

Section 3 Assistance for Each Region

The challenges and problems vary according to the countries and regions. Japan works to resolve the problems faced by developing countries through ODA, taking into consideration the structures behind these problems.

Chart III-10 Bilateral ODA by Region (2009)

(US\$ million)

<div>Region \ Type</div>	Bilateral ODA					Total	Percent of total (%)	Change from the previous year (%)
	Grants				Loan aid			
	Grant aid		Technical cooperation	Total				
	Grants provided through multilateral institutions							
Asia	596.90	119.56	961.54	1,558.44	659.60	2,218.05 (7,798.90)	36.5 (59.3)	106.6 (3.9)
East Asia	279.18	36.56	780.43	1,059.60	74.23	1133.83 (5,518.38)	18.6 (42.0)	3785.5 (22.1)
Northeast Asia	48.59	6.36	365.42	414.01	-181.89	232.12 (1,354.81)	3.8 (10.3)	-34.2 (1.8)
Southeast Asia	230.39	30.00	406.97	637.36	256.12	893.48 (4,155.33)	14.7 (31.6)	-371.1 (30.6)
South Asia	246.41	58.20	130.68	377.09	466.08	843.18 (1,973.03)	13.9 (15.0)	0.8 (-27.9)
Central Asia and the Caucasus	55.09	8.58	38.17	93.26	119.31	212.56 (279.01)	3.5 (2.1)	29.8 (33.0)
Others	16.22	16.22	12.27	28.49	-0.01	28.47 (28.49)	0.5 (0.2)	-35.6 (-35.6)
Middle East	315.92	158.59	139.73	455.65	45.02	500.67 (1,185.07)	8.2 (9.0)	-78.9 (-62.4)
Africa	1,012.13	349.65	331.11	1,343.24	59.98	1,403.22 (1,556.02)	23.1 (11.8)	0.5 (4.0)
Latin America	124.37	14.33	213.51	337.87	-195.29	142.58 (732.70)	2.3 (5.6)	-47.1 (-4.7)
Oceania	82.06	17.09	46.29	128.35	-16.45	111.90 (129.83)	1.8 (1.0)	53.4 (-22.2)
Europe	11.74	0.39	23.04	34.78	121.68	156.46 (200.20)	2.6 (1.5)	4.4 (4.8)
Eastern Europe	2.37	0.05	4.60	6.97	49.64	56.61 (93.96)	0.9 (0.7)	-39.3 (-26.7)
Assistance encompassing multiple regions	68.59	0.98	1,479.53	1,548.12	0.00	1,548.12 (1,548.12)	25.5 (11.8)	-3.6 (-3.6)
Total	2,211.70	660.59	3,194.75	5,406.45	674.55	6,081.00 (13,150.85)	100.0 (100.0)	-12.4 (-11.7)

*1 Includes debt relief.

*2 Technical cooperation assistance encompassing multiple regions includes technical cooperation for which it is not possible to classify the region, such as the dispatch of survey teams to more than one region, subsidies for foreign student support organizations, administrative costs, and promotion of development awareness.

*3 Due to rounding, the total figure may not match the sum of each number.

*4 Including assistance to Eastern Europe and graduated countries.

*5 Grants provided through multilateral institutions have conventionally been reported as "Contributions and subscriptions to multilateral institutions, etc." However, since 2006, expenditures clearly addressing a country at the point of disbursement are considered as bilateral ODA and therefore newly reported as "Grant aid."

*6 Numbers in parenthesis indicate values when calculated on a gross disbursement basis.

1. East Asia

East Asia consists of a variety of nations: countries such as the Republic of Korea (ROK) and Singapore, which have attained rapid economic growth and have already been shifted from aid recipients to donors; least developed countries (LDCs), such as Cambodia and Laos; countries such as China, which still has internal disparities despite its dramatic economic growth in recent years; and countries such as Viet Nam, which is in the process of transitioning from a centrally-planned economy to a market economy. Japan has close relationships with these countries in all aspects, including political, economic, and cultural dimensions. The development and stability of this region have great significance for the peace and prosperity of Japan. Under this philosophy, Japan engages in assistance activities, fully taking into account such diversity in socio-economic conditions and changes in the respective assistance needs of East Asian countries.



Parliamentary Vice-Minister for Foreign Affairs Hisashi Tokunaga receiving a framed Laotian bank note and stamp designed by a Japanese ODA project, after his meeting with Minister of Public Works and Transport Sommath Pholsena of Laos (third from left)

<Japan's Efforts>

Japan has contributed to the remarkable economic growth in East Asia by combining ODA with trade and investments to provide infrastructure development and assistance for institutional and human resource development, to promote trade, and to vitalize private investments. Currently, Japan aims to further enhance open regional cooperation and integration based on shared basic values while also ensuring regional stability by promoting mutual understanding. For that reason, Japan has made efforts to respond to transnational problems such as natural disasters, environment and climate change, infectious diseases, and terrorism and piracy. In addition, Japan also works for the promotion of mutual understanding through large-scale youth exchanges, cultural exchanges, as well as projects that

disseminate Japanese language education and promotion of Japan.

The impact from the global financial and economic crisis that started in 2008 has largely been overcome. But in order for Japan and Asian countries to achieve further economic prosperity it will be important to turn Asia into a center of growth open to the world. Japan thus provides assistance to reinforce Asia's growth and to expand domestic demand in Asia. As a specific measure, in April 2009 Japan announced that it would provide a maximum of ¥2 trillion in ODA. Under this initiative, Japan provides steady assistance for such efforts as infrastructure development, support for the socially vulnerable, the establishment of low-carbon societies, and human resource development.

● Support for Southeast Asia

The ASEAN countries have set intraregional integration as their chief goal by the year 2015. In line with this goal, Japan provides support to strengthening connectivity and reducing disparities within the region. Supporting the Mekong countries, many of which were late-joining members to ASEAN, in particular is important for reducing intraregional

disparities. In November 2009, the First Mekong-Japan Summit Meeting between the heads of Japan and the Mekong region countries was held. They shared the recognition of giving priority to the following areas and of establishing A New Partnership for the Common Flourishing Future: 1) Comprehensive Development in the Mekong Region, 2) Environment, Climate Change

(“A Decade toward the Green Mekong” Initiative), and Overcoming Vulnerability, and 3) Expansion of Cooperation and Exchanges. Japan continues the policy to expand its ODA to CLV countries respectively as well as to the Mekong region as a whole. Japan committed more than ¥500 billion of ODA in the next three years for the Mekong region to promote this initiative. Also, Japan announced the concept for the Decade Toward a Green Mekong at the Third Mekong-Japan Foreign Ministers’ Meeting held in July 2010. In October 2010, the Second Mekong-Japan Summit Meeting between the heads of Japan and the Mekong region countries was held, and the Action Plan for “A Decade toward the Green Mekong” Initiative and the “Mekong-Japan Economic and Industrial Cooperation Initiative (MJ-CI) Action Plan” were adopted.

Additionally, economic partnership agreements (EPA) between Japan and Indonesia, Brunei, the Philippines, and ASEAN as a whole went into effect in 2008. An agreement between Japan and Viet Nam also entered into force in October 2009. With these EPAs, Japan has been working to expand trade and investments and enhance wide-ranging economic relations that include the improvement of distribution systems and the harmonization of economic systems such as intellectual property systems and competition policies. Through these efforts, Japan works to reduce poverty, and supports regional integration by rectifying disparity within the ASEAN region. ASEAN adopted “ASEAN Plan for Connectivity” at its summit in October 2010 in order to enhance intra-ASEAN connectivity in fields such as infrastructure, institutions, and personal exchanges. Japan supports further elaboration of this master plan through ODA and joint initiatives between the public and private sectors. What is more, Japan also engages in peacebuilding activities, including concentrated support for the former conflict region of Mindanao in the Philippines and nation building support for Timor-Leste.

Japan reinforces its collaboration with the Asian Development Bank (ADB), which works on a range of regional cooperation initiatives in the Asian region. For

instance, in order to support Asian developing countries, Japan has established the Accelerated Co-Financing scheme with ADB (ACFA) which enhances cooperation between ADB and the new JICA, the Investment Climate Financing Fund (ICFF), and the Asian Clean Energy Fund (ACEF), under the Enhanced Sustainable Development for Asia (ESDA) initiative to promote investment and energy efficiency in the region. In addition, Japan collaborates with the Economic Research Institute for ASEAN and East Asia (ERIA), an international research organization in East Asia, with varying levels of cooperation such as the Comprehensive Asian Development Plan (CADP) and the Master Plan on ASEAN Connectivity.

Furthermore, on the financial front in particular Japan is leading the Chiang Mai Initiative (CMI) through the ASEAN+3 framework. This initiative is designed to prevent a chain reaction of crises and its expansion by means of providing short-term foreign currency financing for countries in which critical circumstances have arisen, such as obstacles arising in their foreign currency payments due to precipitous outflows of capital. What is more, in March 2010 a Multilateralization Agreement was issued which changed the former CMI framework, which was based on agreements between bilateral authorities, to a framework based on a single agreement for expediting and facilitating assistance. This enabled faster responses to the international balance of payments within the ASEAN+3 region as well as to the difficulties with liquidity in short-term financing, and thereby strengthened capacity for dealing with the risks and challenges of an expanding global economy.

In conjunction with the CMI, Japan leads initiatives to foster an East Asian bond market. In particular, in May 2010 the decision was made to establish the Credit Guarantee and Investment Facility (CGIF) in order to ensure bonds issued by Asian companies that are denominated in local currencies. This will serve as an ADB trust fund with initial capital on the order of US\$700 million. Japan has contributed US\$200 million through JBIC.

● 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, and has contributed to the steady development of the Chinese economy. Also, Japan's assistance has played a significant role in promoting and sustaining China's reform and opening policy. Most of the assistance was provided in the form of loan aid. The assistance can be evaluated 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. In light of China's recent remarkable economic growth, Japan and China recognized that Japan's ODA loans for China would come to a harmonious end by the 2008 Beijing Olympics. Therefore, the 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 problems and infectious diseases that may affect Japan directly. During President 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 regarding the Comprehensive Promotion of a Mutually Beneficial Relationship Based on Common Strategic Interests", 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.

● Indonesia: Lumut Balai Geothermal Power Plant Project

When greenhouse gas emissions from sources like the decrease of forests and the destruction of peat lands are added in, as of 2005 Indonesia had become the world's fourth largest emitter of greenhouse gases after China, the United States, and Brazil (Note 31). Owing to factors like the increase in energy demand accompanying economic growth, consumption of coal has risen and emissions of greenhouse gases from the energy sector are growing larger. For this reason, there is a pressing need to give shape to climate change countermeasures such as the development of renewable energy with a view toward the reduction of greenhouse gases.

In the aim of improving the stability of the electricity

supply on the island of Sumatra, Indonesia, Japan promotes the construction of the Lumut Balai Geothermal Power Plant through an ODA loan of approximately ¥27 billion. The objectives are to improve civil life, for the sake of economic development through improvements in the investment climate, and to reduce the burden on the global environment by promoting the development of renewable energy. As a direct outcome from the implementation of this project, it is forecasted that reductions in the emissions of carbon dioxide will reach 590,385 tons per year two years after the completion of the project. As such, the expectation is that it will improve the stability of the electricity supply in Indonesia and cut down greenhouse gases.

Note31 World Resource Institute Climate Analysis Indicators Tool (WRI CAIT), Sum of "Total in 2007" and "LUCE in 2005" (2007).

Chart III-11 Japan's Assistance in the East Asia Region



2009 (calendar year)

(Net disbursements, US\$ million)

RankCountry or region		Grants				Loan aid			Total
		Grant aid		Technical cooperation	Total	Amount disbursed	Amount recovered	Total	
			Grants provided through multilateral institutions						
1	Viet Nam	22.82		86.24	109.07	1,305.05	222.76	1,082.29	1,191.36
2	China	14.02	0.35	283.03	297.05	902.91	1,058.00	-155.09	141.96
3	Cambodia	59.40	0.06	48.14	107.54	20.94	0.99	19.94	127.49
4	Laos	41.90		29.91	71.81	22.59	2.04	20.55	92.36
5	Malaysia	5.00		25.03	30.03	210.48	148.73	61.75	91.78
6	Mongolia	34.57	6.01	17.92	52.49	37.89	15.70	22.19	74.68
7	Myanmar	24.50	13.71	23.77	48.28		0.00	0.00	48.28
8	Timor-Leste	5.07		6.81	11.88				11.88
9	Philippines	40.72	14.26	48.81	89.53	595.13	693.02	-97.89	-8.36
10	Thailand	3.71	1.28	48.30	52.01	63.31	265.64	-202.33	-150.31
11	Indonesia	27.26	0.68	88.14	115.41	1,300.49	1,928.69	-628.20	-512.79
	Multiple countries in East Asia	0.20	0.20	8.04	8.24				8.24
East Asia region total		279.18	36.56	780.43	1,059.60	4,458.78	4,384.55	74.23	1,133.83
(ASEAN total)		225.32	30.00	400.16	625.48	3,517.97	3,261.85	256.12	881.60

*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 each number.

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

2. 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 East 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 in international undertakings against terrorism and extremism.

However, the South Asian region still faces a large number of issues to be addressed, including a serious lack of basic infrastructure, such as roads, railroads, and ports; growing populations; low school enrollment ratios in primary education; undeveloped water and sanitation facilities along with inadequate healthcare and medical facilities; insufficient maternal and child healthcare; and a lack of countermeasures against infectious diseases and the rule of law. Poverty reduction is a particularly serious issue, where 500 million of the region's population of 1.5 billion are living in poverty, making it one of the world's poorest regions. South Asia is the second most important region behind Africa in aiming to achieve the Millennium Development Goals (MDGs) (Note 32). For harnessing the economic potential of South Asia and alleviating the widening disparities between the rich and poor, Japan provides assistance to South Asia centered on developing socioeconomic infrastructure.

<Japan's Efforts>

In its relationship with India, a central presence in the region, Japan promotes cooperation in a wide range of fields based on the Strategic and Global Partnership. These include politics and security, the economy, economic cooperation such as the Dedicated Freight Corridor (DFC) project, the core of the Delhi-Mumbai Industrial Corridor (DMIC) project, and academic exchanges. India is the largest recipient country of Japanese ODA loans, and Japan advances the development of economic infrastructure, including

power and transport, as well as the development of the social sector aimed at reducing poverty by improving the rural environment.

In May 2009 in Sri Lanka, the more than 25-year battle between government forces and the Liberation Tigers of Tamil Eelam (LTTE) came to an end. Japan provides aid to Sri Lanka while paying consideration to the regional and ethnic balance in order to assist with the promotion of the consolidation of peace and socioeconomic development.



Parliamentary Vice-Minister for Foreign Affairs Makiko Kikuta visiting the Construction Technology Training Institute (CTTI) in Islamabad, Pakistan

Note 32 According to the Millennium Development Goals Report 2010, the ratio of people in the South Asian region that live on approximately US\$1 a day is 39% (2005). This is the second highest figure behind Sub-Saharan Africa.

Pakistan plays an important role in undertakings by the international community to eradicate terrorism. The Friends of Democratic Pakistan Ministerial Meeting and Pakistan Donors Conference were held in Tokyo in April 2009. Here Japan announced that it would provide up to US\$1 billion in aid to Pakistan, and it has been steadily providing this aid, based on the New Strategy to Counter the Threat of Terrorism, issued in November 2009. Japan provided support to Pakistan, responding to flood damage which occurred in late July 2010 all throughout the country. The support included humanitarian assistance in the form of emergency grant aid, and the dispatch of the Japan Disaster Relief Team composed of a helicopter team of Japan's Self-Defense Forces (SDF) and of medical teams. At the Pakistan Development Forum in November, Japan newly announced US\$500

million of assistance. Japan supports the reconstruction of Pakistan from the flood damage.

>> See Part III, Chapter 2, Section 2. 4. Peacebuilding regarding Japan's aid to Pakistan.

In the South Asian region, efforts aimed at aid coordination in various countries are moving forward. With regard to Bangladesh, for instance, in June 2010 the Joint Cooperation Strategy (JCS) was formulated with the participation of 18 countries and organizations, including Japan, the World Bank, the ADB, and the UK's Department for International Development (DFID). This was done to assist with the implementation of the Second Poverty Reduction Strategy Paper (PRSP-II) (Note 33). Japan is actively working to address aid coordination for Bangladesh, such as by taking part in working committees for the formulation of the JCS.

● India: Sikkim Biodiversity Conservation and Forest Management Project

Sikkim State in the northeastern part of India is an extremely important region from the standpoint of conserving biodiversity, as is evident from the fact that nearly one-fourth of all of the plant species found in India inhabit the region. Conversely, in the wake of factors like the sudden rise in the number of tourists in recent years the effects on the natural environment and ecosystems have risen to the forefront. In light of such circumstances, Japan provides assistance for a variety of measures through an ODA loan worth ¥5,384 million. These measures include strengthening

the managerial capacity for national parks and protected wildlife preserves located in Sikkim, strengthening and improving the basis for activities of the Sikkim Forest Department, and activities to improve the livelihoods of residents who are dependent on forest resources to make a living. On the basis of the 10th meeting of the Conference of the Parties (COP10) to the Convention on Biological Diversity that was held in Nagoya in October 2010, this assistance aims to contribute to environmental conservation and balanced socioeconomic development in India.

Note 33 Poverty Reduction Strategy Papers are comprehensive and long-term strategies and policies designed to achieve specific reductions in poverty that developing countries draft themselves. In Bangladesh, the Second Poverty Reduction Strategy Paper was formulated in August 2008.

Chart III-12 Japan's Assistance in the South Asia Region



2009 (calendar year)

(Net disbursements, US\$ million)

2005 (calendar year)

(net disbursements, US\$ million)

Rank	Country or region	Grants				Loan aid			Total
		Grant aid		Technical cooperation	Total	Amount disbursed	Amount recovered	Total	
			Grants provided through multilateral institutions						
1	India	4.50	2.19	27.97	32.47	1,191.72	707.18	484.54	517.01
2	Pakistan	116.15	38.40	15.62	131.77	38.68	39.02	-0.34	131.43
3	Sri Lanka	31.94	5.94	23.46	55.40	295.76	259.53	36.23	91.62
4	Nepal	34.37	1.93	20.46	54.82	0.10	9.64	-9.55	45.28
5	Bhutan	12.63		7.71	20.33	3.59	0.00	3.59	23.92
6	Maldives	9.87		2.38	12.25	5.73	0.00	5.73	17.99
7	Bangladesh	36.96	9.74	31.25	68.21	60.36	114.48	-54.12	14.09
	Multiple countries in South Asia			1.84	1.84				1.84
South Asia region total		246.41	58.20	130.68	377.09	1,595.94	1,129.85	466.08	843.18

*1 Region classifications are determined by MOFA.

*2 Due to rounding, the total figure may not match the sum of each number.

*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.

3. Central Asia and the Caucasus

The Central Asia and the Caucasus regions are a geopolitically strategic area due to their proximity to Russia, China, South Asia, the Middle East, and Europe. The regions are also strategically important to Japan as they have a large abundance of natural resources including oil, natural gas, uranium, and rare metals. The stability and development of these regions have an impact on the Eurasian region as a whole, including Japan. From this perspective, Japan provides nation

<Japan's Efforts>

In order to facilitate the transition from a planned economy to a market economy and realize economic development, Japan has carried out a diverse range of assistance activities. For social sector reconstruction these include the improvement of legal institutions and health and medical care, developing infrastructure for shifting to a market-based economy and economic development, and the development of human resources for institution building. For example, Japan Centers for Human Development (“Japan Centers”) have been established in Uzbekistan, Kazakhstan, and Kyrgyz Republic as bases for human resource development assistance. At these centers, business courses and other activities are provided based on Japan’s experiences, through which they contribute to the cultivation of human resources that can accommodate the introduction of a market economy in the region. Also, dialogue and collaboration have been undertaken at various levels under the framework of the Central Asia plus Japan Dialogue, which was established in 2004 with the aim of promoting cooperation within the region.

There are many oil fields with world-class reserves on the coast of the Caspian Sea in Kazakhstan and Azerbaijan, in which Japanese enterprises partially own

building support to each country in order to establish long-term stability and sustainable development in the regions, and in consideration of a broader regional perspective including regions that border Central Asian nations such as Afghanistan and Pakistan. This is done in the hope of helping to radiate basic values such as human rights, democracy, market economies, and the rule of law.

their interests. The oil being exported from these fields runs through pipelines passing through Central Asia and the Caucasus. Therefore, stability and economic development in this region are important for stabilizing the international energy market as well as for securing access to energy resources. Japan provides assistance to this region such as improving public services, cultivating human resources, and developing infrastructure, including power plants.



Construction work for the floor slab of the Alamedin bridge under construction (Kyrgyzstan) (Photo: JICA)

● The Project for the Capacity Building of Road Maintenance in the Kyrgyz Republic

The landlocked country of Kyrgyzstan depends on road traffic for 95% of its transport and means of transportation. However, 60% of the public roads managed by the Ministry of Transport and Communications are unpaved. Not even main roadways are in good condition, and maintenance of the road network is inadequate. This has an enormous impact on both economic development in Kyrgyzstan and the lives of its citizens. Therefore, Japan began dispatching experts in 2008 to perform technical transfers via seminars, the creation of manuals, pilot projects, and other such activities. Through this technical cooperation project,

Japan aims to improve the skills of personnel at the Ministry of Transport and Communications and staff at road maintenance offices with regard to the improvement and maintenance of the road network. What is more, by combining this with grant aid projects for improving equipment —such as the Project for Improvement of the Equipment of Road Maintenance in Issyk-Kul and Chui Oblasts that has been carried out since FY2009—the expectation is that this will improve the road network in Kyrgyzstan, and by extension vitalize the Kyrgyz economy and improve the lives of its residents.

Chart III-13 Japan's Assistance in the Central Asia and the Caucasus Region



2009 (calendar year)

(Net disbursements, US\$ million)

		Grants				Loan aid				
Rank	Country or region	Grant aid		Technical cooperation	Total	Amount disbursed	Amount recovered	Total	Total	
			Grants provided through multilateral institutions							
1	Armenia	1.30	8.03	1.64	2.94	98.53	2.76	95.76	98.70	
2	Kazakhstan	0.57			4.94	5.51	57.87	26.25	31.62	37.13
3	Tajikistan	22.45			3.79	26.24				26.24
4	Uzbekistan	3.34			11.66	14.99	26.93	21.51	5.41	20.41
5	Kyrgyz Republic	5.54	0.55	10.14	15.68	2.39	0.32	2.07	17.75	
6	Georgia	14.06			1.03	15.09	0.00	2.78	-2.78	12.31
7	Turkmenistan				1.15	1.15		2.34	-2.34	-1.19
8	Azerbaijan	7.82			0.58	8.40	0.04	10.48	-10.43	-2.03
	Multiple countries in Central Asia and the Caucasus			3.24	3.24				3.24	
Central Asia and the Caucasus region total		55.09	8.58	38.17	93.26	185.75	66.44	119.31	212.56	

*1 Region classifications are determined by MOFA.

*2 Due to rounding, the total figure may not match the sum of each number.

*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.

4. Africa (Sub-Sahara)

Africa, in particular the Sub-Saharan African region located in the south of the Sahara Desert, continues to face serious poverty problems. The majority (33 of the 48 countries) of sub-Saharan countries in this region are considered least developed countries (LDCs), where nearly half of the population lives below the poverty line (approximately US\$1 per day). In addition, many countries in the region have serious problems that hinder development, including civil war and conflicts, refugees, famine resulting from drought, and epidemics of infectious diseases such as HIV/AIDS, requiring a significant amount of aid from the international community. Even when looking at discussions taking place in venues such as the United Nations Security Council and G8 Summits, it is apparent that these types of problems in Africa are of critical interest to the international community.

At the same time, Africa boasts copious natural resources and a beautiful natural environment, and thereby possesses great potential for economic growth through trade and investments as well as the promotion of tourism. Japan must continue to make appropriate contributions as a responsible member of the international community in order to assist Africa in achieving sustainable economic growth and to reduce poverty.

<Japan's Efforts>

Japan has proactively cooperated in undertakings led by African countries to address development issues through the Tokyo International Conference on African Development (TICAD), which bases itself on the fundamental principle of self-help efforts (ownership) conducted by African countries and cooperation by the international community (partnership). In May 2008, which marks 15 years since TICAD was launched in 1993, TICAD IV was held in Yokohama. In addition, in May 2010, the second TICAD ministerial-level follow-up meeting was held in Arusha, Tanzania. At this meeting, Japan once again indicated its resolve to uphold the promises it had announced at TICAD IV without fail, in response to which the other countries praised the degree to which the promises had been fulfilled. What is more,

at the G8 Muskoka Summit in June, Japan continued to introduce the results of the follow-up meeting. At the same time, it also communicated that it would double ODA to Africa, which was one of its pledges, while also strengthening assistance for the achievement of MDGs that are important to Africa.

>> For Japan's support through TICAD Processes, see [Section 1, Chapter 3, Initiatives through the TICAD Process](#).

Japan also contributes to initiatives to achieve peace and stability in the African region. For example, assistance to Sudan was taken up as one of the priority areas in TICAD IV. Moreover, assistance for the “consolidation of peace” that Japan emphasizes as an important pillar of its African policy serves as an example of this ([Note 34](#)). At the Third Sudan Consortium



State Secretary for Foreign Affairs Takeaki Matsumoto holding a meeting with Minister of Foreign Affairs and International Cooperation Phandu Tombola Chaka Skelemani of Botswana

Note 34 A civil war between the north and the south has persisted in Sudan since 1983. But a full-scale process for peace has been proceeding apace, as evidenced by the conclusion of the Comprehensive Peace Agreement (CPA) in January 2005 and the promulgation of an interim constitution. Yet scars from the civil war still remain, such as the internally displaced persons which number up to some 5 million people, the destruction of economic and social infrastructure, the proliferation of weapons and landmines, and the presence of a great many former soldiers. What is more, the activities of armed anti-government insurgents continue in the western Darfur region which, together with the government's suppression activities, serve as barriers to the development and stability of the region.

Conference held in Oslo in 2008, Japan announced assistance of US\$200 million for the immediate future, which was to be added on top of its assistance up to that point. This assistance bears in mind: (1) the balance between Southern and Northern Sudan, (2) transitioning from humanitarian assistance to reconstruction and development assistance in its assistance for Southern Sudan, and (3) reducing regional disparities. As of August 2010, assistance of approximately US\$220 million had been provided. In particular, the referendum inquiring issues like the independence of Southern Sudan scheduled for January 2011 represents the culmination

of the process of fulfilling the Comprehensive Peace Agreement (CPA). Taking this into consideration, Japan provided about US\$8 million in emergency grant aid for this referendum in support of the consolidation of peace in Sudan, ahead of the international community. Japan also proactively collaborates with international organizations and Japanese NGOs on measures like assistance for the return and reintegration of refugees, activities to clear landmines and unexploded ordnance and education for avoiding these explosives, medical assistance such as measures to combat infectious diseases in children, and food aid.

● Ethiopia: Project for Water Supply in Afar Region

Located about 250 km to the northeast of Ethiopia's capital city of Addis Ababa, the Afar Region is an area with scarce water resources that lies entirely within a desert zone. When Japan decided on the assistance project in 2007, the water supply rate for Ethiopia as a whole was roughly 31%, but in the Afar Region this was only 17%. In areas all over the region, women and children devoted a huge amount of effort to securing water, and there were outbreaks of health hazards due to the unsanitary water. Japan excavated and repaired wells in nine villages in the Afar Region, laid water transmission and distribution pipes, and installed a total of 28 public water faucets. This has reduced the burden of drawing water on women and children, and has made it possible for residents to have easy access to sanitary drinking water.



People from the Afar Region using one of the installed public water faucets

Chart III-14 Japan's Assistance in the African Region

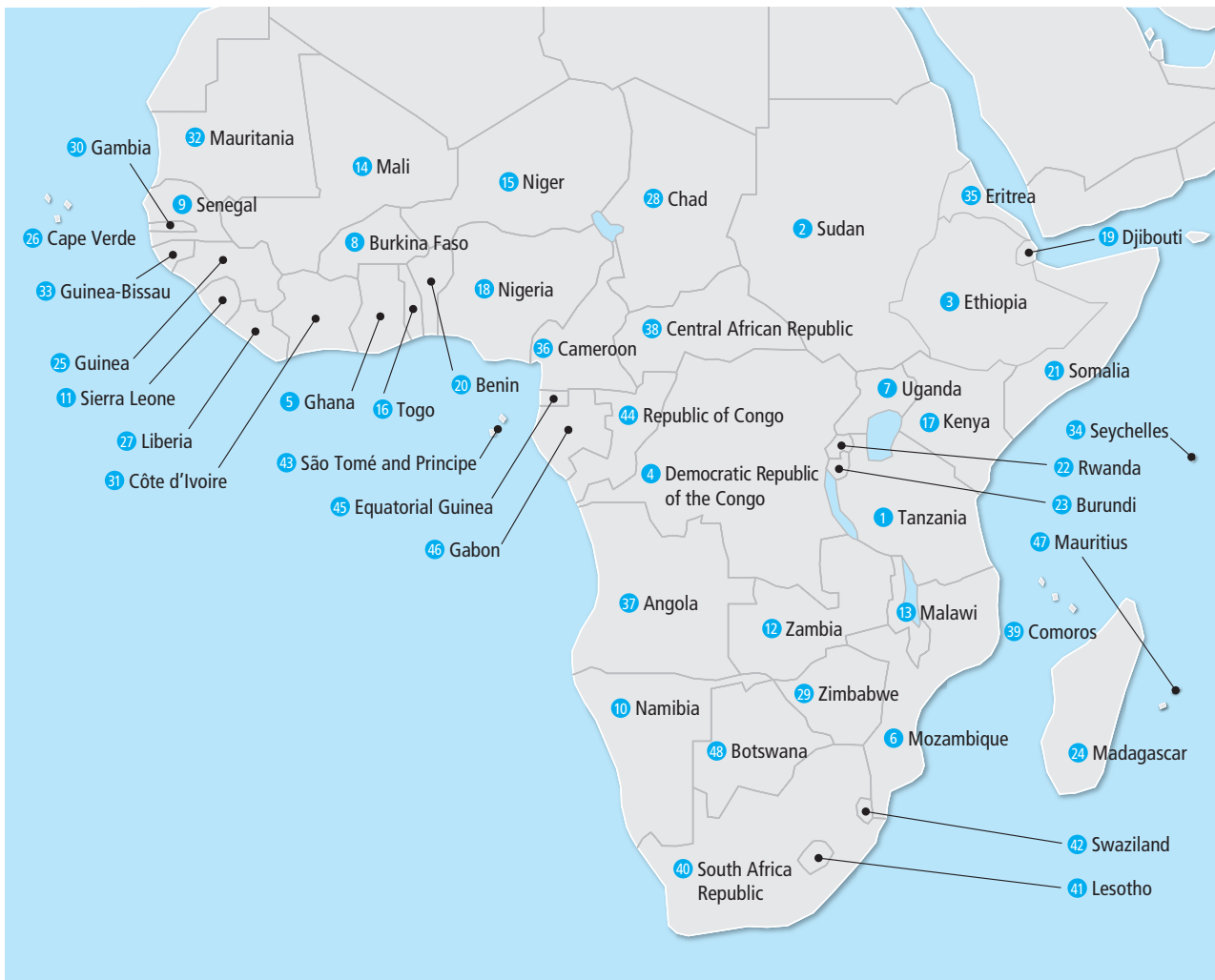


Chart III-14 Japan's Assistance in the African Region

2009 (calendar year)

(Net disbursements, US\$ million)

		Grants				Loan aid			
Rank	Country or region	Grant aid		Technical cooperation	Total	Amount disbursed	Amount recovered	Total	Total
			Grants provided through multilateral institutions						
1	Tanzania	48.68	4.11	23.22	71.91	48.56	0.00	48.56	120.46
2	Sudan	125.09	81.87	13.57	138.65		27.63	-27.63	111.03
3	Ethiopia	80.79	34.34	16.98	97.76				97.76
4	Democratic Republic of the Congo	54.62	35.77	13.08	65.70		0.00	0.00	65.70
5	Ghana	44.93	0.45	19.87	64.80				64.80
6	Mozambique	50.19	8.26	10.49	60.67		0.00	0.00	60.67
7	Uganda	23.16	11.75	24.24	47.40	6.64	0.00	6.64	54.05
8	Burkina Faso	37.84	1.00	11.93	49.77				49.77
9	Senegal	25.32		17.58	42.91	3.83	0.00	3.83	46.74
10	Namibia	0.14		3.54	3.68	36.14	0.00	36.14	39.82
11	Sierra Leone	31.95	6.15	5.50	37.44		0.00	0.00	37.44
12	Zambia	16.21	3.11	20.43	36.64	0.00	0.00	0.00	36.64
13	Malawi	18.98	6.00	16.82	35.80				35.80
14	Mali	32.80		2.71	35.51		0.00	0.00	35.51
15	Niger	23.91	4.00	11.15	35.06				35.06
16	Togo	20.96	4.90	0.24	21.21	14.85	1.96	12.89	34.09
17	Kenya	59.53	24.85	24.81	84.34	22.31	72.99	-50.68	33.66
18	Nigeria	24.56	8.81	4.33	28.88				28.88
19	Djibouti	26.52	2.14	2.30	28.82				28.82
20	Benin	19.34	2.00	6.51	25.84				25.84
21	Somalia	22.60	22.60	0.04	22.64		0.00	0.00	22.64
22	Rwanda	12.70	9.17	8.64	21.34				21.34
23	Burundi	52.36	9.21	3.95	56.31		35.89	-35.89	20.42
24	Madagascar	7.39	1.00	11.90	19.29	0.00	0.26	-0.26	19.03
25	Guinea	16.35	2.02	1.85	18.20		0.00	0.00	18.20
26	Cape Verde	14.63		1.75	16.38	1.49	0.00	1.49	17.87
27	Liberia	11.06	6.90	3.66	14.71		0.00	0.00	14.71
28	Chad	13.85	13.85	0.13	13.98				13.98
29	Zimbabwe	11.24	10.68	1.14	12.38		0.00	0.00	12.38
30	Gambia	10.48		0.91	11.39				11.39
31	Côte d'Ivoire	9.38	3.00	1.01	10.39		0.00	0.00	10.39
32	Mauritania	6.70	3.00	2.92	9.63				9.63
33	Guinea-Bissau	8.69	4.21	0.74	9.43				9.43
34	Seychelles	7.79		1.28	9.06				9.06
35	Eritrea	7.22	1.50	1.56	8.78				8.78
36	Cameroon	4.30	0.53	3.81	8.11	0.00	0.00	0.00	8.11
37	Angola	3.37	1.00	3.39	6.76				6.76
38	Central African Republic	4.70	4.50	0.16	4.87	1.21	0.00	1.21	6.08
39	Comoros	5.11		0.20	5.30				5.30
40	South Africa Republic	0.43		5.24	5.68		1.01	-1.01	4.67
41	Lesotho	2.33	2.03	0.24	2.56				2.56
42	Swaziland	0.19		0.99	1.19		0.00	0.00	1.19
43	São Tomé and Príncipe	0.21		0.21	0.42				0.42
44	Republic of Congo			0.38	0.38				0.38
45	Equatorial Guinea			0.10	0.10				0.10
46	Gabon	0.13		4.85	4.97		4.89	-4.89	0.08
47	Mauritius	0.21		1.06	1.27		3.34	-3.34	-2.07
48	Botswana	0.22		1.99	2.22		4.83	-4.83	-2.61
	Multiple countries in Africa	14.94	14.94	17.74	32.67	77.75	0.00	77.75	110.42
African region total		1,012.13	349.65	331.11	1,343.24	212.78	152.79	59.98	1,403.22

*1 Region classifications are determined by MOFA.

*2 Due to rounding, the total figure may not match the sum of each number.

*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.

5. Middle East

The Middle East is a major energy supplying region which accounts for about 60% of the world's oil deposits and about 40% of its natural gas deposits. It also occupies a strategic position for transport, such as major maritime shipping routes which connect Asia and Europe. For these reasons, the stability of the Middle

East is extremely important for the global economy. Japan is dependent on this region for approximately 90% of its oil resources, and major sea trading routes linking Japan with Europe pass through the region as well. As such, it is an exceptionally critical region for Japan's economic and energy security as well.

<Japan's Efforts>

In the Middle East there are countries and regions with difficult security situations where living and social infrastructure has been destroyed due to the fact that peace within the region has largely gone unrealized. These include the Palestine issue, as well as Iraq, Afghanistan, and others. Such conditions not only impoverish the economies and societies within these countries and regions, but threaten the stability of the Middle East as a whole. Moreover, these are also problems which could potentially impact the peace and stability of the international community as a whole. The international community's concerted assistance is of the utmost importance when it comes to achieving sustainable peace and stability in these countries and regions, as well as their nation building and national reconstruction. The realization of peace and stability in Afghanistan and Iraq and the achievement of Middle East peace is an issue that is incumbent upon the peace and stability of the international community as a whole. In addition, Japan also recognizes that they carry enormous significance in terms of the realization of "human security" and "peacebuilding," which are a basic principle and priority issue, respectively, of Japan's ODA Charter. As such, Japan deploys proactive assistance by collaborating with the international community.

As the Middle East includes high-income oil-producing countries as well as LDCs, the economic situation of each country is diverse. What is more, the soaring oil prices that have been seen in recent years

have a tendency to usher in economic imbalances within the region. As an example, while oil-producing countries receive the benefits of these price hikes, they lead to steep jumps in prices — including the price of fuel — in non-oil-producing countries. In order to alleviate this, economic and social infrastructure development and poverty policies are indispensable in low and medium-income countries.

However, to date even the oil-producing countries at a relatively high-income level have had monoculture economies that are dependent on oil. Because of this, they have not adequately nurtured industries to absorb the increasing labor population. There are concerns that future rises in the unemployment rate will serve as a potential destabilizing factor, and human resource development also poses an important challenge. In addition, since most of the Middle East region belongs to a desert climate region, it is vulnerable to the global-level challenge of climate change. The issue of water resource in particular is a crucial challenge that will impact the stability of the region.

Japan cooperates on the construction of stable economic foundations by weaning oil-producing countries away from their oil dependent economies. It does this by promoting the diversification of industry while having them continue with favorable economic development. On the other hand, Japan works to reduce poverty in low and middle-income countries that lack oil and other natural resources, and has resolved to provide

support in a continuous manner for their sustainable economic growth. What is more, the management of valuable water resources is an important challenge shared by the countries of the Middle East region which could potentially impact regional stability. On the whole, Japan focuses on the following points with the aim of strategically narrowing the focus down to support sectors and targets in each country. As such, it proactively provides support for creating an environment for the economic and social stability of the Middle East region and for achieving Middle East peace.

- (1) Peacebuilding support (Iraq, Afghanistan, Palestine)
- (2) Cooperation to support the Middle East peace process (assistance for Palestine, assistance for the surrounding Arab countries)
- (3) Democratization support
- (4) Support for economic and social infrastructure development and poverty countermeasures in low and middle income countries

- (5) Support for measures to combat terrorism and for security
- (6) Support for water resource management
- (7) Support for human resource development that is consistent with the needs of each country and region

Japan has proactively worked to provide support for Iraq, such as through ODA of up to US\$5 billion and approximately US\$6.7 billion worth of debt relief. For Afghanistan, Japan announced its new strategy for dealing with the threat of terrorism in November 2009. Japan announced that it would provide support on a scale of up to a maximum of about US\$5 billion for roughly five years starting from 2009 in accordance with the future situation in Afghanistan. Through this, the total value of the announced contributions came to US\$6.5 billion.

>> For Japan's support for Afghanistan, Iraq, and Palestine, see [Section III, Chapter 2, Section 2, 4. Peacebuilding](#).

● Iraq: Project for Construction of Diesel Power Station in Samawah

As of the beginning of 2004 there were no power stations within the Al-Muthanna Governorate in southern Iraq, and the governorate was dependent on transmissions of electricity from other governorates for its supply of electricity. Compared to the demand for electricity within the governorate of roughly 200MW, the supply was only around 40 to 50MW. Because of this, chronic power outages lasting for long periods of time occurred in the governorate, which posed a major hindrance to civic life. Therefore, Japan responded to a request from the Iraqi Ministry of Electricity to provide grant aid totaling approximately ¥12.7 billion. A 60MW (four 15MW plants) diesel power station that uses the heavy oil refined at a nearby oil refinery as its fuel, was constructed in the city of Samawah. This power station began supplying power in January 2009, which more than doubled the electricity that had previously been supplied within the governorate, augmenting this to half of the electricity supplied within the governorate as a whole. As such, the project has contributed to assistance for the reconstruction of Samawah.



The diesel power station that was constructed

Electricity Supply and Demand Status in the Governorate of Al-Muthanna

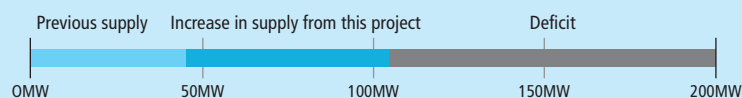


Chart III-15 Japan's Assistance in the Middle East Region



2009 (calendar year)

(Net disbursements, US\$ million)

2005 (calendar year)		Grants				Loan aid			Total
Rank	Country or region	Grant aid		Technical cooperation	Total	Amount disbursed	Amount recovered	Total	
			Grants provided through multilateral institutions						
1	Turkey	1.80		8.29	10.10	388.24	187.59	200.65	210.75
2	Afghanistan	141.65	114.45	28.90	170.54				170.54
3	Morocco	4.77		8.12	12.88	125.79	40.75	85.05	97.93
4	[Palestinian Authority]	62.61	31.17	14.08	76.69				76.69
5	Yemen	33.92	5.98	5.06	38.98		1.77	-1.77	37.21
6	Iraq	3.11	0.05	8.22	11.33	16.79	0.00	16.79	28.12
7	Tunisia	0.19		5.97	6.15	76.41	68.15	8.26	14.41
8	Lebanon	0.54		0.21	0.75	10.24	7.54	2.71	3.46
9	Algeria			1.39	1.39	0.47	0.00	0.47	1.86
10	Oman			0.70	0.70				0.70
11	Libya			0.08	0.08				0.08
12	Iran	2.79	2.66	6.37	9.15		26.56	-26.56	-17.41
13	Egypt	23.55		22.75	46.30	107.42	172.53	-65.11	-18.81
14	Syria	10.28	4.16	12.23	22.50		76.96	-76.96	-54.45
15	Jordan	30.29		10.84	41.13	4.05	102.56	-98.51	-57.37
	Multiple countries in Middle East	0.06	0.06	1.51	1.58				1.58
	Middle East region total	315.92	158.59	139.73	455.65	729.42	684.40	45.02	500.67

*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 each number.

*4 Figures in parentheses do not include debt cancellation.

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

6. Latin America and the Caribbean

Latin America and the Caribbean boast a population of 570 million with a large market of US\$4.2 trillion in regional gross production. The region is also increasing its presence within the international community through the establishment of democracy and continuing stable growth, in addition to its role as a provider of minerals and energy resources, such as steel, copper, silver, rare metals, crude oil, natural gas, biofuels, as well as food

resources. The average income level of countries in the region is comparatively high compared to other ODA recipient countries; however, a characteristic of this region is the marked domestic disparity between the rich and poor classes and continued existence of poverty. Moreover, efforts to address climate change have also become important as the region has an abundance of nature, including the Amazon Rainforest.

<Japan's Efforts>

Japan and the countries of Latin America have traditionally created a friendly relationship, and through ODA, Japan provides support for meeting their challenges such as creating a foundation for sustainable growth, assistance for reducing poverty and redressing disparity, support for the consolidation of peace, and South-South Cooperation. Japan's assistance for sustainable growth in the region consists of activities such as infrastructure development and cultivating small to medium-sized private enterprises. In addition, Japan also provides assistance in such social development sectors as health and medical care, education, and community development in order to tackle poverty and income disparity, which are historical issues of the region. Japan also supports the consolidation of peace in areas such as Haiti, the poorest country in the Western Hemisphere, and Colombia, which faces the issue of maintaining peace with antigovernment forces.

As for common development issues throughout the Latin America and Caribbean region, Japan creates region-wide projects while working together with regional communities such as the Sistema de la Integración Centroamericana (SICA), Mercado Común del Sur (MERCOSUR), and the Caribbean Community (CARICOM) in order to implement more effective and efficient assistance policies. Many years of continued economic cooperation disbursements by Japan have also

allowed it to partner with Chile, Brazil, Argentina, and Mexico — which have all reached a level where they can provide assistance to third-countries — to conduct such efforts as third-country training and dispatching third-country experts in Latin American and African countries. In particular, Japan works together with Brazil in order to promote agricultural development projects in Mozambique.

In addition to deforestation and degradation in the Amazon, other environmental problems are worsening in Latin America and the Caribbean, such as the growing hole in the ozone layer, declining glaciers in the Andes caused by climate change, and frequent natural disasters such as hurricanes. Japan provides assistance for natural environment conservation and disaster prevention in order to restrain these problems and mitigate their impacts.

Japan works to spread the Japanese standard of digital broadcasting (ISDB-T) in cooperation with the Japanese public and private sectors. Particularly in Latin America, this standard has been spreading. Brazil adopted the standard in 2006. Then, as the result of the collaboration with Brazil on this matter, Peru, Argentina, Chile, and Venezuela made the decision to introduce this standard in 2009, followed by Ecuador, Costa Rica, Paraguay, Bolivia, and Uruguay in 2010. The promotion of Japanese digital broadcasting helps to

improve regional broadcasting media, and the diffusion of Japanese standards can also help Japanese enterprises enter overseas markets. Japan supports these countries through technology transfer and human resource development.

Moreover, Haiti suffered massive damage from an earthquake that occurred in January 2010. In response to this, Japan dispatched Japan Disaster Relief Teams and Self-Defense Force units immediately after the earthquake hit; provided assistance in the health and medical sectors through international organizations; supplied food, water, and shelter; and provided assistance to the victims through Japanese NGOs. Moreover, with a view to medium to long-term reconstruction assistance, Japan utilizes its experience and knowledge as a country that has been the victim of earthquake disasters. For the national reconstruction of Haiti, Japan provides assistance that focuses mainly on the areas of education and human resource development, health and medical care, and food and agriculture.

>> Japan's emergency Assistance to Haiti, see [page 73](#).

In addition, Japan supplied emergency relief goods such as generators and tents to Chile, which suffered damage from an earthquake that struck in February 2010. It also supplied emergency grant aid, such as medical equipment and temporary hospital facilities.



Medical technician examining the heart functions using an echocardiogram
(Photo: JICA)

● Nicaragua: Project for Construction of the Santa Fe Bridge

Nicaragua is located roughly in the center of the Central American region, which seeks to enhance regional economic integration, and constitutes a critical passageway for the migration of people and goods within the region. But the development of the road network within the country is still inadequate, and its major thoroughway connecting it to its southern neighbor of Costa Rica is overly dependent on the route on the Pacific Ocean side. Therefore, Japan is moving forward with the construction of the Santa Fe Bridge near the border with Costa Rica in order to

promote the development of a route on the Caribbean Ocean side through grant aid that is limited to ¥2,753 million. To date, Japan has supported the construction of bridges in Nicaragua, and has played a major role in stimulating the economy of Central America as a whole and improving the lives of the residents. Not only that, such bridges have received widespread high praise from the residents, such as for their high level of safety in terms of not sustaining any injuries from Hurricane Mitch, which brought about massive damage in 1998.

Chart III-16 Japan's Assistance in the Latin America and the Caribbean Region



2009 (calendar year)

(Net disbursements, US\$ million)

RankCountry or region		Grants				Loan aid			Total
		Grant aid		Technical cooperation	Total	Amount disbursed	Amount recovered	Total	
			Grants provided through multilateral institutions						
1	Costa Rica	0.81		6.53	7.33	61.64	10.68	50.96	58.29
2	Honduras	31.03		10.69	41.72				41.72
3	Paraguay	2.67		16.26	18.93	63.34	44.96	18.37	37.31
4	Panama	1.33	0.32	6.72	8.05	32.95	7.49	25.45	33.51
5	Bolivia	16.33	4.82	16.14	32.47		0.69	-0.69	31.78
6	Guatemala	1.19		10.01	11.20	23.01	8.24	14.77	25.97
7	Haiti	24.45	2.39	0.39	24.84				24.84
8	Nicaragua	7.10	5.35	10.29	17.39				17.39
9	Argentina	0.03		11.52	11.55	0.00	2.55	-2.56	9.00
10	Chile	1.00		9.12	10.12	0.00	2.22	-2.22	7.90
11	Saint Lucia	5.01		1.39	6.40				6.40
12	Guyana	3.99	0.23	0.65	4.64				4.64
13	Commonwealth of Dominica	3.31		1.15	4.46				4.46
14	Saint Vincent and the Grenadines	2.78		0.89	3.67				3.67
15	Cuba	0.85		2.77	3.63				3.63
16	Uruguay	0.81		3.69	4.50		2.07	-2.07	2.43
17	Venezuela	0.38		1.74	2.13				2.13
18	Belize	0.11		1.59	1.70				1.70
19	Antigua and Barbuda	0.00		0.97	0.97				0.97
20	Grenada	0.11		0.57	0.68				0.68
21	Suriname	0.21		0.05	0.26				0.26
22	Dominican Republic	0.26		10.64	10.89		10.66	-10.66	0.23
23	Trinidad and Tobago	0.08		0.00	0.08				0.08
24	Barbados			0.04	0.04				0.04
25	Saint Christopher and Nevis			0.03	0.03				0.03
26	El Salvador	4.07		10.21	14.28	2.89	20.99	-18.10	-3.82
27	Jamaica	0.15		3.58	3.74	10.32	19.31	-8.99	-5.25
28	Colombia	5.15	0.37	6.62	11.77		18.47	-18.47	-6.69
29	Ecuador	5.44		9.31	14.75		26.51	-26.51	-11.76
30	Mexico	2.04		13.66	15.70	8.23	54.64	-46.41	-30.71
31	Peru	1.47	0.33	10.87	12.34	123.27	172.39	-49.12	-36.77
32	Brazil	2.17	0.47	23.69	25.86	69.18	188.25	-119.07	-93.21
	Multiple countries in Latin America and the Caribbean	0.05	0.05	11.71	11.75				11.75
Latin America and the Caribbean region total		124.37	14.33	213.51	337.87	394.83	590.12	-195.29	142.58

*1 Region classifications are determined by MOFA.

*2 Due to rounding, the total figure may not match the sum of each number.

*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.

7. Oceania

Japan and the Pacific island countries and regions are neighbors sharing the Pacific Ocean. They have strong historical ties. Having an immense Exclusive Economic Zone (EEZ), these countries and regions provide strategic sea lanes for maritime transportation and an important ground for Japan's deep-sea fishery industry. Therefore, sustainable peace and prosperity in this region are extremely important for Japan.

Many Pacific island countries have achieved independence relatively recently. It is crucial for them to become socially and economically self-reliant states. There are a number of difficulties which island countries and regions face in particular, such as small-scale economies, dependence on primary industries, geographic dispersion, lack of easy access to international markets, vulnerability to natural disasters, and the risk of losing



Minister for Foreign Affairs Seiji Maehara, Chair of the PALM Ministerial Interim Meeting

land territory. Furthermore, the region faces problems relating to democratization, such as political change in Fiji.

Based on such circumstances, and as a friendly partner of Oceanian countries and regions, Japan provides assistance taking into account the individual situations of each country and region.

<Japan's Efforts>

To achieve political stability and independent 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 and regions. The Japan-PIF Summit Meeting, a leaders' meeting of Japan and the PIF countries, has been held once every three years since 1997.

In May 2009, the 5th Japan-PIF Summit Meeting was held in Tomamu, Hokkaido, where Japan pledged assistance totaling approximately ¥50 billion up until

the next Summit Meeting scheduled for 2012. In the sectors of environment and climate change, which is one of the three pillars of this assistance, Japan proposed the Pacific Environment Community (PEC), which is a framework where Japan and Pacific island countries work together. Japan also provides assistance to Pacific island countries and regions from the perspective of human security in order to support them in overcoming vulnerabilities. Moreover, in order to enhance human exchanges Japan will implement the Kizuna Plan, which includes youth exchanges between Japan and Pacific island countries and regions of over 1,000 people for the

ensuing three years beginning in 2009.

When the 40th PIF General Meeting was held in Cairns, Australia in August 2009, the Cairns Compact was adopted with the goal of promoting aid coordination for the development of the PIF member countries and regions. Japan also contributes to the promotion of aid coordination for the realization of effective and efficient development in the Oceanian region, such as the Cairns Compact.

The island countries and regions 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, Japan provides regional cooperation not only to each individual country, but also to the entire Pacific region, taking into account region-wide benefits. For instance, Japan provides grant aid to help build a center at the University of the South Pacific (USP) in Fiji that carries out research on areas such as information and communications technology, and provides related machinery and equipment for the center. In addition, through assistance for developing distance learning network facilities for USP, Japan provides the people in the Pacific island countries and regions with a wide range of opportunities to receive secondary education. Japan also contributes to resolving the Oceanian region's

environmental problems through dispatching experts to the South Pacific Regional Environmental Programme (SPREP), a regional international agency in Samoa, providing training for waste countermeasures, and assisting in the preparation of a waste countermeasures master plan.

Japan also takes part in various regional undertakings in measures against infectious diseases. For instance, in order to strengthen vaccination projects in the region, 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. Therein, assistance is provided to improve the rate of immunization against measles and Type-B hepatitis.

Regarding its collaboration with international organizations, under the framework of the Accelerated Co-Financing scheme with ADB (ACFA), Japan provided Samoa with an ODA loan in December 2007. This loan encompassed the building and repairing of efficient power plants, disaster countermeasures by laying power lines underground, and upgrading to high-efficiency power lines.

● Palau: Project for Introduction of Clean Energy by Solar Electricity Generation System

Palau is dependent on diesel power generation for the majority of its major sources of power. Since the country covers all of the fuel (crude oil) supplies through imports, it is greatly affected by fluctuations in the international price of crude oil. Moreover, the rise in the amount of crude oil consumed in recent years has brought about a rise in emissions of carbon dioxide. For this reason, lessening the dependence on diesel power generation represents a pressing issue.

Through a grant aid of about ¥480 million, Japan has provided equipment and machinery related to solar power generation and made efforts to replace some of the diesel power generation with renewable energies. Doing so will reduce the amount of fuel for diesel power generation that is consumed, while also cutting back on emissions of carbon dioxide. The project is also expected to mitigate the degree of dependence on imported fuels and increase the independence of the state.

Chart III-17 Japan's Assistance in the Oceanian Region



2009 (calendar year)

(Net disbursements, US\$ million)

		Grants				Loan aid			
Rank	Country or region	Grant aid		Technical cooperation	Total	Amount disbursed	Amount recovered	Total	Total
			Grants provided through multilateral institutions						
1	Fiji	17.33	16.44	7.20	24.53		1.30	-1.30	23.23
2	Samoa	10.36		4.12	14.48	1.49	0.00	1.49	15.97
3	Vanuatu	9.45		3.62	13.07				13.07
4	Tonga	8.72		3.00	11.72				11.72
5	Micronesia	5.57		3.81	9.38				9.38
6	Tuvalu	7.81		0.77	8.58				8.58
7	Marshall Islands	5.96		2.34	8.30				8.30
8	Kiribati	4.28		2.51	6.79				6.79
9	Palau	3.25		2.82	6.07				6.07
10	Solomon Islands	1.64		4.33	5.98				5.98
11	Nauru	2.14		0.33	2.47				2.47
12	[Niue]			0.07	0.07				0.07
13	[Cook Islands]			0.05	0.05				0.05
14	Papua New Guinea	5.54	0.64	6.95	12.48		16.64	-16.64	-4.16
	Multiple countries in Oceania			4.37	4.37	0.00	0.00	0.00	4.37
Oceania region total		82.06	17.09	46.29	128.35	1.49	17.94	-16.45	111.89

*1 Region classifications are determined by MOFA.

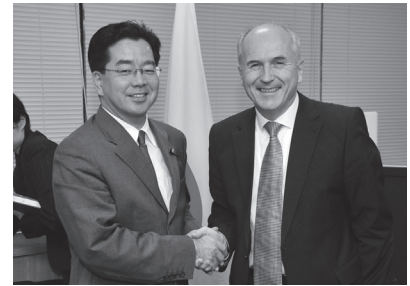
*2 Due to rounding, the total figure may not match the sum of each number.

*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.

8. Europe

The majority of the countries in the Central and Eastern European, Baltic, and former Soviet Union European region, which had formerly been under communist systems, have thereafter achieved democratization and liberalization. They are currently working to address economic development grounded in market economies underneath democratic administrations. Japan has provided assistance for efforts such as transitioning to market economies, the reconstruction of economic infrastructure, and initiatives for environmental issues. This is done for the sake of further stability and development in these regions and in Europe as a whole, as well as to create relationships wherein universal values (human rights, democracy, the market economy, and the rule of law) can be shared.



Courtesy call to State Secretary for Foreign Affairs Yutaka Banno by High Representative for the Implementation of the Peace Agreement on Bosnia and Herzegovina Valentin Inzko

<Japan's Efforts>

The European region is growing increasingly diverse in terms of its levels of economic development in each country and region. This includes the countries that achieved EU membership in May 2004 (Poland, Czech Republic, Hungary, Slovenia, Slovak Republic, Malta, the three Baltic countries, and Cyprus), and Romania and Bulgaria which joined the EU in January 2007. There is also Croatia and the former Yugoslav Republic of Macedonia, which continue to undertake reform efforts in aiming for early membership in the EU. Bosnia and Herzegovina, Albania, and Serbia are moving from the reconstruction to the development stage despite having suffered the effects of ethnic conflict and domestic turmoil. Montenegro and Kosovo have achieved independence in recent years and are working to address development geared towards nation-building. In addition, there are the former Soviet Union countries of Ukraine and Moldova, in which the development of market economy systems have been delayed.

Reforms had fallen into arrears in the Western Balkan countries of mainly the former Yugoslavia due to the effects of the conflict that occurred in the 1990s. But due to assistance from donor countries, international organizations, and others, as well as the their own reform efforts, the Western Balkan countries have graduated from the stage of requiring reconstruction

assistance and are currently at the stage of requiring assistance for sustainable economic development. Japan has deployed assistance with the three main pillars of the “consolidation of peace,” “economic development,” and “regional cooperation” from the Ministerial Conference on Peace Consolidation and Economic Development of the Western Balkans, which was held jointly in 2004 by Japan and the EU, as its priority areas for assistance. Japan also continues to provide assistance with the “consolidation of peace and ethnic collaboration” and “countermeasures for environmental and climate change issues” as its particular priority policies. The former Soviet states of Ukraine and Moldova have geopolitical importance in the sense that they are situated between Russia and the EU. The stability and sustainable development of these countries are indispensable for the stability of Europe as a whole. From this standpoint, Japan assists with efforts aimed at consolidating democracy and establishing market economies.

Countries that were former recipients of Japanese ODA, excluding Romania and Bulgaria, are no longer recipients of Japanese ODA as of their accession to the EU, and have begun to fulfill their international role as ODA providing countries. Japan therein conducts efforts to share its experiences as an ODA providing country.

● Bosnia and Herzegovina: Ugljevik Thermal Power Plant Flue Gas Desulphurization Equipment Construction Project

In Bosnia and Herzegovina, priority was given to the development of highly urgent sectors during the post-conflict reconstruction period, and so environmental countermeasures have fallen behind. The Ugljevik Thermal Power Plant is a power plant that is indispensable for the stable supply of electric power in Bosnia and Herzegovina. On the other hand, its emissions of SO₂ (sulfur dioxide) are among the worst levels of the thermal power plants in Bosnia and Herzegovina, and the need for it to strengthen initiatives for environmental conservation has been pointed out. Therefore, through an ODA loan worth approximately ¥12.6 billion, Japan installed an exhaust gas desulphurizer and upgraded the related equipment. Through this, Japan supports substantial reductions in emissions of SO₂ and dust, as well as environmental improvements in Bosnia and Herzegovina.



Panoramic view of the Ugljevik Thermal Power Plant
(Photo: JICA)

Chart III-18 Japan's Assistance in the European Region



2009 (calendar year)

(Net disbursements, US\$ million)

2005 (calendar year)		Grants				Loan aid			Total
Rank	Country or region	Grant aid		Technical cooperation	Total	Amount disbursed	Amount recovered	Total	
			Grants provided through multilateral institutions						
1	Ukraine	2.81	0.34	1.90	4.71	57.14	0.00	57.14	61.85
2	Former Yugoslavia Republic of Macedonia	0.09		2.76	2.85	21.30	0.00	21.30	24.15
3	Bosnia and Herzegovina	1.84		4.54	6.39	0.00	1.44	-1.44	4.95
4	Serbia	1.14		2.60	3.74				3.74
5	Moldova	2.43		0.64	3.07				3.07
6	Montenegro	0.08		2.42	2.50				2.50
7	Belarus	0.47		0.11	0.57				0.57
8	Kosovo			0.15	0.15				0.15
9	Croatia	0.38		0.28	0.66		1.32	-1.32	-0.66
10	Albania	0.13		1.50	1.63		3.64	-3.64	-2.01
	Multiple countries of the former Yugoslavian countries								
	Multiple countries in Europe			1.07	1.07				1.07
European region total		11.74	0.39	23.04	34.78	165.43	43.75	121.68	156.46

*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 each number.

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

*5 Aid to Serbia includes aid to Kosovo, which became independent in February 2008.