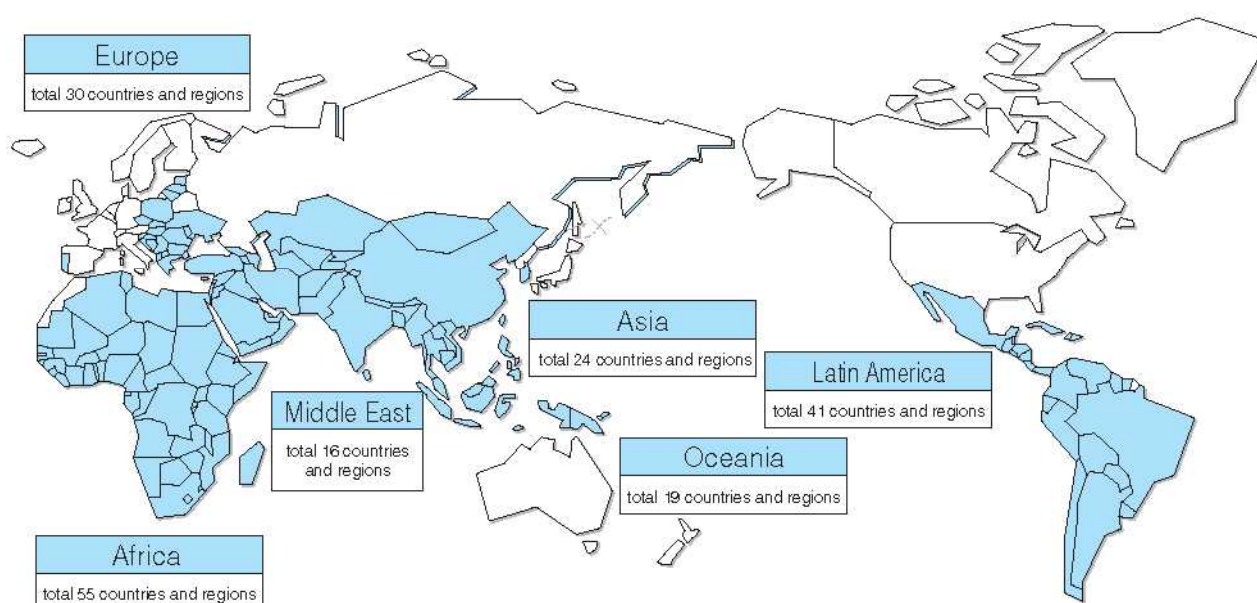
(2) US figures for 1991-1992 exclude military debt relief

(3) Provisional figures used for 2003 for all countries except Japan

2. Bilateral ODA disbursements in the fields of water supply and sanitation (1999-2001 average)

3. Thirty-seven countries and regions including Japan, Korea, China, Vietnam, Cambodia and Laos.

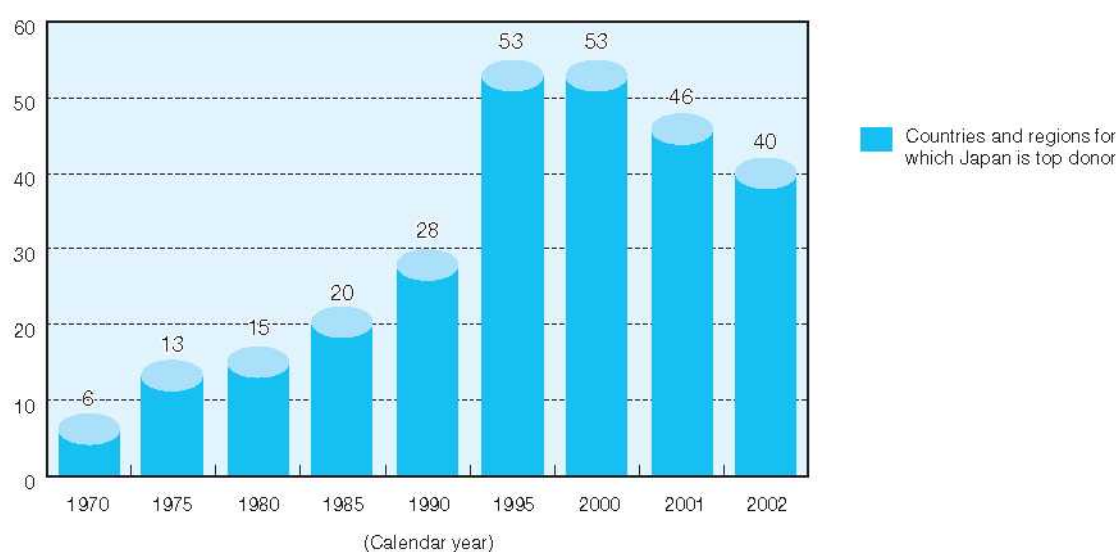
Chart I -3 Countries and Regions which Received Japan's ODA to Date



Note: (1) A total of 185 countries and regions have received Japan's ODA.
 (2) For specific countries, see Part III Reference.

Chart I -4 Trends in Number of Countries and Regions for which Japan is Top Donor (1970-2002)

(No. of countries and regions)



Source: DAC, Geographical Distribution of Financial Flows to Aid Recipients

and improving welfare in developing countries.

Japan has also been focusing energy on providing technical cooperation for fostering the human resources that will lead in nation-building in developing countries. In terms of Japan International Cooperation Agency (JICA)-based operations alone, a total of approximately 70,000 experts and more than 25,000 Japan Overseas Cooperation Volunteers (JOCV) have been dispatched from Japan to a total of 166 countries and regions throughout the world from 1954 to 2003. Furthermore, approximately 27,500 trainees from 176 countries and regions have been accepted to Japan for technical instruction. Through programs such as these, Japan has greatly contributed to human resource development and nation-building of developing countries. The many cases of grassroots cooperation conducted for the fields pertaining to people's basic lifestyle of health care, sanitation and education while entering regional villages in developing countries and coming into direct contact with the local residents are included in such human contribution.

The following cases are examples of the accomplishments of such cooperation. The first examples are King Mongkut's Institute of Technology, Ladkrabang (KMITL) in Thailand and Jomo Kenyatta University of Agriculture and Technology (JKUAT) in Kenya (at present, both universities are core institution for South-South cooperation). They were vocational training institutes of developing countries established by Japanese assistance, which have each, as a result of cooperation provided over several decades, become leading universities in their given countries and produced a large number of human resources necessary for the development of those countries. The second are Japan's international training courses on tuberculosis, international training and seminars for criminal justice, and international training on seismology and earthquake engineering. International training courses on tuberculosis are carried out as a measure to combat tuberculosis, with which one-third of the world's population is said to be infected. It has been provided for more than 1,800 people in 91 countries over the past 40 or more years and has contributed to developing leading experts in given countries and to building networks. International training and seminars for criminal justice have been implemented for 3,320 people from 107 countries over the past 40 or more years. They have produced from among those who have completed the training a minister of justice and a supreme court chief justice. International training on seismology and earthquake engineering is carried out to reduce and prevent damage from earthquake disasters. It has been implemented for 1,195 people from 92 countries over the past 40 or more years. It has produced

from among those who have completed the training a minister of marine development, several heads of research institutes and university professors. The third is cooperation for the Cairo University Pediatric Hospital, which is related to establishing a medical care system for children in Egypt. The fourth are activities such as those of the JOCV in Bangladesh, extending from efforts from spreading new varieties and agricultural technologies in rural areas in developing countries to then enabling the distribution of the vegetables bearing the JOCV name.

Japan's involvement goes beyond bilateral provision of assistance. It also plays a major role in assistance through international organizations. Japan started funding to international organizations, such as the United Nations (UN) and other organizations in the 1950s, and it has contributed to many organizations' policy-making and management as a council member in those organizations. At present, Japan is the largest contributor in international organizations including the Asian Development Bank (ADB), the Asian Productivity Organization (APO), the United Nations Industrial Development Organization (UNIDO) and the African Development Fund (AfDF). In addition, it is the second-largest contributor to the United Nations itself, the World Bank, the United Nations Population Fund (UNFPA), the World Health Organization (WHO), the Food and Agriculture Organization (FAO) and the United Nations High Commissioner for Refugees (UNHCR). Furthermore, Japan has been active not only in the aspect of fund provision but also in terms of human contribution. As of July 2004, Koichiro Matsuura is Director General of the United Nations Educational Scientific and Cultural Organization (UNESCO), Yoshio Utsumi is Secretary-General of the International Telecommunication Union (ITU), Tadao Chino is President of the Asian Development Bank (ADB), Takashi Tajima is Secretary General of the APO, Sukehiro Hasegawa is Special Representative of the Secretary-General (SRSG) for the United Nations Mission of Support in East Timor (UNMISET), and Toshiyuki Niwa is Deputy Executive Director of the United Nations Children's Fund (UNICEF). Past examples include Sadako Ogata, former U.N. High Commissioner for Refugees, Yasushi Akashi, who has held positions such as SRSG for the United Nations Transitional Authority in Cambodia (UNTAC), SRSG for the Former Yugoslavia, and Undersecretary General for Humanitarian Affairs at the UN Department of Humanitarian Affairs, and Hiroshi Nakajima, former Director General of the WHO. Meanwhile, Japan dispatches many capable young people to international organizations every year in positions such as

Approximately nine million patients infected with tuberculosis are said to arise every year, and 80% of these are concentrated in 22 countries. Of these, Japan has been providing comprehensive cooperation for China, the Philippines, Myanmar, Afghanistan, Cambodia and so forth, including building and improving facilities, supply of pharmaceutical products and screening equipment, and providing technical cooperation for screening and medical treatment. Among these, the key items are providing technical guidance for fostering human resource of developing countries and building their capacity through the dispatch of experts.

To reduce tuberculosis morbidity, mortality, and transmission, a strategy known as directly observed treatment, short-course (DOTS) is being promoted throughout the world, under the leadership of the WHO. This is a comprehensive strategy under strong government commitment with the following pillars: rapidly detecting TB through provision of examinations using microscopes (sputum examinations) for patients with long-term coughing problems etc., support for patients by medical professionals and volunteers over a long term of six months or more to ensure that medicine is being taken properly, creating a system to ensure stable supply of the necessary drugs, and performing evaluation to determine whether the overall measures are being implemented correctly.

Japan is providing technical support for the DOTS strategy through experts on a variety of levels, and it has been fostering the human resources necessary for the measures. In particular, human resource development through the Research Institute of Tuberculosis, Japan Anti-Tuberculosis Association (JATA) has produced over the past 40 years more than 1,800 people from 91 countries-including a minister for health, officials responsible for TB policy, WHO experts, and the committed doctors combating TB at the frontlines of the disease in a developing country.

In combination with the efforts mentioned above, Japan is implementing a diverse range of precise technical guidance and human resource development in line with the needs of individual countries. For example, the assistance to combat tuberculosis implemented from 1992 in the Philippines achieved success by providing technical support covering areas from building national strategy to combat tuberculosis to creating on-site models and disseminating them throughout the country as well as fostering human resources, and this is currently contributing to the national overall measures to combat tuberculosis. Furthermore, to promote development of the necessary human resources and quality control for sputum examinations, Japan established the National Tuberculosis Research Institute in March 2002 by grant aid. The Center has a scope that extends beyond the Philippines. It is also used as a base for human resource development for countries of the Association of Southeast Asian Nations (ASEAN), and the experience of the Philippines is conveyed to other countries as South-South cooperation.

Comprehensive assistance like developing and expanding facilities and materials for effectively using such technology and human resources while at the same time providing the medication and medical examinations that had been lacking is an advantage of Japan's assistance.



Practicing pathological history

Photo: RIT



Practicing anatomy

Photo: RIT

Associate Expert (AE) and Junior Professional Officer (JPO), and most of these people continue to work in international organizations after completing the term of their assignment. As described above, many Japanese officials are working in international organizations in posts from executive officer to junior officer (however, the overall number of these officials is noticeably low in proportion to the financial contribution Japan makes, and the government will make continued efforts to increase this number).

Cooperation through international organizations has advantages such as international organizations' experience and expertise, political neutrality, and the ability to provide assistance to countries and regions to which government-based assistance is difficult to deliver. Consequently, in its implementation of assistance, Japan has been effectively combining such cooperation with bilateral assistance. For instance, on the issue of polio eradication in the Western Pacific Region as mentioned earlier, Japan has been mainly providing support in collaboration with UNICEF. As for recent examples of cooperation with international organizations, Japan collaborated with the United Nations Development Programme (UNDP) on developing the electric communications network in Bhutan, carried out the project for improving garbage treatment in Pakistan, provided support for permanent housing for repatriated refugees in Cambodia, and worked on the dredging of Umm Qasr Port, which is a contact point for bringing humanitarian support goods into Iraq.

Evaluation of Japan's ODA by developing countries

Although the advances in globalization have expanded cross-border economic exchange and led to global economic growth, there are also countries and regions that could not reap the benefits, and in some of these countries, poverty-related problems are worsening. Generally speaking, however, economic situations and living conditions of developing countries have improved significantly over the past few decades. For example, average life expectancy in developing countries viewed over the past 40 years has increased by approximately 20 years, and the infant mortality rate has declined by more than 50%. Furthermore, the adult illiteracy rate has almost halved over the past 30 years, falling from 47% to 25%. The poverty population, consisting of people living on less than one dollar per day, declined from 1.5 billion to 1.2 billion people in the period from 1981 to

2001, and its share of the world's population almost halved, falling from 40% to 21%.⁴ Viewing performance for the 1990s by region, it is evident that East Asia achieved average annual income growth per capita of 6.4% and halved the share of its total population living in poverty. In contrast, Africa had average annual income growth per capita of minus 0.4% over the same period, and the share of its total population living in poverty increased from 47.4% to 49.0%. For Africa, the situation does not allow for optimism yet. Viewed by individual country, however, it would be incorrect to say that there are no promising signs, including the achievement of average annual income growth per capita of 3% or more in Cape Verde, Mauritius, Mozambique and Uganda, the achievement of globally unparalleled reductions in starvation in Ghana and Mozambique, and the increase of the net enrollment ratio in primary education by 20 points in Benin.⁵

Such improvements in situations are basically brought about by economic growth and social development due to the self-help efforts of developing countries themselves. It is extremely difficult to quantitatively analyze and evaluate the specific extent of the ODA's contribution. However, it is pointed out that assistance promotes economic growth through measures such as developing the investment environment and human resources, which in turn is connected to improving such situations. This is also indicated in the fact that many countries in a variety of forms have expressed senses of trust in and gratitude to Japan regarding its steady efforts to provide development assistance to developing countries such as Asian countries for the past 50 years, and there are also developing countries that wish to learn from Japan's experiences of modernization and economic development to contribute to their own development.

For example, at the Initiative for Development in East Asia (IDEA) held in August 2000 with the participation of the ministers of foreign affairs and ministers in charge of development from the 10 countries of ASEAN, Japan, China and Korea, each participating country expressed high praise and expectations for Japan's ODA. The Japan-ASEAN Commemorative Summit held in Tokyo in December 2003 was a historic summit in which all leaders of the 10 countries of ASEAN gathered in a country outside of ASEAN for the first time. At this summit, also, the leader of each country highly praised the role that Japan's ODA has played in the economic development of ASEAN. In 1981, Malaysia under

4. *World Development Indicators 2004*, World Bank

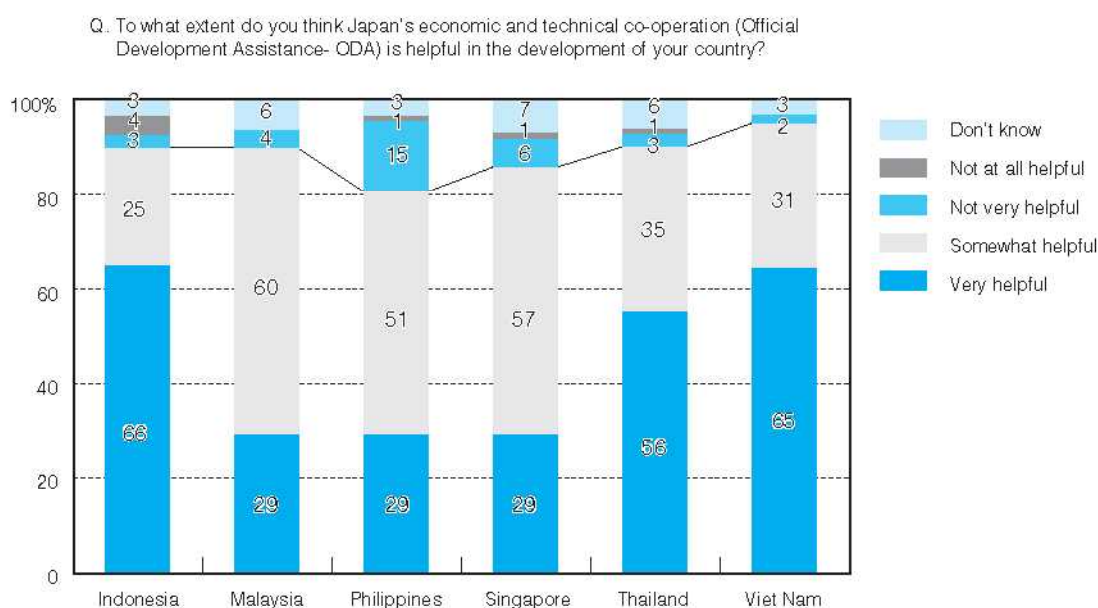
5. *Human Development Report 2003*, UNDP

then Prime Minister Mahathir bin Mohamad put forward the Look East Policy, announcing a stance of wishing to learn from Japan's experience. Twenty years later, in the Japan-ASEAN Commemorative Summit, current Prime Minister Abdullah Ahmad Badawi declared that this policy had been particularly positive for Malaysia.

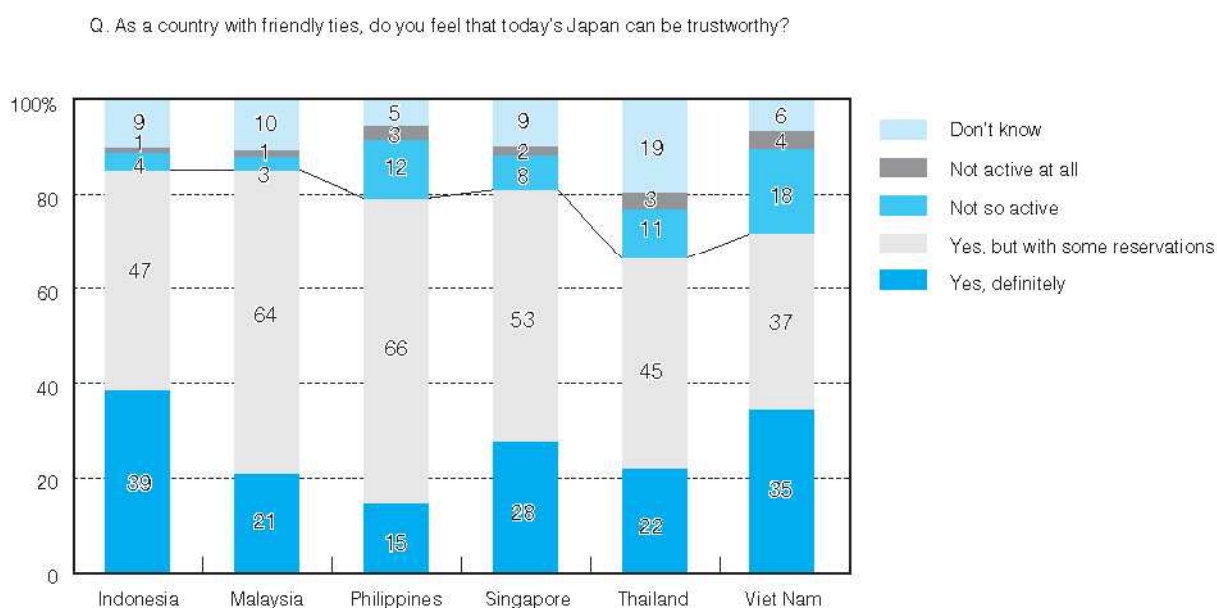
Meanwhile, the third Tokyo International Conference on African Development (TICAD III) held in Tokyo in

September-October 2003 gained the participation of many leaders and Cabinet ministers including the leaders of 23 African countries. TICAD III played a role as the biggest global policy forum for dealing with African development issues, despite being held at the same time as the statements were taking place in the General Debate at the UN General Assembly. On that occasion, the declarations from the African participants of their sense of trust in and gratitude to Japan in

Chart 1-5 Opinion Surveys on Japan in ASEAN Countries (2002)



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



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

all aspects are considered an expression of positive evaluation of Japan's efforts to date to promote African development. Moreover, in the Summit Meeting of the Third Pacific Islands Forum (PIF) held in Okinawa in May 2003, the leaders of the participating countries expressed high praise for Japan's support until then.

Furthermore, President Mohamed Hosni Mubarak of Egypt, a country with a major influence in the Arab world, refers repeatedly to Japan's contributions since the 1970s, such as its cooperation in the expansion of the Suez Canal and expresses his appreciation for these efforts. Visiting Japan in 1998, then President of the People's Republic of China Jiang Zemin expressed in a joint declaration between Japan and China his gratitude for the economic cooperation Japan had provided to China until then. Furthermore, senior Chinese government leaders including President Hu Jintao have expressed their appreciation on a variety of occasions for the support and Japan's economic cooperation to date for Severe Acute Respiratory Syndrome (SARS) in 2003. Other similar examples are too numerous to list individually. In addition, the high praise from foreign countries for Japan's assistance is not limited solely to that expressed by government leaders. Such opinion is also shared by the general public in developing countries.

Ensuring Japan's security and prosperity and ODA

In these ways, Japan's ODA has been contributing significantly to the economic and social development of developing countries for 50 years. Based on the philosophy of providing support for self-help efforts, Japan's ODA has promoted development of the economic and social infrastructure and human resources that are key to nation building in developing countries. It has been useful in improving people's lives through promoting economic development, increasing income, reducing poverty, and providing support in fields such as health care and education in developing countries.



Group photograph of the countries' leaders at TICAD III

A peaceful and stable international environment is indispensable for Japan, which receives benefit from trade and investment with foreign countries and is dependent on them for natural resources and food. The assistance Japan has been providing for the past 50 years has not been simply addressing the problems of developing countries and achieving accomplishments in doing so. It has also been attaining significant accomplishments in creating the peaceful and stable international environment necessary for Japan. Using Japan's ODA to build a peaceful and stable international order and play a leading role in efforts to address the development problems of developing countries as well as global-scale issues contributes to the harmonious and mutually-beneficial development of the international community. It also enables Japan to win the deep trust of the international community and helps to ensure Japan's security and prosperity. The number of countries and regions to which Japan has been providing assistance has extended to 185, and the number of countries with which Japan has friendly relations has been steadily increasing due to the international contribution of ODA. This has not only the significance of increased friendly relations between states. It also plays a major role in forming the basis for friendships based on trust at grassroots level. In implementing ODA, many of the Japanese people involved go to the scene in developing countries, think hard about the issues together with the local people, and carry out programs jointly while sharing burdens. Japan's advanced technology and know-how is transferred, while at the same time friendship and mutual understanding is deepened with the people of the partner country through people-to-people exchange. Promoting such friendships also bears on strengthening Japan's position and influence in organizations such as the UN where developing countries form a majority. This in turn contributes to ensuring Japan's security and prosperity. For Japan, attaining great benefit from partnership and collaboration with the international community, it is necessary to continue to make the utmost efforts in the future, too, toward implementing assistance effectively, while carefully protecting the accomplishments attained by ODA to date.



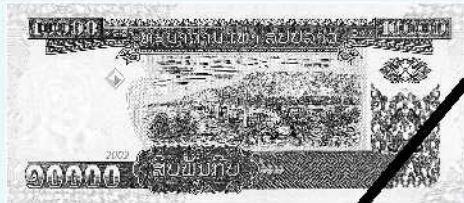
Ferry built by support from Japan used in the design for a stamp commemorating the 40th anniversary of Samoan independence: Ferryboat Building Project, FY1987



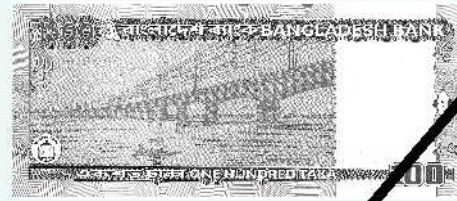
Sheikh Hussein Bridge and King Hussein Bridge on stamps commemorating friendship between Japan and Jordan:

Top: Project for the Construction of the Sheikh Hussein Bridge, FY1996

Right: Project for Construction of the King Hussein Bridge, FY1999



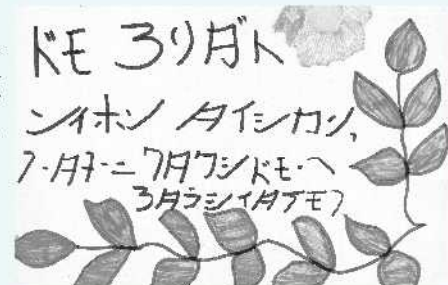
The Lao-Nippon Bridge (Pakse Bridge) on the Lao 10,000 kip bill: Project for Construction of Pakse Bridge, FY1996



The Jamuna Bridge on the Bangladesh 100 taka bill and 5 taka coin: Jamuna Multipurpose Bridge Project, FY1993



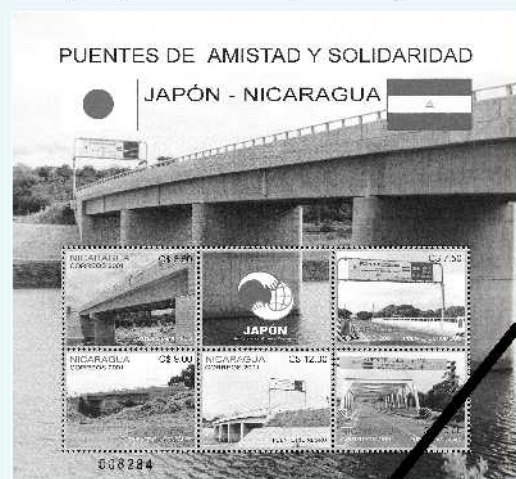
Pictures expressing gratitude received from Philippine children: Morning Breeze elementary School Expansion Project, FY1997



Japan's assistance depicted on Nicaragua-Japan friendship stamps: From left, First Friendship Stamp, Second Friendship Stamp

First Friendship Stamp (from top left): Project for Internal Development of Artisanal Fisheries in the Northern Atlantic Autonomous Region, Project for Construction of Hospital of Granada, Aid for Increased Food Production, Project for Construction of Primary Schools, Project to Reconstruct Bridges on Major National Roads, Project for Improvement of Water System in Managua

Second Friendship Stamp (from top left): Project for Construction of Bridges between Nejapa and Izapa, Project to Reconstruct Bridges on the Major National Roads (Phase II), Project to Reconstruct Bridges on the Major National Roads (Phase II), Project to Reconstruct Bridges on the Major National Roads (Phase II), Project to Reconstruct Bridges on the Major National Roads (Phase II), Project to Reconstruct Bridges on the Major National Roads (Phase II), Project to Reconstruct Bridges on the Major National Roads (Phase II)



Section 2 Role and Accomplishments in East Asia's Economic Development

Japan's contribution in East Asia's economic development

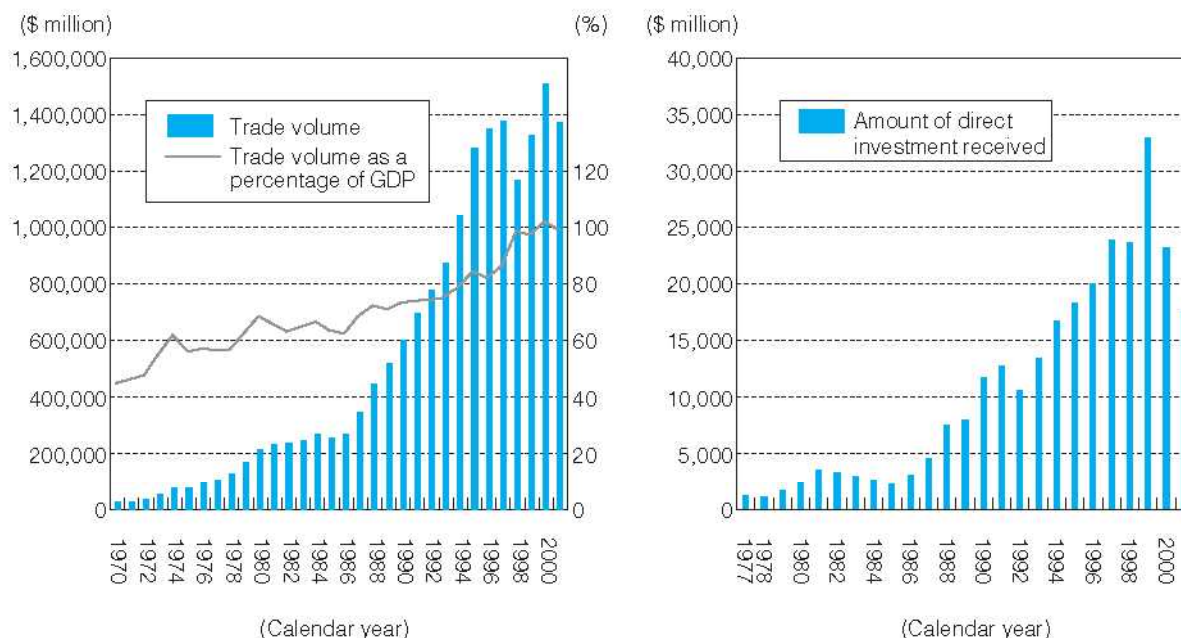
East Asia, the main target area for Japan's ODA, achieved average annual growth of GDP per capita of more than 6.4% from 1981 to 2001. Moreover, during that period, the poverty population or the number of people living on less than one dollar per day-decreased by more than 400 million in absolute terms and from 56% to 16% as a percentage of total population.⁶

Japan's assistance has largely contributed to such economic development and poverty reduction in the countries of East Asia. In 1993, the World Bank published a report titled *The East Asian Miracle: Economic Growth and Public Policy* on the economic development in the region from the 1960s to the 1990s, which analyzes the various factors behind such economic growth. Certainly, the main factor is the individual efforts of the countries of East Asia. However, the role played by Japan's assistance was also important. The particular

features of Japan's assistance to Asia include the following: (1) approximately 60% of Japan's bilateral assistance is directed to Asia, and much of this toward development of economic infrastructure, playing a useful role in developing the investment environment of each country and bringing out the vitality of the private sector; (2) such assistance is granted in a timely manner to fields that are suited to promoting direct investment and bringing about trade recovery; (3) while improvement in agricultural productivity has made East Asian countries' economic growth possible, Japan has provided large-scale support using various types of forms of assistance in the agricultural field, too; and (4) while human resource development is one of the fundamental factors behind the economic development of East Asia, Japan has advocated placing emphasis on human resource development support since the 1970s, such as actively providing cooperation for education, human resource development and training for engineers. As a result of such assistance, Japan has contributed to the economic development of the East Asian countries, while strengthening relations with these countries.

Assistance of the type, that supports economic growth

Chart J -6 Trends in Trade Volume, Trade Volume as a Percentage of GDP, and Amount of Direct Investment Received in East Asia

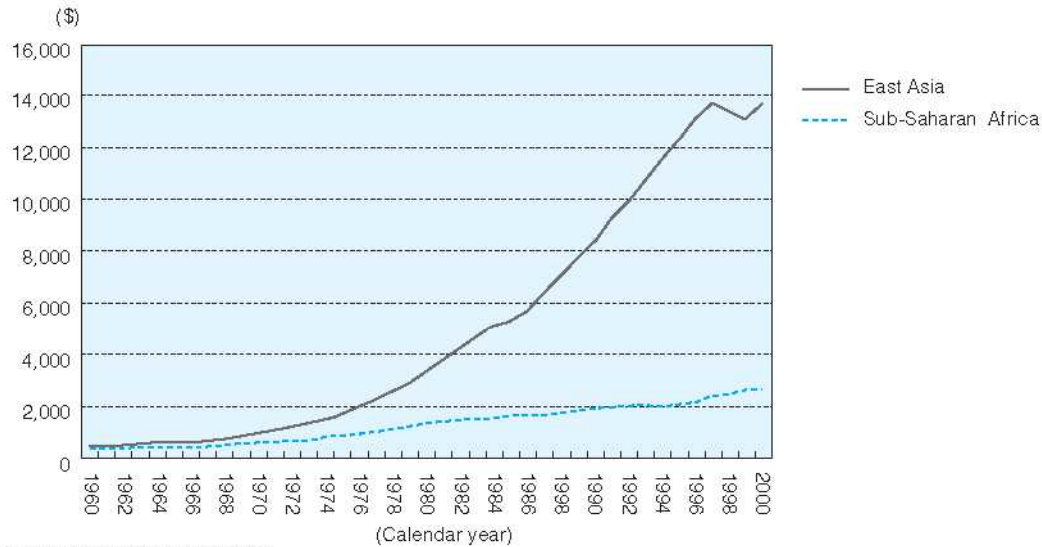


Source: IMF, International Financial Statistics

Note: East Asia: Calculated based on the figures for Indonesia, Malaysia, the Philippines, Thailand, Korea, Hong Kong, and Singapore.

Note: East Asia: Calculated based on the figures for Malaysia, the Philippines, Thailand, Korea, and Singapore.

Chart I -7 GDP Per Capita in East Asia and Sub-Saharan Africa



Source: Penn World Table version 6.1

Notes: (1) Simple average of real GDP per capita (these are indicated by purchase power parity converted in 1996 US dollar) of countries and regions in East Asia and Sub-Saharan Africa.

(2) East Asia includes ASEAN 4 (Indonesia, Malaysia, Philippines and Thailand), and NIEs (Korea, Hong Kong, Taiwan and Singapore.)

(3) Sub-Saharan Africa excludes Djibouti, Eritrea, Liberia, Somalia and Swaziland due to unavailability of data.

(4) Exclude the following data due to the unavailability: Taiwan 1999-2000, Angola 1997-2000, Botswana 2000, Central Africa 1999-2000, Mauritania 2000, Namibia 2000, Sierra Leone 1960, 1997, 1999, Sao Tome and Principe 1960-1974, 1997 and Democratic Republic of Congo 1998-2000.

such as Japan's support for infrastructure development in the East Asian region, was used by Japan itself after World War II-in the form of loans from the World Bank-to establish electric power stations, steel plants, the New Tokaido Line (the Shinkansen project), the Tomei Expressway, and other infrastructure. It formed the foundation of Japan's nation building and served as a driving force of Japan's rapid growth. Just as such assistance was vital for bringing out Japan's postwar development experience, it is also indispensable for promoting sustained economic growth and development in developing countries, such as diversification of industries and

industrialization. As a result of progress in development of the investment environment through such development and improvement of economic infrastructure as well as fostering of competent human resources through support for human resource development, investment from foreign countries such as Japan flowed into East Asia, and in such favorable conditions, trade expanded and the countries were able to achieve economic development. At the same time, the assistance in economic infrastructure and the improvement of social infrastructure including education and health care through forms of assistance such as grant aid exhibited a synergistic effect, which contributed to improving regional inhabitants' living conditions (by measures such as reducing the infant mortality



Nanyang Polytechnic

The Japan-Singapore Training Centre was started in 1978, and in 1983, the Training Center became the Japan-Singapore Institute. Currently, along with other schools established by France and Germany, it has become Nanyang Polytechnic, and has served as a base for third-country training



Japan-Singapore Institute

rate and providing access to safe drinking water) and redressing the gap between towns and rural areas. Thus, in the East Asian countries, Japan's assistance was directed toward fields such as economic infrastructure as well as education and human resource development. These fields combined with foreign investment, have had a bearing on developing export industries, and progress in an organic partnership among assistance, trade and investment has led to these countries' economic growth.

In the past, GDP per capita in East Asia had been about the same level as in sub-Saharan Africa. However, in the second half of the 1990s, despite the Asian Currency and Economic Crisis, East Asia achieved a remarkable expansion in GDP per capita.

How to apply the experience of East Asian success to other regions is a major challenge for the future. Expanding the effective development methods that were put into practice in East Asia by transferring of appropriate knowledge and technologies through South-South cooperation is becoming an important issue not only for developing countries but also for Japan.

Contribution through economic and social infrastructure support

One of the features of Japan's ODA is the contribution that has been made to develop economic and social infrastructure including roads, ports, electric power stations, electric power transmission facilities and water and sewerage systems. Infrastructure forms the foundation of people's lives, and it also plays a role in supporting economic growth, for example in the form of effects such as markets expanding through the development of roads and ports and as agricultural productivity improving through the development of irrigation facilities. Yen loans, which borrowers are required to repay at relaxed lending conditions, have mainly been used for such infrastructure development. Japan has consistently held the basic philosophy

of supporting the self-help efforts of developing countries. Yen loans promote effective use of funds by developing countries themselves and proactive efforts to ensure their future repayment, and in that sense, they are also consistent with Japan's philosophy on assistance.

The question of how much Japan's ODA has contributed to economic development in East Asia cannot be answered precisely, as the quantitative effect of such ODA cannot always be clearly measured.⁷ However, the above examples are indicating Japan's ODA has contributed greatly to development of social and economic infrastructure, which has been fundamental for economic development (research by various overseas diplomatic missions, May 2004).

Contribution to human resource development

For Asian countries, as well as assistance for development of economic infrastructure, Japan has been providing a great deal of assistance for Asian countries for that of human resources, which is fundamental for economic and social development. Examples of Japan's contribution in Asian human resource development and technical cooperation for the region are as follows. This topic is covered in detail in Section 3.

Promotion of South-South cooperation

From recipient countries to development partners

Among Asian countries to which Japan has provided assistance, some have achieved remarkable economic development and already graduated from the position as recipient countries (Korea, Singapore etc.), and others have provided South-South cooperation*¹ in specific fields for other developing countries in cooperation with countries including Japan, based on the accomplishments of their own development (Thailand, Indonesia etc.), while continuing to receive assistance. Since the support for South-South cooperation enables countries

*1: South-South Cooperation

Cooperation provided by advanced developing countries in certain fields or countries graduated from the position as an aid-target country, to other developing countries using their own development experiences and human resources. Japan has provided assistance through South-South cooperation since 1975.

7. In a survey conducted in fiscal year 2002 by the Economic and Social Research Institute (ESRI) of the Cabinet Office, it is estimated that provision of Yen loans from fiscal year 1996 to fiscal year 2000 had the effect of increasing annual GDP by 0.1-1.6% on average in the following countries: Vietnam (1.65%), the Philippines (0.71%), Indonesia (0.5%), Thailand (0.49%), Malaysia (0.2%) and China (0.12%).

Indonesia

- **Electrical power:** Provided assistance for electric power equivalent to approximately 20% of overall capacity of electrical power facilities
- **Roads:** Constructed approximately 20% of the expressways in the Jakarta Metropolitan Area
- **Communications:** Provided assistance covering approximately 50% of the construction of the communications network
- **Railways:** Provided assistance covering approximately 50% of restoration of the Java Main Line
- **Water resources:** Built approximately 30% of the country's dams (approximately 55% of total effective reservoir capacity)
- **Fisheries:** Developed Jakarta Fishing Port, Indonesia's only international standard fishing port (which accounts for 14% of the country's total exports of marine products)
- **Health care:** Constructed the emergency hospitals of two of the four A-Class core public hospitals

The Philippines

- **Roads:** Reconstructed 13% of national roads
- **Electrical power:** Developed 8% of overall electrical power facility capacity
- **Water resources:** Provided water to 13 million people (16% of the population)
- **Agriculture:** Provided support for more than half of the irrigation programs over the past 10 years
- **Flood control programs:**
Japan has supported all of the main 22 programs
- **Health care:** Contributed to developing outpatient hospitals and supplying materials for core regional hospitals in the four main cities (Manila, Cebu, Davao and Baguio), serving 4,000 outpatients per day and 50,000 inpatients per year

Thailand

- **Support for development of the eastern seaboard region** (implementation of comprehensive cooperation for development of roads, ports, water pipes, industrial estates etc.)
: Significantly increased the GDP per capita of the region from approximately 27,000 baht (national average of approximately 16,000 baht) in 1981 to approximately 281,000 baht (national average of approximately 81,000 baht) in 2001
- **Bangkok's Chaopraya River bridge construction**
: Constructed 14 of the 17 bridges including those under construction. Contributed significantly to relieving traffic congestion in Bangkok
- **Water resources:** Constructed 40% of the Bangkok metropolitan area's water treatment facilities. Supplied approximately 30% of the water to rural areas nationwide (irrigation)
- **Electric power:** Developed and upgraded approximately 15% of overall electrical power facilities. Electrified approximately 25% of rural areas nationwide

Vietnam

- **Electric power:** Developed approximately 20% of overall volume of electrical power facilities
- **Health care:** Of the 10 mid-level general hospitals, provided support for the three most representative major hospitals, serving a target population of 78 million people in total (total population of Vietnam is approximately 80 million)

Korea

- **Water resources:** Constructed approximately 70% of the overall reservoir capacity of dams nationwide (Note 1)
- **Sanitation:** Constructed 56% of the groundwater treatment facilities nationwide (Note 2)

Note 1: Survey by Overseas Economic Cooperation Fund (OECF) (known as Japan Bank for International Cooperation (JBIC) at present)

Note 2: Medium-Term Policy on Official Development Assistance (1999)

with relatively similar situations in aspects such as natural, cultural, economic and social circumstances as well as development stages to implement effective and efficient cooperation. At the same time, it would also be able to develop future donor countries through the support for other developing countries. Japan has supported South-South cooperation through ODA and is the world-leader in this field.

For example, Japan concluded the Japan Thailand Partnership Program (JTTP) with Thailand in 1994 (and concluded Phase II, its successor program, in 2003), and both countries have been promoting support that they implement jointly for other developing countries. The JTTP uses Thai human resources developed through Japan's technical cooperation, and both Japan and Thailand cooperate to implement support activities for other developing countries. In fiscal year 2004, for trainees from neighboring countries, it is planned to implement training in Thailand (third-country training) in fields including agricultural and road development and tourism. In implementing such assistance, Japan conducts a series of operations-plan formation, implementation, monitoring and evaluation-jointly with Thailand. Furthermore, from the perspective of applying Asia's development experience to Africa, Japan tries actively to promote Asian-African cooperation with Asian countries, and South-South cooperation received considerable coverage at the Third Tokyo International Conference on African Development (TICAD III) in 2003.

The ultimate goal of assistance for developing countries is to support their economic takeoff and independence. From this perspective, promotion of South-South cooperation is meaningful.

Section 3

Japan's Contribution in Developing Countries' Human Resource Development

Nation-building starts with human resource development

"Human resource development" is key to nation-building. This is based upon Japan's belief rooted in its own development experience, and in its experience through providing international cooperation in East Asia. Satisfactory accomplishments cannot be obtained in resolving the development issues of a developing country without the self-help efforts of the country itself. In turn, a developing country cannot succeed in its self-help efforts without having the excellent human resources that would play a leading role in its development. Developing outstanding human resources that could be leaders in nation building in developing countries and thereby securing human resources that could be mobilized for development are vital to ensure-through building the governance capacity of developing countries-the success of medium and

Contribution to human resource development in Asia

Indonesia

- Education: Constructed 600 schools in 12 provinces nationwide (Yen loans)
- Vocational training: Fostered 665 of the 2,200 vocational training instructors at 153 vocational training centers nationwide

Thailand

- King Mongkut's Institute of Technology, Ladkrabang: Producing doctoral graduates in the field of electrical engineering, which are few in number in Thailand

Vietnam

- Elementary schools: Provided support for approximately 10% of the new elementary schools (293 schools) developed from 1995 to 2002 (grant aid cooperation)
- Training of electrical engineers: Trained 20% of all instructors in the only junior college producing power engineers
- Coal workers' safety education: Implemented safety education for 85% of all coalmine workers (approximately 20,000 workers)
- Vocational training schools: Provided support for two of the 15 vocational training strategic focus schools (approximately 13%)

Examples of contributions in JICA-based technical cooperation (totals to FY2002)

- Acceptance of trainees from the Asian region (156,922 trainees, 60.5% of the total)
- Dispatch of experts to the Asian region (40,418 experts, 59.5% of the total)
- Dispatch of survey missions to the Asian region (96,624 survey officials, 55.2% of the total)

long term development efforts by developing countries themselves. Moreover, to respond to globalization, developing and developed countries need to work together to build tangible and intangible human networks and to establish cooperative relations in order to gain and share promptly the necessary information and support. Human resource development cooperation by Japan's ODA is not limited to the East Asian region. It is also implemented in the African region and many others of the world, covering a wide range of fields necessary for the national infrastructure of recipient countries including agriculture, forestry and fisheries, health care, education, vocational training, administration and environmental conservation. Japan's human resource development support is also highly evaluated by ODA experts, and it is one of the ODA programs that has a high level of visibility in recipient countries. Furthermore, human resource development support provided through people-to-people cooperation goes beyond cooperation in the development aspect. It also serves to deepen mutual goodwill and understanding with the people of the partner country, through transferring Japan's excellent technology and know-how and people-to-people exchange.

Accomplishments of human resource development support

Japan's support for human resource development is implemented through the Trainee Acceptance Program, the Youth Invitation Program, the Expert Dispatch Program, the Japan Overseas Cooperation Volunteers (JOCV) Program, the Senior Volunteer Program and others. Since joining the Colombo Plan in 1954, Japan has accepted trainees from

developing countries every year. The scale of acceptance has recently reached the level of 20,000 trainees per year. Meanwhile, in the Expert Dispatch Program, approximately 3,000 experts are dispatched every year and the JOCV Program, more than 1,000 JOCVs. In addition, using facilities built through grant aid (hospitals, vocational training centers, environmental centers etc.) as bases, Japan has positively implemented support which systematically combines various forms of assistance including dispatch of experts and invitation of the relevant people as trainees, involved in those facilities from developing countries. In the following paragraphs, several examples of Japan's contribution to the development of developing countries through such human resource development support will be introduced.

King Mongkut's Institute of Technology, Ladkrabang (KMITL) in Thailand, mentioned also in Section 1, has its origins in the Nontaburi Telecommunications Training Center established in 1960 by Japan's ODA. Since then, through the enthusiasm of the Thai side and 40 years of continued support from Japan, KMITL has grown into Thailand's foremost science and technology university. It currently consists of six engineering-related faculties, a graduate school (including doctoral courses), and the Research Center for Communication and Information Technology (ReCCIT). It has approximately 15,000 students (including approximately 3,600 in masters' courses and approximately 90 in doctoral courses) and approximately 800 teachers. KMITL boasts the highest standard in Thailand, particularly in the electronics-related fields for which Japan has provided focused support, and it produces electrical engineering professors, which are few in number in Thailand. Its success also extends beyond the borders of Thailand. KMITL has become a base for third-country training for Southeast Asian countries such as Laos, and it is widely known as a symbol of the friendship between Japan and Thailand.



Top: Pamphlet produced by JICA to commemorate the 40th anniversary of the establishment of King Mongkut's Institute of Technology, Ladkrabang (produced when Prime Minister Eisaku Sato visited the Institute)

Bottom: King Mongkut's Institute of Technology, Ladkrabang



The Trainee Acceptance Program-Japan's first Official Development Assistance-was launched with the acceptance of 16 trainees from Asia on the occasion of joining the Colombo Plan in 1954. Its objective is to accept to Japan as trainees the human resources from developing countries who would play a leading role in nation-building in those countries and to transfer specialist knowledge and technologies in a broad array of fields including administration, agriculture, forestry and fisheries, mining, education and health care. At present, aside from training such as that implemented in developing countries in which Japan implements training (domestic training). For this training, in addition to the accomplishments achieved from the training itself, trainees come into contact with Japanese culture and lifestyle through spending time in Japan. Furthermore, by providing opportunities for trainees and Japanese people to learn about each other's ways of thinking and behaving, it also contributes to creating friendships between the people of the countries.

Currently, trainees after going back to their countries have established alumni associations in 77 countries. They contribute to develop their individual countries, maintain close relations with Japanese embassies and JICA offices in their home countries, and promote friendship with Japan. The activities of the ASEAN JICA Alumni Regional Conference are an example. In December 2003, this alumni organization held reunion attended by leading figures such as Krasae Chanawongse, Advisor to the Prime Minister of Thailand and former Minister of Foreign Affairs, and the alumni presented vigorous opinions regarding expanding the activities of the organization and constructing the network. The Alumni Chair, from the host country, Thailand, expressed gratitude for the technical training from Japan and the subsequent follow-up, and delivered a message of hope that the technology transferred from Japan would be useful for the surrounding countries in addressing the difficulties.

Some JICA alumni make use of the training received in Japan, engage in further study and become leading figures representing their countries, such as leading cabinet, government ministry and agency officials, local government heads and presidents of public corporations, and trainees who, after going back to their countries, assumed important Cabinet level posts number more than 40. A representative example is Mendsaikhan Enkhsaikhan, who participated from Mongolia in the Trade Promotion Seminar of Asian and Pacific Countries conducted in 1989 and later became prime minister of his country. Mr. Enkhsaikhan is currently the leader of the opposition in Mongolia, and an active and important politician in efforts to spur further development and to strengthen the friendships between Japan and Mongolia. Another example is Mr. Yamamoto, who participated from Peru in the tuberculosis control conducted in 1976 and later held positions including minister of Health and Welfare and director of the Japan-Peru Friendship Hospital (a maternal and child hospital) in the capital Lima.

In this way, training in Japan has an impact beyond just the transfer of technology during the training period. From the long-term perspective, too, it is highly useful for the human resource development and nation building of developing countries.



A JICA alumni reunion event (Thailand)

(Photo: JICA)



Making a presentation at a JICA alumni reunion event (Samoa)

(Photo: JICA)

A similar example is the Jomo Kenyatta University of Agriculture and Technology in Kenya (JKUAT). JKUAT was established by Japan's ODA in 1977 as an educational institution with the purpose of providing vocational training to develop engineers, which were lacking in Kenya. For more than 20 years until the cooperation project ended in April 2000, more than 530 experts and approximately 110 JOCVs had been dispatched, and approximately 230 Kenyan staff had been accepted as trainees. As a result, JKUAT has grown to attain the status of national university. At present, JKUAT produces more than 500 graduates every year, and comes to have a function as a base for the African Institute for Capacity Development (AICAD), established in order to contribute to poverty reduction through human resource development, covering Kenya, Tanzania and Uganda.

In the course of the rapid economic growth in China, environmental pollution such as air pollution and acid rain is becoming a serious problem. For China to advance with sustainable economic and social development over the long term, it is primarily important to make proactive efforts to address this problem. The Sino-Japan Friendship Center for Environmental Protection was established by Japan's ODA in 1996 with the objective of supporting these efforts and coming to play a leadership in resolving the important issue of achieving environmental conservation in China. Currently, the Center-as a research and training implementing organization in China-is engaged with technical cooperation from Japan in a project to investigate the causes of the arrival from the deserts of huge amounts of yellow sand as well as in directing acid rain monitoring in 1,000 locations throughout the country.



Sino-Japan Friendship Center for Environmental Protection
(Photo: JICA)

Moreover, in an effort to build capacity for environmental protection in local areas, the Center has implemented training for 758 regional town and city environmental protection bureau heads.

Human resource development support through Yen loans

Japan also provides human resource development support through Yen loans. In order to promote sustainable economic and social development in developing countries, capacity building-to develop human resources through improving and expanding education as well as plan and implement economic and development measures and advance industry-is indispensable. Based on this awareness, Japan has provided support for improving the quality of specialist research in advanced education and in academic research, while also working to expand learning opportunities through establishment of elementary and secondary education facilities and supply of materials. From starting to



JKUAT

(Photo: JICA)

provide support in educational field for Indonesia using Yen loans in 1977, Japan has extended 57 Yen loans for human resource development support, amounting in total to approximately 343.8 billion yen until 2003. Since when Prime Minister Mahathir proposed the Look East Policy and indicated a stance of learning from Japan in 1981, a total of more than 10,000 people from Malaysia have come to study in Japan. In addition to the various other systems, Japan has been providing support through Yen loans for overseas students who enter Japanese science and technology universities aiming to become engineers that would play a leading role in the country's development. To reduce overseas study expenses in Japan, Yen loans are distributed to meet training costs for learning Japanese and for preparatory courses in Malaysia and to provide scholarships for subsequent study in Japan.

In Section 2, explanation was given about Japan's contribution to development of economic and social infrastructure, essential to economic and social development in East Asia. However, many contributions are at the same time connected to support for human resource development. The development of the Brantas River Basin in Indonesia's second-largest city, Surabaya, is one of the representative examples of its success. Japan has conducted-mainly through the provision of Yen loans-many programs over a period of more than 30 years, including dam building, river improvement, irrigation development and electric power generation. Japan has contributed to the region's economic development through reducing flood damage in the Brantas river basin, increasing agricultural productivity, and ensuring stable supply of electric power to suburban industrial areas. Japan's ODA has also had a major impact on human resource development in Indonesia through providing cooperation for these programs. When the construction of the Karangates Dam began in 1962, 115 Indonesian engineers were accepted as members of the construction team.



Brantas river basin development

(Photo: JBIC)

They were involved in the construction for a long period along with the Japanese engineers, learning through On the Job Training (OJT) about aspects such as Japanese construction technology, construction management methods, welfare systems for construction workers, as well as the strength of Japanese engineers' sense of responsibility regarding construction. Subsequently, the Indonesian engineers involved in the construction were called the "Brantas Men," who came to play a pivotal role in the Indonesian construction field in both the public and private sectors. Resettlement and Regional Infrastructure Minister Sunarno (as of July 2004) is one of them.

Human resource development through basic education and its system's development

Japan's support for human resource development focuses on a wide range of cooperation-from the initial cooperation emphasizing technology transfer to the current cooperation in areas such as improving and enhancing basic education and developing professional engineers in order to develop the human resources that would play a leading role in the economic and social development of developing countries. Meanwhile, in recent years, Japan has also placed emphasis on efforts to provide intellectual support such as educational cooperation for poor people and woman and children from the perspective of human security and measures to promote the transition to a market economy and to open up to foreign business.

At the beginning of the 1990s, Japan started to put in place a system for supporting the promotion of basic education in individual countries. Policy documents such as the Official Development Assistance Charter (ODA Charter) of 1992, the Fifth Medium-Term Target of ODA and Funds for Development of 1993, and the Medium-Term Policy on Official Development Assistance of 1999 emphasized specifically human resource development, education development, and basic education development. In 1997, the Center for the Study of International Cooperation in Education (CICE) was established in Hiroshima University, and has actively promoted education cooperation for the basic education field.

Based on the above system development and research accomplishments, Japan announced the Basic Education for Growth Initiative (BEGIN) at the Kananaskis Summit of the Group of Eight (G8) in 2002. This initiative has the objectives of promoting economic growth through investment in education

based on self-help efforts and reducing poverty, as symbolized in the story known as "The Spirit of the 100 Sacks of Rice"^{*1} that Prime Minister Koizumi told at the Genoa Summit in the previous year. It has been a guiding principle for Japan's contribution in the field of basic education. Broad-based policy decision makers and academics both domestically and overseas exchange opinions and make efforts to call attention both domestically and overseas to the necessity for international cooperation supporting self-help efforts.

In the field of basic education, Japan has strengthened support for low-income countries. Support for Africa, in particular, is becoming important. Japan's support is implemented using a combination of various forms of assistance. Concretely, in the five years from TICAD II in 1998 to TICAD III in 2003, Japan implemented grant aid cooperation of approximately 36 billion yen for the purpose of building and developing schools. As a result of this cooperation, the number of children who have attained the opportunity to receive education came to approximately 2.6 million. In Kenya, Ghana and South Africa, Japan has implemented projects for improving mathematics and science education. In Kenya, the Strengthening of Mathematics and Science in Secondary Education (SMASSE) project started in 1988 (see

Column II-2 for details), and cooperation has been provided for establishing a system for retraining currently employed secondary school mathematics and science teachers. This Kenyan experience and accomplishments have shared with other African countries, and the Strengthening of Mathematics and Science in Secondary Education-Western, Eastern, Central and Southern Africa (SMASSE-WECSA) network of educators of 18 African countries has been created. Experience and accomplishments achieved through Japan's support are expected to be put to increasingly good use in the future.

In Afghanistan, the education system collapsed during the long years of conflict, and in the 1980s, 89% of people aged 25 or more had not received education and less than 1% had completed elementary education. When the Taliban regime were in power, women were forbidden from studying or working, and in 1999, the primary education rate was 38% for boys whereas it was only 3% for girls. In March 2002, at the start of the new school term in Afghanistan, the United Nations Children's Fund (UNICEF) conducted the Back to School Campaign to furnish school supplies and educational materials, repair schools, develop the learning environment and so forth. For this campaign, Japan provided support of 12 million dollars, approximately 65% of its overall costs, in the form of ODA (5 million dollars) and contributions from the Japan Committee for UNICEF (7 million dollars). This campaign had an extremely large impact in Afghanistan: more than 3 million children (of which 30% were girls) enrolled in school and the net enrollment rate increased by 60% (and by 90% for girls) compared to before the campaign.

As for intellectual support for system development of countries working to promote the transition to a market economy and open up to foreign business, examples include the Study on the Economic Development Policy for the Transition toward a Market-Oriented Economy in the Socialist Republic of Vietnam, which provided policy recommendations in the fields of fiscal and monetary policy, industry and trade pro-



Hiroko Watanabe, dispatched to UNICEF through a Japanese NGO to work in the Back to School Campaign, with a group of young Afghan schoolgirls

*1: The Spirit of 100 Sacks of Rice

At the beginning of the Meiji Era, the fief of Nagaoka, which was in extreme poverty, received 100 sacks of rice as relief. However, the Chief Counsellor of Nagaoka, Torasaburo Kobayashi, used the 100 sacks of rice, which would have been used up in a few days if they had been distributed among the warriors and inhabitants of the fief, as funds for building a school, investing them in education to bring about thousands, or tens of thousands, of sacks of rice in the future. As a result, a succession of human resources was subsequently produced from the school. This spirit is called "the spirit of the 100 sacks of rice," and is the philosophy that investment in education is the most important investment for nation-building.



A joint Japan-Vietnam research workshop in Hanoi

motion, agricultural and rural development and reform of government-owned companies, from 1995 to March 2001, and also include the support for developing the legal systems in the countries of Indochina. Since Vietnam adopted the Doimoi Process in 1986, rebuilding its legislative system based on that of the former Soviet Union into a legal and judicial system appropriate for promoting the transition to a market economy has become urgent. For this task, Japan has dispatched experts to Vietnam since 1994 and provided support for the drafting of the civil code and other laws. In addition, Japan has also contributed to the development of human resources in the legal profession, by accepting Vietnamese judges, prosecutors and lawyers as trainees. Meanwhile, Japan has also provided support for system and human resource development for Cambodia, through measures such as dispatching long-term

experts, holding workshops and accepting trainees, and in March 2003, the drafted Civil Code and Code of Civil Procedure in Khmer were handed over to the Cambodian government. Similarly, Japan has provided support for the judicial field in Laos. Japan itself has introduced foreign laws since the Meiji Era, and its experience of establishing legal system meeting the realities of the country itself is useful for such support for legal system development.

In Thailand, the needs grew for fostering small and medium enterprises (SME) for supporting the economic foundations after the Asian Currency Crisis of 1997. Consequently, in June 1999, Japan presented the comprehensive SME development recommendation including the development of an SME financing system, the establishment of an SME diagnosis system and the fostering of supporting industries such as the auto industry. Based on this recommendation, Japan contributed to strengthening the competitiveness of Thai industries through dispatch of experts and acceptance of trainees. As a result, an SME diagnosis system, for example, has been established and made widespread in Thailand. Four hundred people from Thailand have been trained and have qualified as SME diagnostic consultants. At present, the Japanese word *shindan* (diagnosis) has been imported to Thailand as a common term and become widely known to the extent that it appears in Thai newspapers.