

Japan decided to donate more than US\$300 million of the Grant Aid for Conflict Prevention and Peacebuilding through the UNDP to the training program of the Kofi Annan International Peacekeeping Training Center in Ghana in February 2008, reinforcing assistance to Africa where SALW problems were particularly serious.

Additionally, as for measures against SALW, Japan also provides assistance for developing legal structures and capacity building of law enforcement organizations, which secures the effectiveness of regulations on the detection and prevention of the illegal inflow of weapons; implements projects for disarmament and reintegration of ex-combatants and child soldiers; and conducts seminars held by SALW specialists. In FY2007, Japan extended assistance for dismissed soldiers with disabilities in Rwanda, which had experienced civil wars for many years, with a project to facilitate their economic and social independence as well as reintegration to a community through the acquisition of skills, and to strengthen skill training centers.⁷⁰ Japan's contribution to efforts to tackle SALW totaled approximately ¥41.1 billion by the end of 2007.

Section 3. Assistance for Each Region

The ODA Charter designates Asia as a priority region since it has a close relationship to Japan and can have a major impact on Japan's national stability and prosperity. At the same time, Japan also advances effective and efficient cooperation to other areas by selecting and concentrating the assistances based upon the objectives, basic policies, and priority issues of the ODA Charter. The status of Japan's assistance in each region is outlined below.

1. East Asia

Japan's bilateral ODA to East Asia in 2007 was approximately US\$1,113.36 million, 19.1% of total bilateral ODA.

<Features of East Asia>

East Asian countries have a close relationship with Japan in all aspects including politics, economy, and culture. As such, the development and stability of the East Asia region has great significance for the safety and prosperity of Japan itself. Japan has supported infrastructure development and human resource development in the region through ODA,

and facilitated private sector investment and trade through means such as enhancing economic partnerships. Through these measures Japan has thus far contributed to the remarkable economic development in the East Asia region by advancing economic cooperation that coordinates ODA with investment and trade. For providing assistance, Asia is continuously designated as a priority region.

East Asia has attained rapid economic growth, and some countries, such as the Republic of Korea (ROK) and Singapore, have already been transformed from aid recipients into donors. On the other hand, there are still some least developed countries (LDCs) within East Asia, such as Cambodia and Laos. There are also countries like China, which still has internal disparities even though its economy has grown dramatically in recent years, or Viet Nam, which is in the process of transitioning from a centrally-planned economy to a market economy. In extending assistance, Japan fully takes into account such diversity in socio-economic conditions and changes in the respective assistance needs in each country.

<Japan's Efforts>

Japan's assistance activities in the East Asia region are aimed at advancing interregional cooperation and integration in line with shared basic values, promoting mutual understanding, and ensuring stability. To meet these objectives, cooperation is needed in establishing a stable process of democratization; reinforcing protection of human rights; building legal institutions; and developing infrastructure in order to promote economic growth. Also, various types of functional cooperation in fields such as finance, energy,



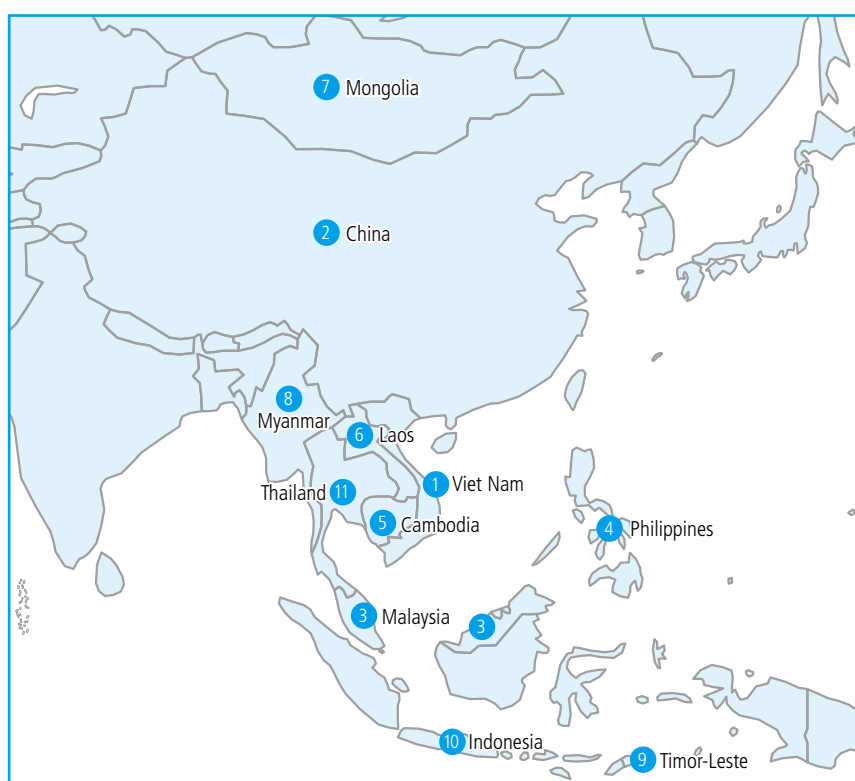
(Source: AFP=Jiji)

70 "Skills Training for the Reintegration of Demobilised Soldiers with Disabilities" Project.

disaster prevention and infectious diseases are essential. In addition, exchanges between people can significantly facilitate furthering mutual understanding between Japan and these countries. In 2007, the Japanese government announced the “JENESYS Programme,”⁷¹ inviting

approximately 6,000 young people to Japan each year for five years. It is hoped that this will foster a pro-Japanese sentiment among the younger generation. A total of 6,150 young people visited Japan in 2007, the first year of the program, consisting in part of 2,000 from China, 1,200 from the

Chart III-13. Japan's Assistance in the East Asia Region



2007 (calendar year)

(Net disbursement basis, unit: US\$ Million)

Rank	Country or region	Grants				Loan aid			Total
		Grant aid	Grants provided through multilateral institutions	Technical cooperation	Total	Amount disbursement	Amount received	Total	
1	Viet Nam	18.48	0.08	73.85	92.33	672.66	124.94	547.71	640.04
2	China	15.48	—	263.62	279.10	912.09	755.53	156.56	435.66
3	Malaysia	0.28	—	25.70	25.99	287.75	90.77	196.98	222.97
4	Philippines	7.24	—	50.53	57.77	669.08	504.69	164.39	222.16
5	Cambodia	62.35	2.44	39.84	102.19	15.37	4.01	11.36	113.56
6	Laos	46.28	—	22.40	68.67	14.40	1.62	12.79	81.46
7	Mongolia	34.31	—	18.09	52.41	9.88	10.73	-0.85	51.55
8	Myanmar	11.68	3.80	18.84	30.52	—	—	—	30.52
9	Timor-Leste	7.83	1.96	5.24	13.07	—	—	—	13.07
10	Indonesia	39.21	9.04	81.68	120.89	937.22	1,280.57	-343.35	-222.46
11	Thailand	2.17	0.60	47.74	49.91	87.45	614.71	-527.26	-477.35
	Multiple countries in East Asia	—	—	2.81	2.81	—	—	—	2.81
East Asia region total		245.31	17.92	698.75	944.05	3,605.90	3,436.42	169.48	1,113.54
(ASEAN total)		187.69	15.96	361.80	549.49	2,683.93	2,621.31	62.62	612.11

Notes: (1) Region classifications are determined by MOFA.

(2) Including graduated countries in total.

(3) Due to rounding, the total figure may not match the sum of the individual parts.

(4) "Multiple countries" refers to assistance encompassing multiple countries such as dispatch of study teams and seminars.

71 JENESYS Programme: Japan-East Asia Network of Exchange for Students and Youths Programme.

Republic of Korea (ROK), and 1,900 from the Association of Southeast Asian Nations (ASEAN). In May 2008, in a speech entitled “The Future of Asia,” then Prime Minister Fukuda declared that Japan and the Japanese people will work to create a network of never-ending expansion and development in the Asia Pacific region, with the Pacific Ocean becoming an “inland sea.” He declared his intention to further strengthen “heart to heart” trust between the peoples of the Asia Pacific region, and forge bonds “acting together.” To this end he promised five concrete actions.⁷²

● Support for Southeast-Asia

Moreover, correcting disparities in the East Asian region through promoting integration of ASEAN and development of the Mekong region will lead to stability in the region and by extension benefit Japan. Through cooperation with ASEAN in the Mekong region, spanning parts of Cambodia, Laos and Viet Nam (CLV countries), Japan focuses on assistance in developing a socio-economic base, building institutions, and creating a regional network with a view to promoting integration and collaboration in the regional economy by raising standards. Furthermore, in 2007 Japan signed an Economic Partnership Agreement (EPA) with Thailand, the Philippines and Indonesia; EPA negotiations with Viet Nam too are advancing, and efforts aiming to strengthen wider economic relations including trade and investment, as well as building good labor relations, are in progress. By means of such efforts, Japan is supporting interregional integration through sharing of basic values, such as those of democracy, market economy, the rule of law and order, and promoting poverty reduction, as well as the lessening of disparities within the ASEAN region.

In November 2007, then Prime Minister Fukuda attended the 3rd East Asia Summit and the 11th Japan-ASEAN Summit Meeting in Singapore, and declared that he will proactively tackle the global issues of energy, avian influenza and the environment.

With the most ambitious goal being the formation of an ASEAN community by 2015, ASEAN is taking steps to reduce intraregional development disparities. Japan, in its relations with ASEAN, is giving priority to assisting the underdeveloped Mekong region. Thus, since April 2004 it has been implementing the Japan-Mekong Region Partnership Program, which rests upon the following three



Opening ceremony of the 3rd East Asia Summit (Source: EPA=Jiji)

pillars: (1) integrating economies of the region and beyond, (2) expanding trade and investment between Japan and the Mekong region, and (3) sharing universal values and common goals of the region. Under this program, Japan has been expanding assistance to each CLV country as well as to the region as a whole, and will continue for three years until the end of 2009. In addition, Japan made a new contribution to the ASEAN Secretariat of US\$52 million to promote Japan-ASEAN economic partnership, of which approximately US\$20 million would be to assist the “Development Triangle,” the CLV border region, which is one of the poorest parts of the Mekong Region.

At the January 2008 Japan-Mekong Foreign Ministers’ Meeting, held in Tokyo, a document⁷³ was signed for cooperation in the Development Triangle, in addition to which a further US\$20 million was declared for supporting the streamlining of logistics in the East-West Economic Corridor. Japan is also reinforcing ties with the Asian Development Bank (ADB), which is engaged in a range of regional cooperation in the Asian region. It has created new schemes to support sustainable development by promoting investment in “Enhanced Sustainable Development for Asia (ESDA)” and energy conservation, the “Accelerated Co-Financing scheme with ADB (ACFA),” the “Investment Climate Financing Fund (ICFF)” and the “Asian Clean Energy Fund (ACEF).”

In July 2008, Japan decided to provide a Climate Change Program Loan to Indonesia, as the first step in development loans based on the “Cool Earth Partnership.” Projects to improve the investment climate and energy-related cooperation are also in progress with Indonesia, and joint work is being carried out in areas such as disaster countermeasures, maritime safety in the Strait of Malacca

72 Firm support of the realization of an ASEAN community, strengthening the Japan-U.S. alliance, efforts for “Peace Fostering Nation,” fostering and strengthening infrastructure of intellectual and generational exchanges in Asia and the Pacific countries, tackling climate change, and the realization of a low-carbon society.

73 A memorandum for cooperation pertaining to the “Development Triangle” of Cambodia, Laos, and Viet Nam, using Japanese support through the Japan-ASEAN Integrated Fund.

near Singapore, climate change and protection of the environment. This includes cooperation in science and technology relating to global-scale issues.

In September 2007, monks protested against the authorities in Myanmar. There was pressure from the security authorities towards the protest and participants. Japan, in October, decided more stringent cooperation policies to Myanmar, which had previously been limited. However, because of the humanitarian necessity, it implemented grant aid in the form of the Project for Improvement of Maternal and Child Health Care Services (Phase VIII), through UNICEF. In 2008, in response to the major cyclone in May, Japan dispatched an international emergency relief and medical team of 23 to give humanitarian aid. Also, it provided financial support totaling around US\$3,300 for food, health and education in July.

Recently, more and more of the countries of East Asia are becoming donors. Japan is promoting South-South Cooperation based in Malaysia and Thailand. Japan is also advancing the Japan-Singapore Partnership Program in which Japan extends technical cooperation to developing countries jointly with Singapore—a country that received assistance in the past. In April 2008, Japan, together with the Republic of Korea (ROK), invited major non-DAC donor countries as well as traditional DAC countries to Bangkok, Thailand, to hold the “Dialogue on Expanding Partnership for Development.” It contributed to a comprehensive framework of aid coordination including these donors. At the Fourth Tokyo International Conference on African Development (TICAD IV) held in May 2008 too, the move toward expansion of partnership was confirmed through promoting interpersonal exchanges between Africa and the East Asian region to help the transfer of technology, along with trade and investment.

● Relations with China

Since 1979, Japan’s assistance to China has helped the infrastructure development in coastal areas, environmental measures, improvement in the basic human needs sectors including health and medical care, and human resource development, among other efforts that contribute to the steady development of its economy. As such, Japan’s assistance has played a significant role in promoting and

sustaining China’s reform and opening policy. Most of the assistance in these areas has been provided to China in the form of loan aid. The assistance can be valued as having supported the development of economic relations between Japan and China as well as having functioned as one of the main pillars for the multilayered Japan-China relationship. Regarding this point, the representatives of China, including at the summit-level, have expressed their gratitude on many occasions.⁷⁴ In light of China’s recent remarkable economic growth, Japan and China recognized that ODA loans for the country from Japan will come to a harmonious end by the 2008 Beijing Olympics. Therefore, new provision of loan aid was halted with the six Exchanges of Notes in December 2007.

Yet, the people of Japan and China face many common challenges to tackle, including global issues such as environmental issues and infectious diseases that affect Japan directly. During Hu Jintao’s official visit to Japan in May 2008, in a Joint Statement between the Government of Japan and the Government of the People’s Republic of China, the leaders of both countries confirmed that cooperation will be undertaken mainly in the areas of energy and the environment, while a joint declaration was issued relating to climate change. Moreover, increasing the mutual understanding between the people of Japan and China is an important issue from the perspective of facilitating the sound development of Japan-China relations. In light of this situation, grant aid is currently being implemented with its focus narrowed on: (1) areas conducive to resolving common challenges faced by the people of Japan and China such as the environment and infectious diseases, and (2) areas conducive to promoting mutual understanding and increasing exchanges between Japan and China. Also, in terms of technical cooperation, Japan is particularly focusing on projects aiming for the transition to a market economy, observance of international rules, promotion of good governance, and energy conservation. Exchanges of people can serve as an important means for transmitting Japanese values and culture to China. Based on the conditions surrounding bilateral relations, the cooperation will be conducted with appropriate deliberation from a comprehensive and strategic viewpoint.

One of the major events in 2008 was the large

74 For example, a joint Japan-China press announcement made upon the visit to Japan by Prime Minister Wen Jiabao in April 2007 included a statement to the effect that both China and Japan share the recognition that Japanese ODA loans to China, which are scheduled to end in 2008, have played a positive role in building China’s economy and in China-Japan cooperation in economic development, and that China expresses its gratitude for this assistance. In May 2008, at a summit-level meeting during his official visit to Japan President Hu Jintao stated to then Prime Minister Fukuda that “The Japanese government and people, through ODA, have supported the modernization of China, and for this I give my heartfelt thanks.”

earthquake which occurred in Sichuan Province on 12 May, causing vast amounts of damage. On 13 May, following the earthquake, the Japanese Government decided to provide emergency relief amounting to ¥500 million, and granted emergency supplies corresponding to approximately ¥60 million. Moreover, an international emergency relief team of 61 and a medical team of 23 were dispatched to the region. As additional support, on 30 May, the Government of Japan announced further support of up to a total of ¥500 million. This was the first time that China had admitted foreign Search and Rescue Teams into the country. Yet, the teams were welcomed with high esteem and a great sense of gratitude. In July 2008, President Hu Jintao, who had come to Japan for participating in the G8 Hokkaido Toyako Summit, expressed his country's thanks to the international emergency relief team of Japan. Also, at the top-level meeting that took place on the occasion of the above Summit, both leaders agreed that Japan would promote various forms of cooperation to transfer Japanese experience, knowledge, and technology for post disaster rehabilitation.

2. South Asia

Japan's bilateral assistance to South Asia in 2007 was approximately US\$261.66 million, 4.5% of total bilateral ODA.

<Features of South Asia>

The South Asian region includes countries that have high rates of economic growth and gigantic economic potential, particularly India, the world's largest democracy. Accordingly, this region's position in the international community is becoming more prominent. South Asia is located on the marine transport route linking Asia with the Middle East, and thus is strategically important to Japan. It is also an important region from the viewpoint of dealing with global environmental issues. In addition, the region is of great concern to the international community, including Japan, due to the issue of weapons of mass destruction possessed by India and Pakistan and of its role as the front line in the "fight against terrorism."

However, the South Asian region suffers from a serious lack of infrastructure essential to sustainable socio-economic development. For instance, India, with its continued high

economic growth, needs basic infrastructure development, including roads, railroads, and ports. Moreover, South Asia, possessing a population of 1.4 billion, is one of the world's poorest regions with more than 500 million people living in poverty. The region includes such LDCs⁷⁵ as Bangladesh, Nepal and Bhutan, and even in India, despite its rapid economic growth, about 30% of the population lives in poverty. Thus, poverty in the region is a serious issue.

The countries of South Asia are beset by social and political problems due to the diversity of religion and ethnicity. In addition to development of basic infrastructure and poverty reduction, the region faces problems that must be dealt with. These include growing populations, low enrolment ratio in primary education, inadequate healthcare facilities, insufficient measures against infectious diseases, and the unestablished rule of law. Thus, in order for MDGs to be achieved globally, South Asia, alongside Africa, is a crucial region.⁷⁶

<Japan's Efforts>

For harnessing the economic potential of South Asia and achieving well-balanced economic growth in order to ease the widening disparities between the rich and poor, Japan recognizes that assistance to South Asia for developing socio-economic infrastructure is important. Particularly in its relationship with India, Japan is promoting cooperation and disseminating its expertise in a wide range of fields, based on the Strategic and Global Partnership, an alliance sharing basic values. This includes security, economic partnership, and exchange of people. In addition, Japan will promote India's economic growth by strengthening Japan-India economic relations. As well, Japan will support infrastructure development to catch up with its rapid economic growth, as well as social development for poverty reduction. For five successive years since FY 2003, India has been the largest recipient country for Japanese ODA loan. Japan provides support to India for improvement of economic and social infrastructure such as electricity and transport for the trade and investment climate, as well as water and sewerage.

Furthermore, Japan intends to deepen cooperation with India and Bangladesh in the areas of the environment, climate change, and energy. Japan's support can tackle issues that may lead to increased emissions of greenhouse gases

⁷⁵ LDCs: Least Developed Countries.

⁷⁶ According to the 2007 MDGs Report, the percentage of the population living on less than one dollar a day is 29.5% (in 2004), which is the next highest percentage after sub-Saharan Africa.

that affect global warming.

For Bhutan, assistance is being given through grant aid and technical cooperation, with a focus on basic human needs such as agriculture, health and medical care, and education. Furthermore, the first Exchange of Notes for Japan's ODA support for this country took place in April 2007 in order to improve the power distribution grid for

rural electrification.

In Bangladesh, the damage by major flooding and the direct hit of Cyclone "Sidr" in 2007 has resulted in more than 20 million casualties. Japan provided emergency support and implemented Emergency Grant Aid worth a total of ¥470 million through international organizations. The subsequent support has continued through into 2008. Japan

Chart III-14. Japan's Assistance in the South Asia Region



2007 (calendar year)

(Net disbursement basis, unit: US\$ Million)

Rank	Country or region	Grants				Loan aid			Total
		Grant aid	Grants provided through multilateral institutions	Technical cooperation	Total	Amount disbursement	Amount received	Total	
1	India	9.32	1.80	22.49	31.82	610.65	542.58	68.07	99.89
2	Pakistan	49.59	13.89	19.25	68.84	16.23	31.83	-15.60	53.24
3	Nepal	49.96	6.69	14.30	64.26	5.24	20.86	-15.62	48.64
		(36.12)	(6.69)	(14.30)	(50.42)	(5.24)	(8.38)	(-3.14)	(47.28)
4	Sri Lanka	21.61	1.04	27.71	49.32	195.66	200.81	-5.15	44.16
5	Bhutan	9.76	1.06	8.31	18.07	—	—	—	18.07
6	Maldives	1.70	—	2.19	3.89	—	—	—	3.89
7	Bangladesh	147.15	6.34	19.18	166.33	25.78	198.69	-172.91	-6.59
		(23.66)	(6.34)	(19.18)	(42.83)	(25.78)	(84.62)	(-58.84)	(-16.01)
	Multiple countries in South Asia	—	—	0.36	0.36	—	—	—	0.36
South Asia region total		289.10	30.82	113.78	402.88	853.56	994.78	-141.22	261.66
		(151.77)	(30.82)	(113.78)	(265.54)	(853.56)	(868.22)	(-14.66)	(250.88)

Notes: (1) Region classifications are determined by MOFA.

(2) Due to rounding, the total figure may not match the sum of the individual parts.

(3) Figures in parentheses do not include debt cancellation.

(4) "Multiple countries" refers to assistance encompassing multiple countries such as dispatch of study teams and seminars.

provided ¥958 million of grant aid to Bangladesh for disaster prevention and disaster reconstruction measures. This includes construction of multipurpose cyclone shelters in the affected regions.⁷⁷ At the same time, Japan implemented an ODA loan and joint financing with ADB for infrastructure revival projects.

In Nepal, in 2007 an interim government was inaugurated, as it reached a comprehensive peace accord with the Maoists in 2006. In 2008, holding the National Constituent Assembly election in April indicates mounting hope among the people. With a goal of promoting the move toward democratization and development of the peace process, Japan has been providing support focusing on the reduction of rural poverty, democratization, and infrastructural improvement.

In Sri Lanka, progress can be seen in the process of political resolution of the ethnic issue; the provincial elections held in the Eastern Provinces in March 2008, for instance. Japan has been providing support for socio-economic development from the perspective of “peace dividends,” for local communities that have been impoverished by conflict. Also, it continues to pay due consideration to the regional and ethnic balance.

In regard to relations with Pakistan, then Foreign Minister Koumura visited the country in May 2008. There, he declared his intention to provide Pakistan, as a Peace Fostering Nation, with as much support as possible for the

efforts of the newly established Pakistani administration, extending an ODA loan to the sum of ¥48 billion. Pakistan expressed its deep gratitude for the Japanese support including development of social infrastructure, such as education and healthcare in the tribal areas. It also conveyed its hope for continued cooperation by Japan.

In the South Asian Region, efforts aimed at aid coordination in the various countries are moving forward. Progressive measures are being implemented in Bangladesh in particular. In March 2005, Japan enacted the Joint Country Strategy for Bangladesh along with the World Bank, ADB and the UK’s Department for International Development (DFID), all of which are working toward collaboration in assistance under this strategy. In addition, the major traditional donor countries and agencies are promoting coordination and collaboration in order to assist the poverty reduction strategy paper enacted by the government of Bangladesh effectively.

3. Central Asia and the Caucasus

Japan’s bilateral assistance to Central Asia and the Caucasus in 2007 was approximately US\$228.15 million, 3.9% of total bilateral ODA.

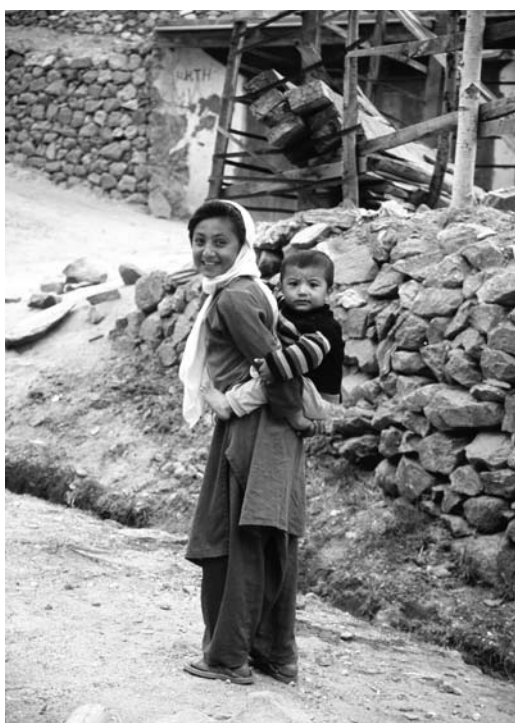
<Features of Central Asia and the Caucasus>

Under the new international circumstances that have emerged since the collapse of the Soviet Union, Central Asia and the Caucasus regions have taken on geopolitical strategic importance by dint of their proximity to Russia, China, South Asia and the Middle East. The regions are also of considerable significance to Japan in its foreign policy on natural resources and energy since this region produces natural resources including oil, natural gas, uranium, and rare metals. Although the Soviet Union built economic and social infrastructures, subsequently they have deteriorated seriously. Therefore, Japan is providing nation-building support to each country in order to establish long term stability and sustained development in the regions, hoping to help install basic values such as human rights, democracy, market economies, and rule of law, which will take root in the societies.

<Japan’s Efforts>

● Central Asia

In order to facilitate the transition from a planned economy to a market economy, Japan assisted in establishing legal



(Source: PANA)

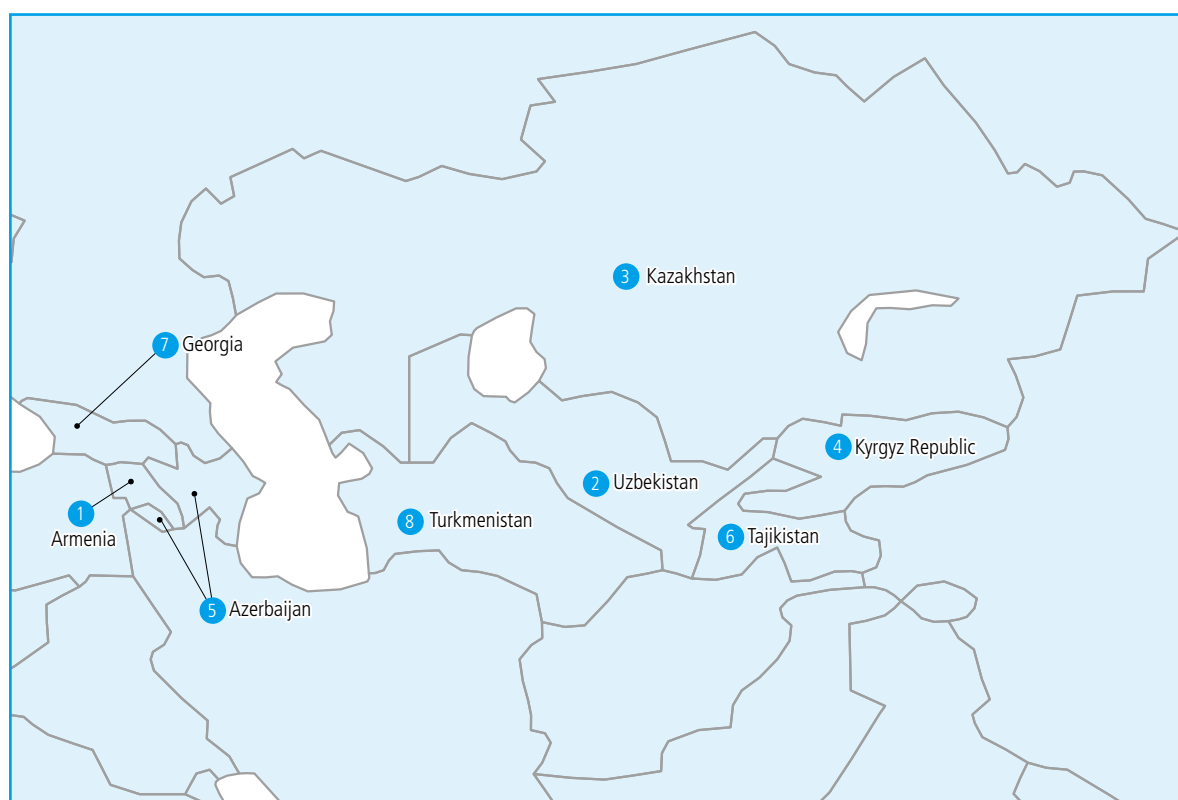
77 The Programme for the Construction of Multipurpose Cyclone Shelters in the Area Affected by the Cyclone Sidr

institutions for the rule of law, human resources development for shifting to a market-based economy, rebuilding of social sectors such as health and medical care, and infrastructure development for promoting economic development. It is especially vital for these regions to receive assistance in “software” such as human resources development and institution building. In Uzbekistan, Japan has been cooperating in the improvement of civil and administrative laws for fostering business activities. In addition,

Japan Centers for Human Development (Japan Centers) have been established in Uzbekistan, Kazakhstan, and Kyrgyz Republic as bases for human resource development assistance. Experts are dispatched to these centers from Japan to offer business courses based on Japan’s experiences, through which they contribute to developing human resources that can respond to the introduction of the market economy in the region.

With respect to infrastructure development, in order to

Chart III-15. Japan’s Assistance in the Central Asia and the Caucasus Region



2007 (calendar year)

(Net disbursement basis, unit: US\$ Million)

2007 (calendar year)		Grants				Loan aid			
Rank	Country or region	Grant aid		Technical cooperation	Total	Amount disbursement	Amount received	Total	Total
			Grants provided through multilateral institutions						
1	Armenia	0.08	—	1.46	1.54	83.68	—	83.68	85.23
2	Uzbekistan	6.25	—	8.75	15.00	55.29	13.97	41.32	56.32
3	Kazakhstan	0.94	—	7.31	8.25	47.14	12.08	35.05	43.31
4	Kyrgyz Republic	5.53	—	7.98	13.51	2.18	—	2.18	15.68
5	Azerbaijan	7.68	—	1.02	8.70	2.66	—	2.66	11.36
6	Tajikistan	4.78	—	4.65	9.43	—	—	—	9.43
7	Georgia	0.94	0.08	1.89	2.83	4.18	—	4.18	7.01
8	Turkmenistan	—	—	0.38	0.38	—	0.93	-0.93	-0.54
	Multiple countries in Central Asia and the Caucasus	—	—	0.37	0.37	—	—	—	0.37
Central Asia and the Caucasus region total		26.21	0.08	33.81	60.01	195.12	26.98	168.14	228.15

Notes: (1) Region classifications are determined by MOFA.

(2) Due to rounding, the total figure may not match the individual parts.

promote wider regional cooperation encompassing Central Asia and the region to the south, improvement of the roads linking Tajikistan with Afghanistan has been supported. In Kyrgyz Republic too, technical cooperation to improve the ability for the country's road maintenance and management has commenced, while as a part of the social sector reconstruction support for areas such as health and medical care, improvements are being made to medical equipment for gynecology and obstetrics departments and hospitals in Uzbekistan.

Since 2004, dialogue and collaboration has been undertaken at all levels between Japan and the nations of Central Asia, under the framework of the "Central Asia plus Japan" Dialogue—established with the goal of promoting cooperation within the region. Based on its "Action Plan" adopted at the Second Foreign Ministers' Meeting in Tokyo 2006, Japan has supported promoting regional cooperation based on the five pillars of the framework. These pillars include political dialogue; cooperation on terrorist and drugs countermeasures, environmental protection, energy and water, transport, and trade and investment; business promotion; intellectual dialogue; and cultural and interpersonal exchanges that include sightseeing.

● The Caucasus Region

In the Caucasus, the common challenges shared by former Soviet States include human resources development to facilitate the transition from planned economies to market economies, rebuilding social sectors such as health and medical care, and infrastructure development for promoting economic development. Located on the coast of the Caspian Sea in Azerbaijan are oil fields boasting world-class reserves, in which Japanese enterprises have been partially engaged in business. The oil being exported from these fields runs through a pipeline passing through this region. Therefore, the stable economic development in this region is important for stabilizing the international energy situation as well as Japan's energy security. In order to increase the region's income as well as to improve public services, Japan has supported the promotion of small and medium businesses, along with the health care and water sectors, by dispatching technical experts and holding trainings. In Armenia, an additional ODA loan was provided for a thermal power plant construction project to counter the increasing fuel costs for gas turbines. Japan has cooperated in establishing digital topographic maps in Georgia and in installing emergency medical equipment in Azerbaijan.

4. Africa (Sub-Sahara)

Japan's bilateral assistance to the sub-Saharan African region in 2007 was approximately US\$1,753 million, 29.1% of total bilateral ODA.

[See Part II \(page 14\) for Japan's efforts in the African region.](#)

<Features of Africa>

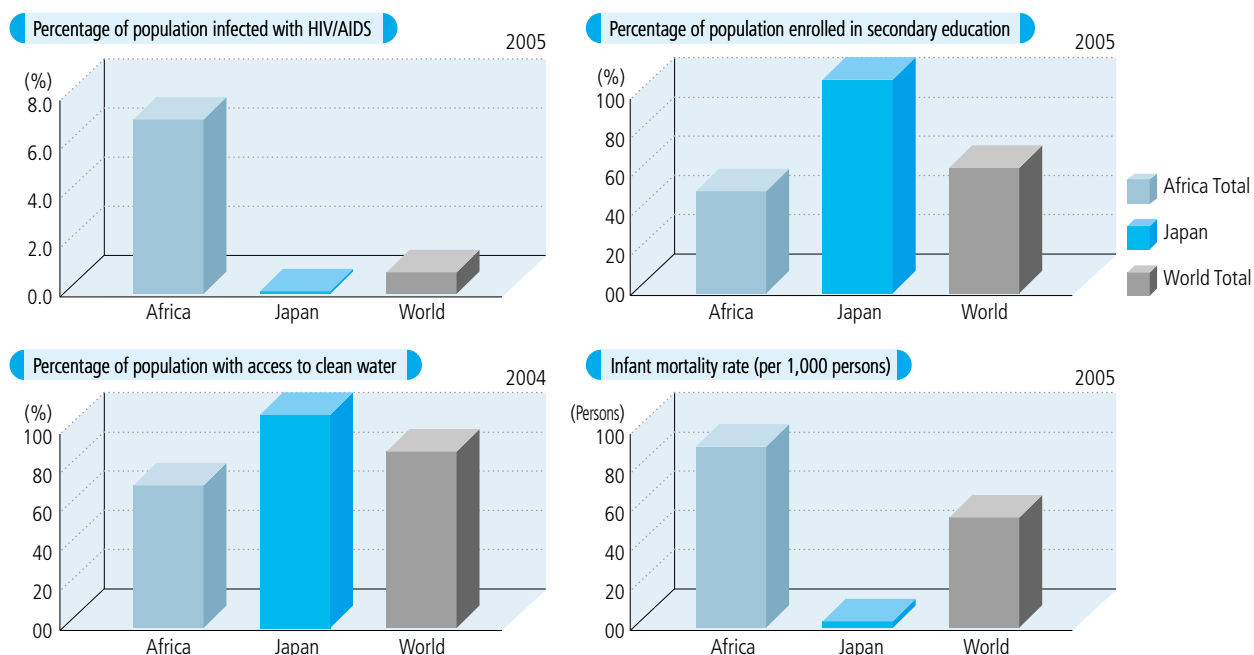
Africa is a region in which issues such as poverty, food shortage and infectious diseases including HIV/AIDS, tuberculosis, and malaria continue to pose a serious threat to the human security. The international community as a whole is working hard to achieve its Millennium Development Goals (MDGs), but in this region in particular, the achievement is nearly in doubt. Urgent measures are required to combat the spread of infectious diseases, such as HIV/AIDS, and to fight against high child and maternal mortality rates. In the African region, there is no shortage of countries facing issues like conflict, political instability, human rights, and democratization. For promotion of sustainable growth, further stability is vital, with improved social infrastructures, peace establishment through African countries' own efforts, progress in democratization, and good governance.

On the other hand, Africa's forward-facing signs of growth can be positively seen, with its high annual economic growth of over 5% as well as advancing political stability. Also, there exist a large number of countries that benefit from abundant underground resources. In order to use these resources effectively and realize sustainable economic growth, it is also necessary to target the promotion of investment in private funding, through the improvement of economic infrastructure and enhancement of systems.



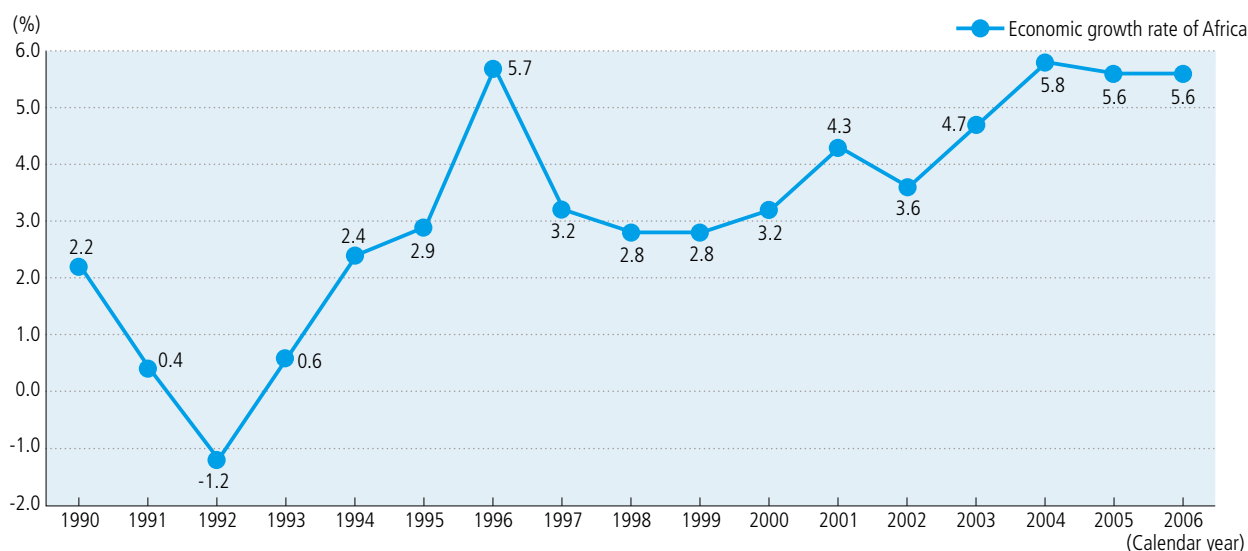
(Source: EPA=Jiji)

Chart III-16. Current State of Africa



Source: World Bank *World Development Indicators* 2007

Chart III-17. Economic Growth Rate of Africa



Source: International Monetary Fund *World Economic Outlook Database* 2007

<Japan's Efforts>

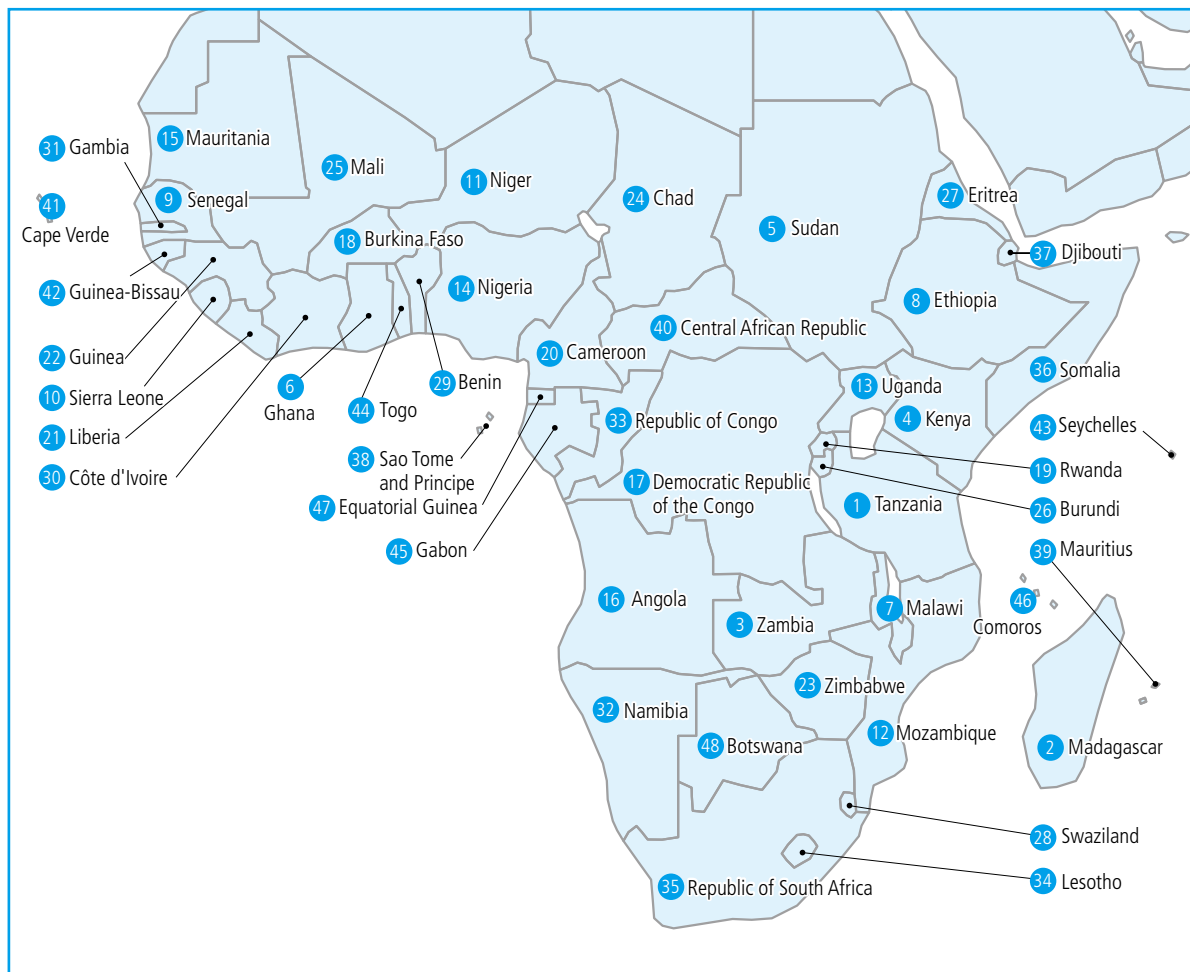
The key to boosting economic growth in the African region and furthering efforts toward development is the self-help efforts, or ownership of developing countries. This can be achieved by stable systems and policies, human resources development, good governance, sound macroeconomic policy management, and the mobilization of domestic funding.

Every five years since 1993, Japan has held the Tokyo

International Conference on African Development (TICAD), and has carried out efforts based on the dual necessities of ownership by African countries and partnership with the international community. In May 2008, the Fourth Tokyo International Conference on African Development (TICAD IV) was held in Yokohama.

[See Part II Chapter 1 \(page 24\) for the TICAD process and Japan's achievement for Africa.](#)

Chart III-18. Japan's Assistance in the African Region



(Source: JICA)

2007 (calendar year)

(Net disbursement basis, unit: US\$ Million)

2007 (calendar year)		Grants				(net disbursement basis, unit: US\$ million)			
Rank	Country or region	Grant aid		Technical cooperation	Total	Loan aid			Total
			Grants provided through multilateral institutions			Amount disbursement	Amount received		
1	Tanzania	667.66 (25.90)	3.63 (3.63)	20.04 (20.04)	687.70 (45.95)	33.96 (33.96)	— —	33.96 (33.96)	721.66 (79.90)
2	Madagascar	103.04 (23.16)	— —	9.05 (9.05)	112.09 (32.21)	— —	0.90 (0.90)	-0.90 (-0.90)	111.19 (31.31)
3	Zambia	74.14 (9.62)	1.67 (1.67)	20.48 (20.48)	94.61 (30.10)	— —	— —	— —	94.61 (30.10)
4	Kenya	28.65	1.00	26.42	55.08	56.71	54.67	2.03	57.11
5	Sudan	44.61	43.87	6.97	51.58	—	—	—	51.58
6	Ghana	27.13	1.04	19.35	46.48	—	—	—	46.48
7	Malawi	209.35 (15.97)	2.34 (2.34)	12.47 (12.47)	221.82 (28.44)	— —	181.52 —	-181.52 —	40.29 (28.44)
8	Ethiopia	24.15	2.14	11.89	36.03	—	—	—	36.03
9	Senegal	18.59	—	13.36	31.95	—	—	—	31.95
10	Sierra Leone	42.70 (9.86)	9.74 (9.74)	4.02 (4.02)	46.72 (13.88)	— —	16.62 —	-16.62 —	30.11 (13.88)
11	Niger	19.00	—	9.29	28.28	—	—	—	28.28
12	Mozambique	17.71	1.05	10.07	27.77	—	—	—	27.77
13	Uganda	17.83	3.02	9.68	27.51	—	—	—	27.51
14	Nigeria	22.76	9.35	4.08	26.84	—	—	—	26.84
15	Mauritania	22.13	—	1.32	23.45	—	—	—	23.45
16	Angola	20.17	11.73	2.94	23.10	—	—	—	23.10
17	Democratic Republic of the Congo	20.25	16.82	2.68	22.93	—	—	—	22.93
18	Burkina Faso	14.70	—	5.73	20.43	—	—	—	20.43
19	Rwanda	13.96	1.19	5.58	19.53	—	—	—	19.53
20	Cameroon	16.00	—	2.55	18.55	—	—	—	18.55
21	Liberia	12.21	11.97	0.25	12.46	—	—	—	12.46
22	Guinea	14.54 (9.93)	3.24 (3.24)	1.56 (1.56)	16.10 (11.49)	— —	4.08 —	-4.08 —	12.02 (11.49)
23	Zimbabwe	7.49	7.24	4.22	11.71	—	—	—	11.71
24	Chad	9.65	9.65	0.25	9.90	—	—	—	9.90
25	Mali	6.89	—	2.76	9.65	—	—	—	9.65
26	Burundi	6.96 (6.21)	6.06 (6.06)	2.18 (2.18)	9.13 (8.39)	0.05 (0.05)	0.66 —	-0.62 (0.05)	8.52 (8.43)
27	Eritrea	6.60	—	1.78	8.37	—	—	—	8.37
28	Swaziland	2.01	1.87	0.51	2.51	4.75	—	4.75	7.26
29	Benin	1.67	—	5.13	6.81	—	—	—	6.81
30	Côte d'Ivoire	5.48	5.42	1.06	6.54	—	—	—	6.54
31	Gambia	5.81	—	0.58	6.39	—	—	—	6.39
32	Namibia	1.41	—	1.29	2.70	3.04	—	3.04	5.74
33	Republic of Congo	4.97	4.96	0.01	4.99	—	—	—	4.99
34	Lesotho	4.41	2.72	0.46	4.88	—	—	—	4.88
35	Republic of South Africa	0.81	—	4.65	5.47	—	0.80	-0.80	4.67
36	Somalia	3.85	3.85	0.01	3.86	—	—	—	3.86
37	Djibouti	2.58	—	1.09	3.67	—	—	—	3.67
38	Sao Tome and Principe	2.89	1.10	0.23	3.11	—	—	—	3.11
39	Mauritius	0.06	—	0.61	0.67	4.75	2.65	2.10	2.77
40	Central African Republic	3.15 (1.99)	1.93 (1.93)	0.39 (0.39)	3.54 (2.37)	— —	0.99 —	-0.99 —	2.55 (2.37)
41	Cape Verde	1.44	—	0.44	1.89	—	—	—	1.89
42	Guinea-Bissau	0.99	0.93	0.09	1.08	—	—	—	1.08
43	Seychelles	—	—	0.76	0.76	—	—	—	0.76
44	Togo	1.16 —	— —	0.33 (0.33)	1.50 (0.33)	— —	1.04 —	-1.04 —	0.46 (0.33)
45	Gabon	0.04	—	2.31	2.35	—	2.10	-2.10	0.26
46	Comoros	—	—	0.01	0.01	—	—	—	0.01
47	Equatorial Guinea	—	—	0.01	0.01	—	—	—	0.01
48	Botswana	2.47 (0.20)	— —	2.02 (2.02)	4.50 (2.22)	— —	6.72 (4.90)	-6.72 (-4.90)	-2.22 (-2.69)
	Multiple countries in Africa	13.60	13.60	4.42	18.02	84.97	—	84.97	102.99
African region total		1,547.67 (525.34)	183.13 (183.13)	237.39 (237.39)	1,785.06 (762.73)	188.22 (188.22)	272.75 (66.02)	-84.53 (122.19)	1,700.53 (884.92)

Notes: (1) Region classifications are determined by MOFA.

(2) Due to rounding, the total figure may not match the sum of the individual parts.

(3) Figures in parentheses do not include debt relief.

(4) "Multiple countries" refers to assistance encompassing multiple countries such as dispatch of study teams and seminars.

5. Middle East

Japan's bilateral assistance to the Middle East in 2007 was approximately US\$948.98 million, 16.3% of total bilateral ODA.

<Features of the Middle East>

Peace and stability of the Middle East is crucial for the peace and stability of the entire international community since it is the world's major energy supplying region. It also supplies more than 90% of Japan's imported crude oil. The reconstruction of Iraq and Afghanistan as well as the progress in the Middle East peace process bear vital importance in achieving peace and stability in the region.

In this region, economic conditions vary, ranging from the high-income oil-producing countries to least developed countries. In the low and middle-income countries, the building of socio-economic infrastructure and measures against poverty is vital. Meanwhile, even in the ODA graduated and high-income oil-producing countries, challenges such as the development of human resources still exist. It is a vitally important challenge to ensure and manage valuable water resources that may influence the stability of the region.

The Maghreb countries, such as Tunisia and Morocco, play an important role for security and terrorist counter-measures. From their geographic positions, these countries also serve as a bridge between European and the Arab and Islamic countries culturally, religiously, and politically.

<Japan's Efforts>

For linking with the peace and stability of the entire international community, both the achievement of peace and stability in Iraq and Afghanistan as well as the realization of peace in the Middle East that hinges on the Palestine track are significant. Japan recognizes the great significance of achieving "human security" and "peace building"—the basic principles of Japan's ODA Charter—and continues to cooperate with the rest of the international community for proactive engagement.

Japan continues to view support for the management of water resources, improvement of socio-economic infrastructure and human resources development as important, and as such is engaged in providing support to help with social stability and economic development in the Middle East. For the Maghreb Countries too, in 2007, Japan steadily applied a range of support including the decision to extend ODA loans for projects such as the Greater Tunis Flood

Control Project and the Integrated Reforestation Project (II) in Tunisia, and the implementation of grant aid in the form of providing machinery and equipment⁷⁸ for flood counter-measures in Morocco.

● Support to Iraq and Afghanistan

Japan's proactive support for Iraq includes assistance for humanitarian rehabilitation provided by the Self-Defense Forces, a maximum US\$5 billion in ODA, approximately US\$6 billion in debt relief, and assistance for promoting harmony among citizens. For Afghanistan, Japan declared that it would provide US\$450 million at the London Conference on Afghanistan held in January 2006. While in 2008, at the International Conference in Support of Afghanistan, it pledged an additional US\$550 to help in the implementation of successful national development strategies in the country, through which the total amount pledged has reached US\$2 billion. Of the amount pledged for support, US\$1.45 billion had been implemented by the end of July 2008.

[See page 96 for peace building support for Iraq and Afghanistan.](#)



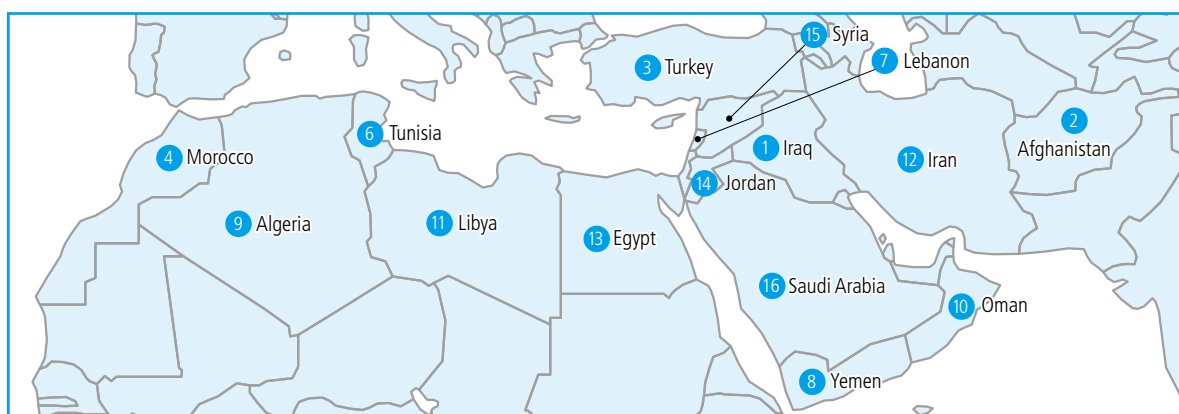
Parliamentary Vice-Minister for Foreign Affairs Masahiko Shibayama participating in a ceremony to commemorate the foundation of Egypt-Japan University of Science and Technology (E-JUST), and opening ceremony of the commemorative symposium

● Support for Peace in the Middle East

Japan's support for peace in the Middle East has included approximately US\$900 million in assistance to the Palestinian Territory provided between 1993, when the current peace process was initiated, and the end of 2007. It has also included support for realizing the two-state solution, and consistent support of the peace efforts of President Mahmoud Abbas of the Palestinian Interim Self-Government Authority (PA). At the International Conference of the Donors for Palestinian State held in December 2007

⁷⁸ Projet d'aménagement des équipements de protection contre les inondations.

Chart III-19. Japan's Assistance in the Middle East Region



2007 (calendar year)

(Net disbursement basis, unit: US\$ Million)

Rank	Country or region	Grants				Loan aid			
		Grant aid		Technical cooperation	Total	Amount disbursement	Amount received	Total	Total
			Grants provided through multilateral institutions						
1	Iraq	878.28 (104.14)	104.00 (104.00)	5.63 (5.63)	883.92 (109.78)	—	25.17	-25.17	858.75 (109.78)
2	Afghanistan	79.23	11.10	21.78	101.01	—	—	—	101.01
3	Turkey	0.20	—	7.69	7.89	242.90	164.24	78.66	86.55
4	Morocco	6.01	—	8.93	14.94	107.60	57.89	49.71	64.65
5	[Palestinian Authorities]	40.13	27.02	8.55	48.68	—	—	—	48.68
6	Tunisia	0.18	—	8.10	8.28	57.23	44.95	12.28	20.56
7	Lebanon	2.52	1.48	0.17	2.69	19.08	5.98	13.11	15.80
8	Yemen	13.48 (5.93)	1.00 —	4.82 (4.82)	18.30 (10.76)	—	8.48 (1.41)	-8.48 (-1.41)	9.82 (9.35)
9	Algeria	2.71	—	3.12	5.83	1.63	0.20	1.43	7.26
10	Oman	—	—	0.90	0.90	—	—	—	0.90
11	Libya	—	—	0.43	0.43	—	—	—	0.43
12	Iran	1.45	1.00	5.80	7.25	—	19.34	-19.34	-12.09
13	Egypt	10.59	1.86	12.33	22.92	82.00	131.97	-49.96	-27.04
14	Jordan	18.52	—	9.54	28.06	11.65	68.01	-56.36	-28.31
15	Syria	4.16	—	11.92	16.08	—	68.01	-61.66	-45.58
16	Saudi Arabia	—	—	3.58	3.58	—	157.62	-157.62	-154.04
	Multiple countries in Middle East	—	—	0.94	0.94	—	—	—	0.94
Middle East region total		1,057.88 (276.20)	147.87 (147.87)	114.52 (114.52)	1,172.40 (390.72)	522.10 (522.10)	745.52 (713.28)	-223.42 (-191.18)	948.98 (199.54)

Notes: (1) Region classifications are determined by MOFA. Brackets indicate names of regions.

(2) Including graduated countries in total.

(3) Due to rounding, the total figure may not match the sum of the individual parts.

(4) Figures in parentheses do not include debt relief.

(5) "Multiple countries" refers to assistance encompassing multiple countries such as dispatch of study teams and seminars.

in Paris to raise support for Palestine, Japan declared that it will provide immediate support to the sum of US\$150 million, and as a part of that it will give emergency support of US\$10 million in the form of provision of medical equipment and machinery for public medical facilities.

Regarding Japan's independent medium to long-term effort toward peace in the Middle East—the so-called

"Corridor for Peace and Prosperity" concept—as of April 2008, quadrilateral talks (between Japan, Israel, Palestine and Jordan) have been held at ministerial level twice, and at working level four times, to help work toward advancement of the concept.



(Source: EPA=Jiji)

● Cooperation with Countries that have Graduated from ODA

Japan is a country poor in mineral and energy resources, and securing such resources is one of the important foreign policy agenda items. Japan must build long-term stable bilateral relationships with countries that have graduated from ODA, such as the oil-producing nations. The study of what sort of cooperation, aimed at building a multi-tiered partnership focused on the use of Other Official Flows or on the private sector, can be extended to these countries is a task for Japan.

6. Latin America and the Caribbean

Japan's bilateral assistance to Latin America and the Caribbean in 2007 was approximately US\$225.59 million, 3.9% of total bilateral ODA.

<Features of Latin America and the Caribbean>

Many of the countries in Latin America and the Caribbean constitute for Japan important partners with which it shares values such as democracy and market economy. The Latin American and Caribbean region is geographically remote from Japan. However, with immigrants from Japan and their descendants serving as a "bridge," it is a region that has traditionally forged friendly relations with Japan. In addition, the region has a population of 550 million, nearly

the same as ASEAN, and comprises a large market with a regional gross production of US\$2.95 trillion (2.8 times as large as that of ASEAN). It is now expanding its presence through moves toward regional integration such as SICA,⁷⁹ MERCOSUR,⁸⁰ CARICOM,⁸¹ and CAN⁸² and the conclusion of free trade agreements with other countries. Moreover, as a result of the sharp rise in metal and energy prices in recent years, the region is attracting attention as an important supplier of mineral resources and energy (e.g. iron, copper, silver,⁸³ crude oil, natural gas, and biofuels), and food. One characteristic of the region is that while there are many countries whose average income level is comparatively high and a free economy is being maintained, the poverty and gap between the rich and poor are striking. Due to the presence of abundant nature represented by the rainforests spanning the Amazon Basin, efforts targeting the global-scale challenges of environment and climate change have become important.

<Japan's Efforts>

Through ODA, Japan is providing support for challenges such as strengthening economic relations, region-wide support (including the promotion of regional integration), and South-South Cooperation.

As for strengthening of economic relations, in order to support sustainable economic development in the Latin American and Caribbean region, Japan has extended cooperation in various sectors, such as development of infrastructure, promotion of supporting industries, development of small and medium-scale enterprises, and provision of vocational training. In 2007, Japan adopted a technical assistance project for the purpose of enhancing vocational training in Ecuador, and is also supporting small and medium-scale enterprises and supporting industries in connection with the Japan-Mexico Economic Partnership Agreement (EPA) which entered into force in April 2005. In order to improve poverty and income disparity, the historical problems of the region, support is being given in social

79 SICA: Sistema de la Integración Centroamericana, which was established in December 1991 for the purpose of achieving socio-economic integration of the region and includes Guatemala, El Salvador, Costa Rica, Nicaragua, Honduras, Panama, and Belize (the Dominican Republic is an associate member country).

80 MERCOSUR: Mercado Común del Sur. MERCOSUR comprises Argentina, Brazil, Paraguay, and Uruguay (Venezuela is currently completing membership procedures). Chile, Bolivia, Peru, Ecuador, and Colombia are associate members. It was inaugurated in 1995 as a tariff alliance for the purpose of removing tariffs within the region.

81 CARICOM: Caribbean Community. CARICOM expanded the Caribbean Free Trade Alliance (CARIFTA), which was established in 1968 for the purpose of liberalizing intraregional trade, and was established in 1973 for the purpose of promoting functional cooperation concerning the coordination of economic integration and foreign policy, health care, and education. The members currently comprise 14 countries and one region.

82 CAN: Comunidad Andina de Naciones.

83 In recent years, Japan has relied entirely on the Latin American and Caribbean region for silver ore imports.

development sectors including healthcare, education, water and sanitation, and agricultural development.

As well as deforestation in the Amazon, other environmental problems are worsening in Latin America and the Caribbean; the growing hole in the ozone layer, natural disasters such as hurricanes, and declining glaciers in the Andes, which are caused by climate change.

Japan is expanding its support in the areas of antipollution measures, protection of the natural environment and disaster prevention in order to put a brake on these problems and ease the environmental impact. For instance, support is being given in the form of Projects to Intensify Ozone Layer Studies in South America, to reinforce the ability to control and monitor unlawful logging in the

Amazon (using data from Japanese observation satellites), and to improve community disaster prevention abilities in Latin America. In Panama, Japan is supporting the cleanup of the Gulf of Panama, an antipollution measure of the large cities.

There continues to be political unrest and domestic armed conflicts in countries such as Haiti and Colombia. Support for peace building therefore is being carried out in other areas, such as community development and food assistance, and vocational training for internally displaced persons and the families of surrendered soldiers.

● Region-wide Support

The formulation of region-wide projects of benefit to

Chart III-20. Japan's Assistance in the Latin America and the Caribbean Region (continued overleaf)

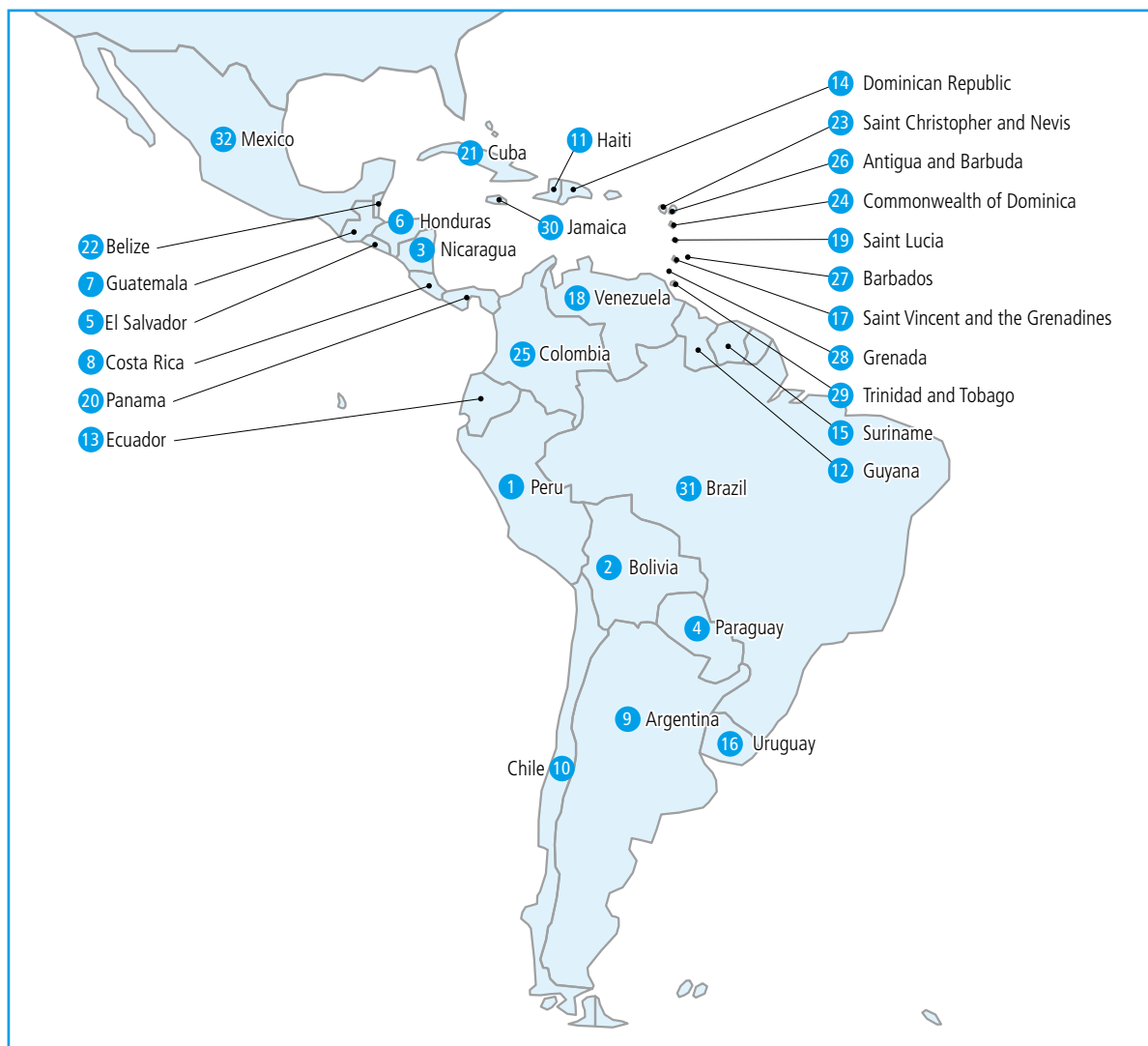


Chart III-20. Japan's Assistance in the Latin America and the Caribbean Region

2007 (calendar year)

(Net disbursement basis, unit: US\$ Million)

2007 (calendar year)		Grants				(net disbursement basis, unit: US\$ million)			
Rank	Country or region	Grant aid		Technical cooperation	Total	Loan aid		Total	Total
			Grants provided through multilateral institutions			Amount disbursement	Amount received		
1	Peru	11.01	0.08	8.94	19.95	133.57	113.71	19.87	39.81
2	Bolivia	22.74	—	15.24	37.98	—	1.04	-1.04	36.93
3	Nicaragua	21.63	1.02	9.00	30.64	—	—	—	30.64
4	Paraguay	8.43	—	13.41	21.83	44.08	37.02	7.07	28.90
5	El Salvador	9.21	—	9.29	18.50	20.10	11.80	8.30	26.80
6	Honduras	10.86	—	9.90	20.76	—	—	—	20.76
7	Guatemala	14.83	—	7.39	22.22	0.83	5.40	-4.57	17.65
8	Costa Rica	2.18	—	5.83	8.00	19.94	10.63	9.31	17.32
9	Argentina	0.14	—	8.37	8.52	8.80	2.23	6.57	15.09
10	Chile	1.03	—	9.22	10.25	—	1.50	-1.50	8.75
11	Haiti	6.15	2.41	0.64	6.80	—	—	—	6.80
12	Guyana	3.93	0.54	0.30	4.23	—	—	—	4.23
13	Ecuador	18.95	—	5.56	24.51	—	21.54	-21.54	2.97
14	Dominican Republic	4.54	—	11.06	15.59	—	12.64	-12.64	2.96
15	Suriname	2.60	—	0.31	2.91	—	—	—	2.91
16	Uruguay	0.54	—	3.69	4.23	—	1.64	-1.64	2.59
17	Saint Vincent and the Grenadines	1.98	—	0.56	2.54	—	—	—	2.54
18	Venezuela	0.22	—	2.15	2.37	—	—	—	2.37
19	Saint Lucia	0.11	—	1.92	2.03	—	—	—	2.03
20	Panama	0.63	—	7.30	7.92	—	5.94	-5.94	1.98
21	Cuba	0.17	—	1.63	1.80	—	—	—	1.80
22	Belize	0.06	—	1.49	1.55	—	—	—	1.55
23	Saint Christopher and Nevis	0.70	—	0.09	0.80	—	—	—	0.80
24	Commonwealth of Dominica	0.11	—	0.55	0.66	—	—	—	0.66
25	Colombia	5.88	0.27	9.12	15.00	—	14.64	-14.64	0.36
26	Antigua and Barbuda	—	—	0.21	0.21	—	—	—	0.21
27	Barbados	—	—	0.10	0.10	—	—	—	0.10
28	Grenada	—	—	0.08	0.08	—	—	—	0.08
29	Trinidad and Tobago	—	—	0.08	0.08	—	—	—	0.08
30	Jamaica	0.17	—	2.19	2.36	10.15	20.52	-10.38	-8.02
31	Brazil	3.58	—	19.94	23.52	44.65	78.08	-33.43	-9.91
32	Mexico	1.14	—	14.85	15.99	20.21	81.41	-61.20	-45.21
	Multiple countries in Latin America and the Caribbean	0.50	0.50	8.58	9.08	—	—	—	9.08
Latin America and the Caribbean region total		153.99	4.82	189.01	343.00	302.35	419.74	-117.39	225.61

Notes: (1) Region classifications are determined by MOFA.

(2) Including graduated countries in total.

(3) Due to rounding, the total figure may not match the sum of the individual parts.

(4) "Multiple countries" refers to assistance encompassing multiple countries such as dispatch of study teams and seminars.

multiple countries is advancing to implement effective and efficient aid in tackling the shared developmental challenges of the region. Moreover, Japan cooperates in activities aiming for regional integration to assist strengthening economic cooperation. The cooperation also includes the Mesoamerican Integration and Development Project (formerly the Puebla-Panama Plan) as well as Initiative for the Integration of Regional Infrastructure in South America,

which are regional integration initiatives in Latin America and the Caribbean. Meanwhile, as grant aid to promote region-wide development, Japan has decided to implement the Project for the Construction of the Japan-Central America Friendship Bridge for the governments of El Salvador and Honduras, and Project for the Construction of the New Macara International Bridge for the governments of Ecuador and Peru.

In addition, cooperation for combating infectious diseases which transcend national borders is also underway. Japan is proactively working on countermeasures for the tropical disease Chagas disease. After the cooperation started in Guatemala in 2002, the target region expanded to include El Salvador and Honduras as well in 2004. Another example of region-wide cooperation is the highly acclaimed Project for the Improvement of Teaching Methods in Mathematics (PROMETAM⁸⁴), which was implemented in Honduras in 2003 for raising the basic academic ability of the region, and has been expanded to more countries such as Guatemala and Nicaragua.

For the Caribbean Community, Japan has implemented the first region-wide development study⁸⁵ (with the Caribbean Community as the partner agency) into the fishing and aquaculture industries, while support is being provided for MERCOSUR within the tourism sector.⁸⁶

Japan takes a region-wide approach in its assistance system. Concerned parties within Japan are added to the membership of local ODA taskforces in Central America to perform activities aiming for the formation of region-wide projects that clarify priority areas of region-wide cooperation.

● South-South Cooperation

Japan strengthens ties and implements South-South Cooperation with donor countries of the region. It has entered into partnership with Chile, Brazil, Argentina, and Mexico and is providing third-country training and dispatching experts from third countries to other major countries in the Latin American and Caribbean region. For example, in cooperation with Brazil, Japan has dispatched Japanese-descended Brazilians to hospitals in the African country of Angola (where Portuguese is spoken as in Brazil), and



(Source: EPA=Jiji)

implemented projects for improving the quality of nursing services, developing human resources and so on. Also, in a joint arrangement with the Government of Mexico it is extending technical cooperation in Central America and other countries.

7. Oceania

Japan's bilateral assistance to Oceania in 2007 was approximately US\$70.29 million, 1.2% of total bilateral ODA.

<Features of Oceania>

Japan and the Pacific countries, which share the Pacific Ocean, have strong historical ties and maintain friendly relations. Countries in this region have an immense Exclusive Economic Zone (EEZ). The region provides an important fishing ground for Japan's deep-sea fisheries industry, as well as strategic stops for maritime transportation. As such, peace and prosperity in this region are extremely important for Japan. Many Pacific Island countries have achieved independence relatively recently and the priority issues are to establish socially and economically self-reliant states. In addition, these countries face a number of common difficulties peculiar to island nations, such as small-scale economies, dependence on primary industries, geographic dispersion, lack of access to international markets, vulnerability to natural disasters, and the risk of losing land territory. Furthermore, the region faces many problems deriving from conflict based mainly on ethnicity. This includes political disruption in Fiji and political instability in the Solomon Islands, and problems relating to democratization, such as riots in Tonga. Based on such circumstances, and as a friendly partner in Oceania, Japan provides assistance taking into account the individual situation of each country, and common problems of the region.

<Japan's Efforts>

To achieve political stability and economic development in Oceania, it is essential to overcome social and economic weaknesses and pursue regional cooperation. Japan has promoted cooperation with the Pacific Islands Forum (PIF), a framework for regional cooperation composed of the leaders of the Pacific countries. The Japan-Pacific Islands Forum (PIF) Summit Meeting, a leaders' meeting of Japan and the PIF countries, was held a total of four times, once in

84 PROMETAM: Proyecto de Mejoramiento de Enseñanza Técnica en el Área del Matemática.

85 Development Study for the Formulation of a Master Plan for Development and Management of Fisheries and Aquaculture in the Caribbean.

86 MERCOSUR Tourism Promotion Project.

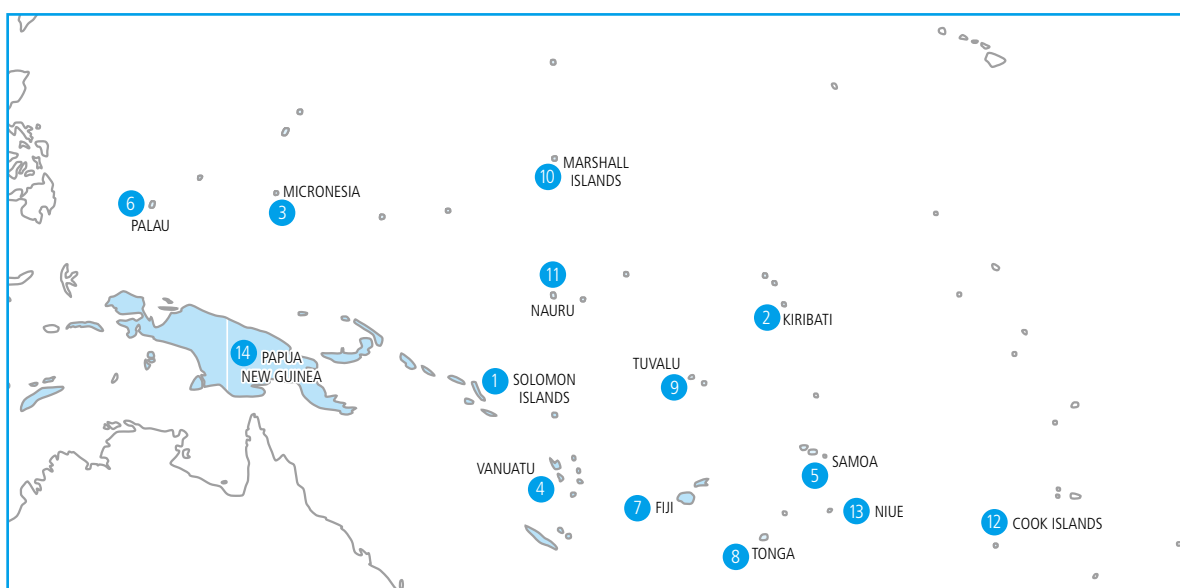
every three years since 1997.

In 2006, the 4th Japan-PIF Summit Meeting was held in Okinawa, which shares common characteristics with the island countries of the Pacific such as climate and oceanic environment. This summit adopted the Okinawa Partnership, the framework for new cooperation between Japan and the PIF. Within this framework, assistance by Japan is based on five priority policy objectives. That is namely Economic Growth; Sustainable Development; Good Governance; Security; and People to People Communication

and Exchange. Japan determined to provide cooperation primarily through provision of a total of ¥45 billion over a three-year period beginning in 2006, aiming to assist the self-help efforts of the Pacific island nations.

Based on the above five priority policy objectives, Japan is providing assistance giving consideration to the national development plans of each country, to its demand, and to circumstances related to its stage of development. The island nations of the Pacific are made up of a great number of islands, and since marine transportation is vital

Chart III-21. Japan's Assistance in the Oceanian Region



2007 (calendar year)

(Net disbursement basis, unit: US\$ Million)

Rank	Country or region	Grants				Loan aid			
		Grant aid		Technical cooperation	Total	Amount disbursement	Amount received	Total	Total
			Grants provided through multilateral institutions						
1	Solomon Islands	12.06	0.49	3.35	15.41	—	—	—	15.41
2	Kiribati	11.97	—	1.08	13.05	—	—	—	13.05
3	Micronesia	5.51	—	3.85	9.36	—	—	—	9.36
4	Vanuatu	3.72	—	5.01	8.73	—	0.10	-0.10	8.63
5	Samoa	2.60	—	5.86	8.46	—	—	—	8.46
6	Palau	3.87	—	2.79	6.66	—	—	—	6.66
7	Fiji	—	—	6.78	6.78	—	1.03	-1.03	5.75
8	Tonga	1.86	—	2.69	4.55	—	—	—	4.55
9	Tuvalu	2.30	—	0.64	2.94	—	—	—	2.94
10	Marshall Islands	0.33	—	1.78	2.11	—	—	—	2.11
11	[Nauru]	1.02	—	0.49	1.51	—	—	—	1.51
12	[Cook Islands]	—	—	0.10	0.10	—	—	—	0.10
13	[Niue]	—	—	0.03	0.03	—	—	—	0.03
14	Papua New Guinea	0.69	0.35	10.08	10.77	—	21.41	-21.41	-10.63
	Multiple countries in Oceania	—	—	2.36	2.36	—	—	—	2.36
Oceania region total		45.93	0.84	46.89	92.82	—	22.53	-22.53	70.29

Notes: (1) Region classifications are determined by MOFA. Brackets indicate names of regions.

(2) Due to rounding, the total figure may not match the sum of the individual parts.

(3) "Multiple countries" refers to assistance encompassing multiple countries such as dispatch of study teams and seminars.

for maintaining economic activity and the lives of the inhabitants, Japan is backing up the economic growth, by supporting improvement efforts for Port Vila, which serves as the gateway to Vanuatu. Meanwhile, to help improve the economic structure of Nauru, whose economy is in trouble due to the exhaustion of its phosphate reserves, Japan has provided support such as non-project grant aid, in building foundations for the daily lives of inhabitants.

The island nations in this region are the most vulnerable to the effects of climate change. Japan conducted a survey in Tuvalu in March 2008, for evaluating the possibility of cooperation for the problem of climate change based on the Cool Earth Partnership. The three areas—coastal protection measures, disaster prevention, and alternative energy—have been considered based on factors including the results of this survey.

See Part I Chapter 2 (page 8) on the “Cool Earth Partnership.”

● Region-wide Assistance and Cooperation with Other Agencies

While Japan provides assistance tailored to each country, region-wide support is what is most effective against the shared challenges of the region. The island countries of the Pacific face common development problems in the education, environment, and health care sectors. In order to achieve the sustainable development of these countries, not only must cooperation be extended to each individual country, but regional cooperation encompassing the entire Pacific region, taking into account region-wide benefits, must also be provided. For instance, for the University of the South Pacific (USP) it was decided to help build a center (to carry out research into areas such as information and communications technology at the university), and provide the related machinery and equipment, with grant aid from Japan.⁸⁷ However, through assistance for developing distance learning network facilities for USP, based in the university, Japan gives the opportunity for a wide range of island nation inhabitants to receive secondary education. Region-wide support for waste disposal measures is also being carried out. For example, Japan has dispatched experts to the South Pacific Regional Environmental Programme (SPREP), a regional international agency in Samoa, and provided training in waste countermeasures, through which it has contributed to solving the region’s environmental problems by assisting in the preparation of a waste countermeasures master plan.

In measures against infectious diseases, Japan has extended cooperation together with the World Health Organization and UNICEF in implementing the Expanded Programme on Immunization (EPI) focused on safe inoculations, including provision of vaccines, maintenance of cold chains, and safe disposal of medical waste. In order to strengthen immunization programs in the region, assistance aimed at improving the rate of immunization against measles and Type-B hepatitis, eradicating filariasis, and HIV/AIDS prevention.

Regarding its collaboration with international organizations, “Accelerated Co-Financing scheme with ADB (ACFA),” established in 2007, initiated the first projects in Samoa. This framework is based on the “Enhanced Sustainable Development for Asia (ESDA)” launched with the Asian Development Bank (ADB), for promoting investment and energy conservation. Japan has established a common agenda for promoting these areas, and intends to extend a five year ODA loan of US\$2 billion, primarily targeting the Pacific and Central Asia. In December 2007, Japan opted to furnish the Oceanic nation of Samoa, which suffered from an unstable power situation due to power cuts caused by cyclones as well as rising electricity rates resulting from soaring oil prices, through an ODA loan. The



(Source: AFP=Jiji)

⁸⁷ The Project for Construction of Information and Communication Technology Center at the University of the South Pacific.

loan can tackle challenges such as building and repairing efficient power plants, disaster countermeasures by laying power lines underground, and upgrading to high-efficiency power lines.

8. Europe

Japan's bilateral ODA to the European region in 2007 was approximately US\$109.17 million, 1.9% of total bilateral ODA.

<Features of Europe>

The Baltic countries and the Central and Eastern European countries have shed the former socialist system and are moving toward market-based economies and democratization. The degree of development varies greatly among these countries. Ten of them already acceded to the EU (Poland, Hungary, the Czech Republic, Slovakia, Slovenia, Estonia, Latvia, Lithuania, Romania, and Bulgaria). A continuing trend of moving from being a recipient to a donor has been largely seen in these countries, as the DAC list excluded them as recipients and the countries showed increased GNI per capita. Of these countries, Japan does not provide any types of aid to the Czech Republic, Slovenia, Estonia, Slovakia, and Latvia. The others too are generally set to graduate from ODA by the end of 2008.

Croatia and Macedonia (the former Yugoslav Republic of,) are aiming to accede to the EU as soon as possible, and as such are tackling the issue of reform, while Ukraine, Moldova, and Albania appear to be lagging in their move toward a market economy. As well, Bosnia and Herzegovina, Serbia, and Montenegro are in a transition stage of reconstruction from the conflict of the former Yugoslavia in the 1990s and Kosovo only recently gained independence in February 2008.

<Japan's Efforts>

As the Baltic countries and the Central and Eastern European countries have rapidly developed, the role of Japan's assistance in this region is also changing. For the ten nations that have attained EU membership, Japan has provided continuous and wide-ranging assistance for stable transitions by improving citizen's living standards that experienced economic and social difficulties.

For the Western Balkan region and former Soviet states such as Ukraine and Moldova on the other hand, it is necessary to continue providing support.

Although the Western Balkan countries suffered

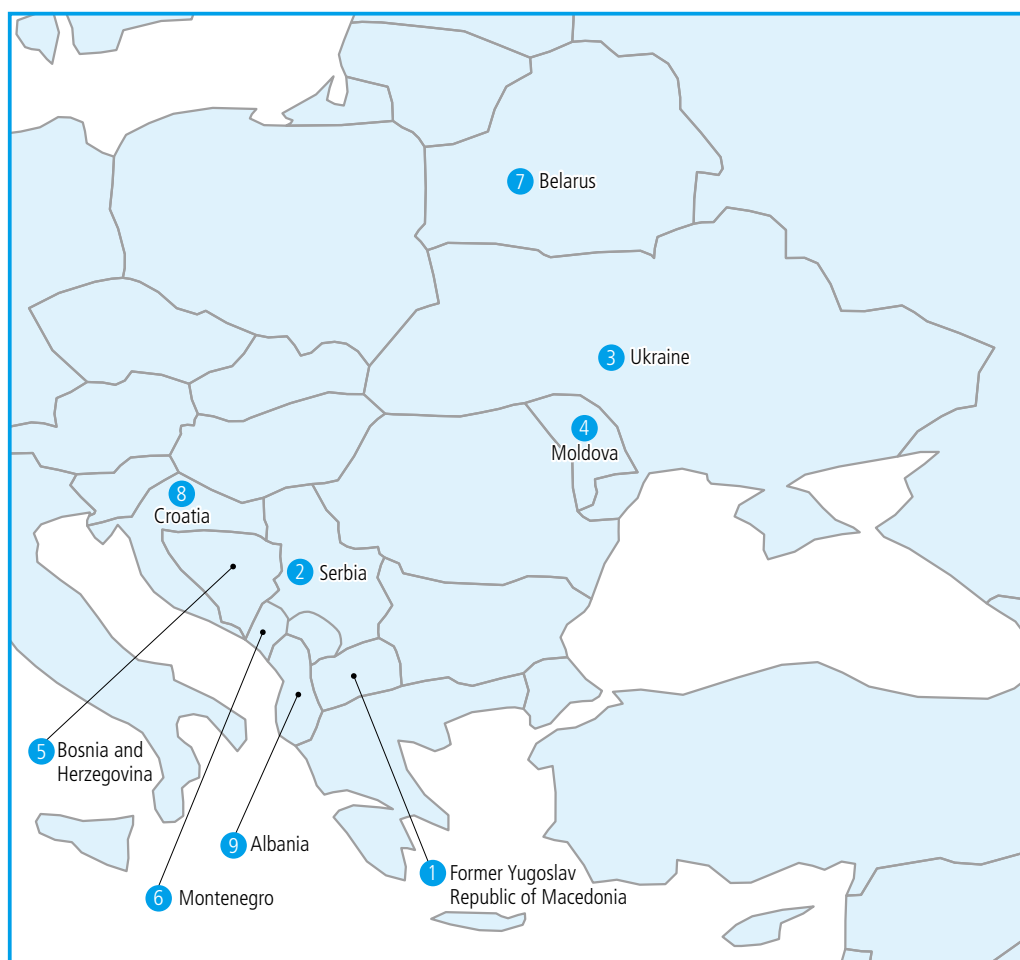
considerable damage as a result of the conflict of the former Yugoslavia, they presently move from a stage of restoration and reconstruction to one of sustained economic development with a view toward EU accession in the future. For the region, Japan has been rebuilding infrastructure that had been damaged during the conflicts and has been providing assistance focused on the health and medical care sectors. Recently, in line with the progress towards a market economy in each country, Japan has been dispatching experts to promote investment, small and medium businesses and trade, and providing training. It has also been providing assistance for ethnic reconciliation as well as assistance for returnees and landmine victims in Bosnia and Herzegovina, to help establish peace. Japan continues to support the efforts of Ukraine and Moldova for further democratization and transition to a market economy, and it works to raise the standard of living for the people through improvements to medical and agricultural equipment and machinery, and other such assistance.

● Cooperation with Countries that have Graduated from ODA

Japan intends to share its experience as a donor to assist countries that are transitioning away from being target countries for Japan's ODA to donors. As such, the individuals responsible for economic cooperation in the Czech Republic, Hungary, Poland and Slovakia were invited to Tokyo in February 2008 to attend the "V4+1 Workshop on Development Assistance." This workshop provided these new EU member states with a good opportunity to strengthen their cooperation in improving their own aid policies and implementation systems, and third country cooperation with Japan.

[See page 151 for collaboration between Japan and new aid promoting countries.](#)

Chart III-22. Japan's Assistance in European Region



2007 (calendar year)

(Net disbursement basis, unit: US\$ Million)

2007 (calendar year)

(net disbursement basis, unit: 0.55 million)

Rank	Country or region	Grants				Loan aid			Total
		Grant aid		Technical cooperation	Total	Amount disbursement	Amount received	Total	
			Grants provided through multilateral institutions						
1	Former Yugoslav Republic of Macedonia	4.61	—	2.63	7.24	13.58	0.65	12.94	20.18
2	Serbia	4.43	0.50	2.80	7.23	—	—	—	7.23
3	Ukraine	2.05	—	1.83	3.88	1.85	—	1.85	5.72
4	Moldova	4.62	—	1.09	5.70	—	—	—	5.70
5	Bosnia and Herzegovina	1.65	—	3.73	5.39	—	—	—	5.39
6	Montenegro	2.75	—	1.17	3.92	—	—	—	3.92
7	Belarus	0.27	—	0.11	0.37	—	—	—	0.37
8	Croatia	0.58	—	0.35	0.92	—	0.74	-0.74	0.19
9	Albania	—	—	1.28	1.28	—	2.88	-2.88	-1.60
	Multiple countries of the former Yugoslavian countries	—	—	0.13	0.13	—	—	—	0.13
	Multiple countries in Europe	—	—	0.32	0.32	—	—	—	0.32
European region total		22.69	0.50	27.86	50.55	80.12	21.50	58.62	109.17

Notes: (1) Region classifications are determined by MOFA.

(2) Including graduated countries and Eastern Europe in total.

(3) Due to rounding, the total figure may not match the sum of the individual parts.

(4) "Multiple countries" refers to assistance encompassing multiple countries such as dispatch of study teams and seminars.