

CHAPTER 1

OVERVIEW:
THE INTERNATIONAL SITUATION AND
JAPANESE DIPLOMACY IN 2002

THE INTERNATIONAL SITUATION IN 2002

The year 2002 was a year in which the international community, including Japan, faced major challenges on various issues and strived to strengthen cooperation within the international community in order to deal with the challenges in an appropriate manner.

(a) The Fight against Terrorism and Efforts to Prevent the Proliferation of Weapons of Mass Destruction and Their Delivery Vehicles

The terrorist attacks in the United States (US) on September 11, 2001 had a significant impact on the international community and freshly raised a strong awareness that terrorism poses a grave threat to the peace and stability of the entire international community. Since then, countering international terrorism has become a matter of utmost importance for the international community. Throughout 2002, the international community advanced international cooperation in a wide range of areas to engage in the fight against terrorism, and steadily developed counter-terrorism networks. These include the military campaign by the US-led coalition forces to eliminate terrorists in Afghanistan and elsewhere; the strengthening of the legal framework including the concluding of international counter-terrorism conventions, measures against the financing of terrorism and immigration control; and assistance to enhance the capacities of developing countries to combat terrorism (capacity-building). However, the threat of terrorism still remains serious, as demonstrated by a series of terrorist attacks that occurred in the second half of 2002, including the bombing incidents on the island of Bali, Indonesia and in Mindanao, Philippines, the seizure of a theater in Moscow and the terrorist attacks in Kenya. Sustained efforts are needed in the long-term to eradicate completely the threat of terrorism and to create an environment in which people of the international community can live without fear.

The proliferation of weapons of mass destruction (WMDs) and their delivery vehicles is one of the issues that the international community has been united in its efforts to tackle the problem for many years. Since the terrorist attacks in the US, concerns have especially

grown stronger over the possible possession and use of WMDs and their delivery vehicles by terrorist organizations, for the concept of deterrence is considered unlikely to have a meaningful effect on such groups. Based on the recognition of the urgent need for the international community to strengthen the efforts to prevent the proliferation of WMDs and their delivery vehicles, together with the view to countering terrorism, the G8 Global Partnership against the Spread of Weapons and Materials of Mass Destruction (G8 Global Partnership) was agreed at the G8 Kananaskis Summit held in June 2002. Under the initiative, the G8 members will support cooperation projects, initially in Russia, aimed at preventing the outflow of WMDs, and will raise up to US\$20 billion to support such projects over the next ten years. Various coordination efforts are now under way toward the specific implementation of these projects. In another development, the International Code of Conduct against Ballistic Missile Proliferation (ICOC) was launched in November 2002.

In the Middle East region, which is another destabilizing factor for the international community, the situation regarding the Middle East peace process has further deteriorated, and tension has also built up over the problem of Iraq's development and possession of WMDs and their delivery vehicles.

Following the clashes of September 2000, the peace process in the Middle East has slipped into a vicious circle of violence with the Israeli military incursion into the Palestinian Autonomous Areas, on the one hand, and terrorist attacks by the Palestinian extremists, on the other. This has cost more than 2,300 lives and has had a devastating impact on the economy and daily life of both sides. Various efforts were made on the part of the international community to bring about a ceasefire, including the adoption of the Arab peace initiative proposed by His Royal Highness Crown Prince Abdullah Bin Abdul-Aziz of Saudi Arabia, the on-site mediation efforts by US Secretary of State Colin Powell and US President George W. Bush's speech outlining a new Middle East peace policy. Yet none of these efforts could lead to a ceasefire.

As for the problem of Iraq's development and

possession of WMDs and their delivery vehicles, the situation has persisted in which Iraq continues to disregard the relevant United Nations (UN) Security Council resolutions, and the international community has been unable to grasp the situation in Iraq since the inspectors of the United Nations Special Commission (UNSCOM) and the International Atomic Energy Agency (IAEA) left the country in December 1998. Following the September 11 terrorist attacks in the US, against the backdrop of the renewed and redoubled awareness of the danger posed by the possible possession and use of WMDs and their delivery vehicles by terrorist organizations and the so-called “states of concern” feared to be implicated in the proliferation of WMDs and their delivery vehicles, in January 2002, US President Bush branded Iraq, together with North Korea and Iran, as an “axis of evil,” and pointed out the danger of the possible use of WMDs and their delivery vehicles by the Saddam Hussein regime. The situation surrounding Iraq has become once again tense, and after the international community exerted strong pressure upon Iraq to provide full cooperation for immediate, unconditional and unlimited inspections and to comply with all the relevant UN Security Council resolutions including those concerning the disposal of WMDs and their delivery vehicles, in September, Iraq finally announced it would accept UN inspections. Following the adoption of UN Security Council resolution 1441 on November 8, an advance team of the United Nations Monitoring, Verification and Inspection Commission (UNMOVIC) and the IAEA entered Baghdad and, on November 27, resumed inspections for the first time in four years. However, the inadequate level of Iraqi cooperation led the US, United Kingdom (UK) and Spain to submit a new draft resolution on February 24, 2003, which was further revised on March 7. Discussions on the revised draft resolution took place in the Security Council, but following the summit meeting among the US, UK, Spain and Portugal on March 16, US Secretary of State Powell announced the next day that they had decided not to request the Security Council to vote on the revised draft resolution, which was followed by a speech by US President Bush delivering an ultimatum to Iraqi President Saddam Hussein to leave Iraq within 48 hours or face a military conflict (as of March 18, 2003).

(b) Notable Developments in the International Strategic Environment

In 2002, there were substantial developments in relations among major countries, and especially after the terrorist attacks in the US, the international community has built close cooperative ties given the need to deal with the threat of terrorism by Islamic extremists and others. In particular, Russia further strengthened its cooperative ties with the US and European countries. Russia’s calm reaction to the US announcement in December 2002 that it would withdraw from the Anti-Ballistic Missile (ABM) Treaty, the signing by both the US and Russia of the Treaty on Strategic Offensive Reductions (“Moscow Treaty”) and the announcement of the Joint Declaration on the New Strategic Relationship during US President Bush’s visit to Russia in May 2002, as well as the establishment of the NATO-Russia Council (NRC) clearly demonstrate the strengthened partnership between Russia, the US and European countries. US-China relations also improved significantly following the terrorist attacks in the US and, furthermore, relations between the US and the South and Central Asian countries that played an important role in the execution of the military operation in Afghanistan have become close. However, by the beginning of 2003, differences have emerged among major countries on how to respond to the Iraqi problem.

In Europe, substantial progress was seen in the process of European integration as the enlargement of both the European Union (EU) and the North Atlantic Treaty Organization (NATO) was decided. As for the EU, the single currency, the euro, was actually put into circulation from the beginning of 2002, and at the Copenhagen European Council held in December, it was officially decided that ten candidate countries mainly from Central and Eastern Europe would join the EU in 2004. As for NATO, following the establishment of the NRC in May, NATO decided in November to invite seven Central and Eastern European countries to become members of the organization in an effort to evolve itself so as to respond appropriately to changes in the international situation.

(c) Global Economic Trends and Efforts toward Sustainable Development

In regard to the global economy, the challenge toward

the realization of sustainable growth continued in 2002. The US economy, impacted by the September 11 terrorist attacks, showed signs of recovery by the end of 2001 and, as a result, the global economy as a whole took an upward turn in the beginning of 2002. However, the momentum of the US economic recovery later weakened and the recovery of the global economy during 2002 was moderate. On the other hand, the international community has been working on measures to realize the sustained growth of the global economy, including the launching of the new round of the World Trade Organization (WTO) multilateral trade negotiations in January 2002 following the agreement at the Fourth WTO Ministerial Conference in Doha, Qatar in November 2001. The negotiations on the expansion of global trade through further trade liberalization and improvement and formulation of trade rules are due to be completed by January 1, 2005. In addition, recent years have seen active trends toward the conclusion of free trade agreements (FTAs) in such regions as Europe, North America, Latin America and the Caribbean to complement and strengthen the multilateral free trade system centered on the WTO.

Globalization, in essence, can benefit all countries and peoples by further promoting the efficiency of economic activities, but it also has negative aspects such as widening the gap between rich and poor. In this regard, the international community has engaged in active efforts to realize sustainable development and to ensure that all members of the international community, including developing countries, can appropriately share in the benefits of globalization, which is also relevant to the efforts not to create hotbeds of terrorism.

As for development issues, the international community has been working toward the achievement of the Millennium Development Goals¹ adopted by the UN in 2000. To this end, a series of international conferences was held, including the International Conference on Financing for Development held in Monterrey, Mexico in March, the G8 Kananaskis Summit held in Canada in June, and the World Summit on Sustainable Development (the “Johannesburg Summit”) held in Johannesburg, South Africa from the end of August to the beginning of September. The future orientation

toward the realization of sustainable development was laid out by the two documents adopted at the Johannesburg Summit: the “Plan of Implementation,” which outlines comprehensive guidelines for the promotion of sustainable development; and the “Johannesburg Declaration on Sustainable Development,” which demonstrates the political will of the world leaders.

(d) The Situation in Asia

The Asian region where Japan is situated is no exception to the various issues mentioned above which the international community faces. In Asia, numerous destabilizing factors continue to exist, including the situation on the Korean Peninsula where military confrontation continues even after the end of the Cold War, relations between China and Taiwan in which dialogue has yet to be resumed despite the development in economic areas such as trade and investment, and tensions between India and Pakistan that were exacerbated since the attack on the Indian Parliament at the end of 2001. Furthermore, the intensification of Islamic extremists’ activities particularly in Pakistan and Southeast Asian countries after the terrorist attacks in the US has become a focus of growing concern. Especially in the wake of the October bombing attacks on the island of Bali, Indonesia, the need to reinforce international counter-terrorism measures in the Southeast Asian region has become increasingly recognized. In relation to non-proliferation of WMDs and their delivery vehicles, the strengthening of the framework for their non-proliferation is becoming an important task in Asian countries which are transforming themselves from mere transshipment points to suppliers capable of producing dual-use products as a result of economic development.

As for North Korea, after the historic inter-Korean summit meeting held in 2000, no significant progress was seen in the bilateral relations of North Korea with Japan, the US or the Republic of Korea (ROK) from 2001 onward. However, dramatic developments in improving Japan-North Korea relations came in 2002 when Prime Minister Junichiro Koizumi visited North Korea in September and held a summit meeting for the first time ever, and signed the Japan-Democratic People’s Republic of Korea (DPRK) Pyongyang

¹ These were compiled based on the international development goals adopted during the 1990s and were adopted at the UN Millennium Assembly in September 2000. These goals comprise eight commitments, including education, poverty eradication and gender equality, with the targets to be achieved by 2015.

Declaration. There was nonetheless a strong domestic backlash of public opinion over the report that many of the Japanese nationals abducted by North Korea had already passed away. Furthermore, after North Korea was reported to have admitted to the existence of a uranium enrichment program during the visit of US Assistant Secretary of State James Kelly to Pyongyang in October, it went on to unseal nuclear facilities and expel IAEA inspectors at the end of the year, and declared its intention to withdraw from the Nuclear Non-Proliferation Treaty (NPT) in January 2003, soaring up tensions with the international community. North Korea's development of WMDs other than nuclear weapons, such as biological and chemical weapons, as well as activities including development, testing, exporting and deployment of ballistic missiles pose yet another security concern of significant magnitude.

While the prolonged stagnation of the Japanese economy is continuing, the East Asian economy has achieved a rapid recovery since 1999, after being

seriously hit by the 1997 Asian currency and financial crisis. Thereafter, the slowdown in the US economy and the impact of the September 11 terrorist attacks caused a downward turn in the Asian economy, but in 2002 Southeast Asian countries showed signs of economic recovery. China, which joined the WTO in December 2001, has been enjoying high economic growth in recent years underpinned by active fiscal policy, favorable trade performance and the inflow of foreign investments. Also, although the move toward the conclusion of FTAs has not been very active in the Asian region, there are on-going moves toward the signing of FTAs with the Association of Southeast Asian Nations (ASEAN) to reinvigorate the East Asian economy by such countries as Japan, the US, China, the ROK, India, Australia and New Zealand. These initiatives include the signing of the Japan-Singapore Economic Agreement for a New-age Economic Partnership (JSEPA) in January and the Framework Agreement on ASEAN-China Economic Cooperation in November.

DEVELOPMENTS IN JAPAN'S DIPLOMACY IN 2002

(a) Overview

Under the international situation described above, in 2002 Japan carried out active diplomacy to secure its utmost national interest, in other words, the safety and prosperity of Japan and its people. First, in regard to the various issues surrounding North Korea that have a direct impact on the safety of Japan and its people, the entire Government is dealing with the issues as the top-priority diplomacy issues. Furthermore, in order to achieve peace, stability and prosperity of the whole international community, which is indispensable to securing its own national interests, Japan, in cooperation with the US and other members of the international community, played an active role in tackling various issues including international counter-terrorism measures, proliferation of WMDs and their delivery vehicles

and sustainable development. In the bilateral relationship with the US as the axis of Japan's diplomacy, the leaders and foreign ministers of both countries conducted frequent exchanges of opinions on such occasions as President Bush's visit to Japan in February 2002 and Prime Minister Koizumi's visit to the US in September, thereby establishing a firm relationship of trust and closely cooperating toward solving various issues of the international community, including the situations in Iraq and North Korea. Japan has also been working to reinforce the relationships between its neighboring countries such as the ROK, China and Russia. In its relations with ASEAN, Japan made active efforts toward the realization of the "five initiatives"² for future cooperation between Japan and ASEAN based on the basic principle of "acting together and advancing

² Five initiatives for strengthening Japan-ASEAN cooperation, include: (1) cooperation in the area of education and human resources development; (2) Japan-ASEAN Exchange Year 2003; (3) Initiative for Japan-ASEAN Comprehensive Economic Partnership; (4) Initiative for Development in East Asia (IDEA); and (5) security cooperation including transnational issues.

together.” As for relations with Europe, which is advancing the deepening of integration and enlargement, the Japan-EU Summit was held in Tokyo in July, and cooperative ties based on the Action Plan for EU-Japan Cooperation advanced further. Also, the peace and stability of the Middle East, which is vital to securing Japan’s long-term stable supply of energy, is extremely important for ensuring the peace and stability of the entire international community, and Japan has played an active role toward achieving peace in the Middle East through working with both the Israeli and Palestinian sides.

(b) Response to the Situation Surrounding North Korea

Although there had not been any notable developments in Japan-North Korea relations since the Japan-North Korea Normalization Talks held in October 2000, Prime Minister Koizumi, as the first Japanese prime minister to visit North Korea, held summit talks with Chairman of the National Defense Commission of North Korea Kim Jong Il on September 17, 2002, after which the two leaders signed the Japan-DPRK Pyongyang Declaration. Regarding the issue of abduction of Japanese nationals, Chairman Kim admitted to 13 cases of abduction at the summit talks and expressed his apologies for the past involvement of persons affiliated with North Korea. Subsequently, an investigation team on the abduction problem was dispatched to North Korea and, on October

15, the return to Japan of five abductees whose survival was confirmed by North Korea was realized. As for security issues, North Korea reportedly admitted to the existence of a uranium enrichment program during the visit of US Assistant Secretary of State Kelly as special envoy of the US president to North Korea between October 3 and 5. Thereafter, North Korea’s nuclear weapons program has become an issue that requires an urgent response by the international community.

It was under these circumstances that the Japan-North Korea Normalization Talks were resumed in Kuala Lumpur, Malaysia on October 29 and 30 for the first time in nearly two years. Japan placed the highest priority on the abduction issue and security issues such as nuclear weapons and missile issues, and devoted time discussing these problems. However, a specific return date of the abductees’ families could not be settled, and concerning security issues, North Korea stuck to the explanation throughout the discussions that they were observing the Japan-DPRK Pyongyang Declaration. Since then, the schedule for the Japan-North Korea security consultations and the next round of normalization talks has not been fixed. Concerning the abduction issue, it is necessary to continue to strongly urge North Korea to work in a forward-looking manner toward resolving the numerous important issues, such as the return to Japan of the five abductees’ family members left behind in North Korea and the provision of information

(Photo)

regarding other victims of abduction.

In November, in light of the situation that emerged from the revelation that North Korea has a uranium enrichment program, the Korean Peninsula Energy Development Organization (KEDO) Executive Board decided to suspend the supply of heavy fuel oil to North Korea from December onward. In response to this decision, North Korea took a repulsive stance by taking measures such as the removal of the safeguards seals at nuclear facilities that had been in place in line with the Agreed Framework between the US and North Korea (e.g., the removal of the seals at the graphite-moderated experimental reactors and at the used nuclear fuel storage facilities), and the expulsion of the IAEA inspectors. As of the beginning of 2003, North Korea is further intensifying its challenge to destabilize the international community by announcing its intention to withdraw from the NPT. In February, the IAEA Board of Governors decided to report the North Korean nuclear weapons issue to the UN Security Council, which the Security Council took up in an informal session. Japan is working closely with the US and the ROK, while cooperating with other concerned countries such as China and Russia, as well as with the IAEA and the UN Security Council, in urging North Korea to take concrete actions such as observing the NPT, re-freezing its nuclear-related facilities and immediately abandoning the nuclear weapons program.

(c) The Fight against Terrorism and Japan's Efforts toward the Non-proliferation of WMDs and Their Delivery Vehicles

While the threat of terrorism has been increasingly recognized since the September 11 terrorist attacks in the US, Japan considers terrorism as a threat to its own national security and engaged throughout 2002 in active efforts with the objective of preventing and eradicating terrorism. First, under the Anti-Terrorism Special Measures Law which entered into force in November 2001, Japan continued providing naval fuel for US and UK forces, and extended the duration of the dispatch of the Self-Defense Forces (SDF) to May 19, 2003, pursuant to that law. Moreover, from the perspective of strengthening the international legal framework, in June 2002 Japan signed the International Convention for the Suppression of the Financing of Terrorism, completing the conclusion of all 12 counter-terrorism conventions.

Japan is taking every opportunity to urge other members of the international community to conclude all the conventions. Furthermore, in order to deny terrorists safe haven, Japan has been actively providing assistance especially in the Asian region to enhance the capacities of developing countries to counter terrorism (capacity-building).

The peace and reconstruction of Afghanistan are extremely important to prevent the country from stepping back to a hotbed of terrorism. To this end, Japan, together with the US, EU and Saudi Arabia, held the International Conference on Reconstruction Assistance to Afghanistan in Tokyo in January 2002 and pledged that it would extend assistance of up to US\$500 million over the next two and a half years. Japan has continued to play an active role toward the realization of peace and the promotion of reconstruction in Afghanistan through measures including the implementation and decisions as of the end of February 2003 to extend US\$358 million in reconstruction and recovery assistance.

With regard to the suspicions about Iraq's possession and development of WMDs and their delivery vehicles, Japan's basic position is that it is extremely important that the whole international community unite in carrying out diplomatic efforts to convince Iraq to accept immediate, unconditional and unlimited inspections and to comply with all the relevant UN Security Council resolutions including those concerning the disarmament of WMDs and their delivery vehicles. In this regard, Japan has been acting in close cooperation with the US and other members of the international community. As part of these diplomatic efforts, Japan has carried out several initiatives to approach Iraq directly, such as the meeting of Minister for Foreign Affairs Yoriko Kawaguchi with Iraqi Foreign Minister Naji Sabri on the occasion of the UN General Assembly in September 2002—the first contact at the ministerial level since the Gulf Crisis—and the dispatch of Senior Vice-Minister for Foreign Affairs Toshimitsu Motegi as a special envoy of the prime minister to Iraq in March 2003. This was further followed by proactive efforts to resolve the problem, such as the dispatches of special envoys of the prime minister from the end of November through December 2002 and again in March 2003, to convey Japan's position on the issue and exchange views on the efforts toward peace and stability in the Middle East.

Concerning the issue of the proliferation of WMDs



Prime Minister Junichiro Koizumi at the G8 Kananaskis Summit (July Photo: Office of the Cabinet Public Relations, Cabinet Secretariat)

and their delivery vehicles, following the consensus achieved on the G8 Global Partnership at the G8 Kananaskis Summit held in June 2002, Japan announced that it would make financial contributions amounting up to a little more than US\$200 million. While Japan has in the past been making various efforts to strengthen the NPT regime, in 2002 Japan actively pressed and coordinated with countries concerned toward the early ratification of the Comprehensive Nuclear-Test-Ban Treaty (CTBT) and the reinforcement of the Biological Weapons Convention (BWC). Furthermore, in regard to the ICOC that was launched in November 2003, Japan made contributions from its drafting stage and actively pressed concerned countries and organizations to join the code of conduct, so that it becomes universal.

(d) Efforts toward Building a Stable Order in Asia

In 2001, while bilateral relations between Japan and the ROK were soured by such issues as the history textbook controversy and Prime Minister Koizumi's visit to Yasukuni Shrine, the relations later moved toward improvement through two summit meetings in October. In March 2002, Prime Minister Koizumi visited the ROK where leaders of both countries expressed their commitment to make the year 2002 truly historic for both countries. In keeping with the words of the leaders, 2002 was a year in which exchanges including those at

the grassroots level advanced dramatically through the successful co-hosting of the 2002 FIFA World Cup and the Year of Japan-Korea National Exchange. The "Joint Message Toward the Future" was issued by both Prime Minister Koizumi and President Kim Dae Jung the day after the closing ceremony of the FIFA World Cup, expressing the resolution of both countries to enhance cooperative relations based on mutual trust and respect to a higher stage. In December, Mr. Roh Moo Hyun was elected in the presidential elections, and sworn in as the 16th president of the ROK on February 25, 2003. It is important, in the interests also of regional stability and prosperity, that Japan continues to develop forward-looking, friendly and cooperative relations with the new administration led by President Roh, by further promoting exchanges and mutual understanding, particularly among the younger generation.

In relations with China, the year 2002 marked the 30th anniversary of the normalization of Japan-China relations, and a series of commemorative events and exchange activities were held in both countries to commemorate "Japan Year" and "China Year," deepening mutual understanding and trust between the people of the two countries. Japan-China economic relations continued to expand and deepen with China's accession to the WTO in late 2001, and in 2002 the total value of trade surpassed the US\$100 billion mark, setting a new record. On the other hand, in bilateral relations since December 2001, some trade issues arose in

various fields as Japan-China trade and investment expanded, in addition to such issues as the salvaging of a North Korean operations vessel and the incident that occurred in May in which five North Koreans attempted to enter the premises of the Japanese Consulate General in Shenyang. In an effort to resolve these issues, the two countries actively engaged in an exchange of views at various levels, including the summit and foreign ministerial levels. In China, the 16th National Congress of the Communist Party of China was held in November 2002, followed by the first plenary session of the 16th Central Committee of the Communist Party of China in which Mr. Hu Jintao was elected to replace Mr. Jiang Zemin as General Secretary of the Communist Party. General Secretary Hu was inaugurated as president at the first session of the 10th National People's Congress in March 2003, and the new regime took its first steps. In addition to pursuing the enhancement of bilateral relations with China, Japan must continue to work in cooperation with China to resolve regional as well as global issues.

In Japan-Russia relations, frequent high-level political talks involving leaders and foreign ministers continued in 2002, with close consultations not only on bilateral relations but on common issues such as problems surrounding North Korea and international counter-terrorism measures. At the summit meeting held during the G8 Kananaskis Summit in June 2002, the two leaders agreed that Prime Minister Koizumi would pay an official visit to Russia in either December 2002 or January 2003 and announce the Japan-Russia Action Plan. Preparations were made through the visit to Russia by Foreign Minister Kawaguchi in October and the visit to Japan by Foreign Minister Igor Ivanov, and Prime Minister Koizumi officially visited Russia in January 2003 where the two countries' leaders announced the Japan-Russia Action Plan outlining the achievements of past bilateral cooperation as well as the future direction. It is now important to steadily implement the provisions of the plan and lead to concrete results. In advancing wide-ranging cooperation between Japan and Russia, it is also necessary to work patiently on the negotiations for settling the attribution of the Four Northern Islands, thereby enabling the earliest possible conclusion of a peace treaty.

Japan, with the aim of permanent settlement of conflicts, has been advocating the concept of the "consolidation of peace," and has been contributing proactively in order to implement it in conflict-stricken areas through the promotion of post-conflict peace processes, ensuring of national stability and public safety, and humanitarian and reconstruction assistance in a swift and seamless fashion. Continuing on from Japan's co-hosting of the International Conference on Reconstruction Assistance to Afghanistan with the US, EU and Saudi Arabia in January 2002, Foreign Minister Kawaguchi proposed the "Register for Peace" program³ on her visit to Afghanistan in May aimed at the materialization of the "consolidation of peace." In regard to the conflict in Aceh, Indonesia, Japan played host to the Preparatory Conference on Peace and Reconstruction in Aceh held in December in Tokyo, followed in the same month by the announcement of the Support Package for Peace and Stability in Mindanao, with regard to the conflict in Mindanao, Philippines. Concerning Sri Lanka, where a peace process is making progress, former UN Under-Secretary-General Yasushi Akashi was appointed special envoy of the Government of Japan in October, and in January 2003 Foreign Minister Kawaguchi visited the country, and demonstrated Japan's willingness to fulfill a proactive role for achieving a durable peace in Sri Lanka. The sixth session of peace talks is scheduled to take place in Hakone in March 2003 and the Tokyo Conference on Reconstruction and Development of Sri Lanka in June 2003. From February 2002, Japan also dispatched the largest-ever SDF Engineer Units (690 personnel) and others to the United Nations Transitional Administration in East Timor (UNTAET) to ensure stability of Timor-Leste (formerly East Timor) and assist its independence. Since the state declared independence in May 2002, the SDF Engineer Units have continued to work under the auspices of the United Nations Mission of Support in East Timor (UNMISET), the successor mission to UNTAET.

Another destabilizing factor in the Asian region is the tensions between India and Pakistan. Tensions between the countries heightened especially from the May 2002 terrorist attack on an Indian military camp in

³ This is a peace-building program that was announced by Foreign Minister Kawaguchi in May 2002 on her visit to Afghanistan. It supports the reintegration into society of discharged soldiers who wish to return to a peaceful life, by registering them and providing professional training and employment promotion.

Kashmir toward June, which caused serious concerns in the international community that the crisis might deteriorate to the brink of military clash. In response to the severe tensions in India-Pakistan relations, Japan, in cooperation with the international community, stressed the need to find a solution through dialogue in telephone conferences with leading figures of both countries. Japan also made an active contribution to the emergency statement issued by the G8 foreign ministers at the end of May. A breakthrough came in early June when US Deputy Secretary of State Richard Armitage visited Pakistan, where he obtained a commitment from President Pervez Musharraf that terrorist infiltrations across the Line of Control would stop permanently. In October, troops deployed on the international border were withdrawn after important political events had been completed as scheduled such as local elections in Kashmir and a general election in Pakistan. While these positive developments have led to reduced military tensions between the countries, the international community, including Japan, needs to continue working toward further de-escalation of tensions and early resumption of dialogue between India and Pakistan.

An important element in building a stable environment in the Asian region is the realization of stable economic growth. While Japan seeks the realization of a multilateral free trade system through the new round of WTO negotiations, it will also work actively toward establishing economic partnerships in order to build a stable and open economic and trade system in Asia. The Agreement between Japan and Singapore for a New Age Economic Partnership was signed when Prime Minister Koizumi visited the Southeast Asian countries in January 2002. The Agreement entered into force in November 2002. Japan has also been making positive progress in discussions with the ROK, the Philippines, Thailand and other ASEAN countries, aiming at strengthening future economic partnerships in the entire East Asian region, and Japan will continue making such efforts.

(e) Efforts toward the Realization of Sustainable Development

Despite the decreasing trend of the Official Development Assistance (ODA) budget in the light of severe fiscal conditions, to implement effective assistance under such conditions, Japan has announced a policy that puts an emphasis on the “consolidation of

peace,” human security and assistance to Asia, and is steadily implementing efforts to realize sustainable development. Japan’s total ODA contribution fell to the world’s second largest in 2001 for the first time in a decade, but as a principal member of the international community, Japan continues to play a major role toward the realization of sustainable development of the international community as a whole. At the Johannesburg Summit, Prime Minister Koizumi delivered a speech that emphasized the importance of education and human development in the area of sustainable development, and announced the “Koizumi Initiative,” which contains Japan’s concrete plans on human resources development in the fields of development and the environment. Japan also contributed actively to the achievement of agreement in negotiations over the drafting of the “Plan of Implementation,” engaging in close consultations with the chair, South Africa, and other countries. In order to realize sustainable development by achieving simultaneously environmental preservation and economic growth, Japan intends to become further engaged in international rule-making, while putting importance on the self-help efforts (ownership) of developing countries themselves and the assistance by the international community as an equal partner, and fostering partnership with non-governmental organizations (NGOs).

Furthermore, since hosting the First Tokyo International Conference on African Development (TICAD I) in Tokyo in 1993, Japan, under the belief that “there will be no stability and prosperity in the world in the 21st century unless the problems of Africa are resolved,” has actively contributed to overcoming challenges in Africa, where various challenges that face the international community—conflicts, refugees, poverty and infectious diseases such as HIV/AIDS—are concentrated. Japan continued to be actively involved in these issues in 2002, a year in which the issue of African development was a main focus of a series of international conferences including the Monterrey International Conference on Financing for Development, the G8 Kananaskis Summit and the Johannesburg Summit, with Prime Minister Koizumi and Foreign Minister Kawaguchi visiting African countries. The Third Tokyo International Conference on African Development (TICAD III) is scheduled to be held in Tokyo in September 2003, and Japan intends to continue its efforts on Africa’s challenges in collaboration with the international community.

Japan is also taking proactive action on the issue of climate change, which poses a major threat to humanity, and concluded the Kyoto Protocol in June 2002 as an extremely significant first step in dealing with the problem.

(f) Reform of the Ministry of Foreign Affairs

The Ministry of Foreign Affairs, responsible for Japan's diplomacy, saw 2002 as a year in which it would stiffen its resolve and make a fresh start. Since the public money fraud scandal in early 2001, a succession of scandals involving the Ministry caused a loss of public confidence in Japan's diplomacy, including the confusion caused by an issue regarding NGO participation in the International Conference on Reconstruction Assistance to Afghanistan, the so-called pooled fund incident and the incident regarding the involvement of a certain Diet member in assistance to the residents of the Four Northern Islands, which led to a marked decline in public confidence in the Ministry. The Ministry's staff members have been united in their efforts to reform the

Ministry throughout 2002, so that it would regain the lost confidence of the public as soon as possible and enable the Ministry to implement Japan's diplomacy actively while the international community faces a variety of challenges. Based on the productive and vigorous discussions of the Reform Advisory Board comprising intellectuals and "Kaeyou! Kwarou! Gaimushou (Let's Change the Ministry of Foreign Affairs!)," a voluntary reform group of members of the Ministry, as well as recommendations from Diet members from the Liberal Democratic Party and other parties, the Action Plan for Reform of the Ministry of Foreign Affairs was announced in August 2002, followed by an interim report announced in December concerning organizational and structural reforms of the Ministry. In order to build swiftly a system for conducting diplomacy that protects national interests and meets the expectations of the people, the Ministry of Foreign Affairs will continue its steady implementation of the Action Plan and will earnestly deliberate the content of the interim report. The announcement of the final report is scheduled for the end of March 2003.



Minister for Foreign Affairs Yoriko Kawaguchi addressing the first meeting of the Reform Advisory Board (June)