Technical segment Session 4: Enhancing South-South Cooperation and Regional Approach to AfT

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SIEM REAP, CAMBODIA

GO SHIMADA
DIRECTOR,
TRADE, INVESTMENT AND TOURISM DIVISION
INDUSTRIAL DEVELOPMENT DEPARTMENT, JICA
Birth of New JICA on October 1, 2008

Consolidation of ODA implementation tools for the new JICA
1. The new JICA integrates JBIC’s operations covering Japanese ODA loans and overseas investment, and part of MOFA’s grants
2. The new JICA provides more strategic and effective ODA as a single agency centrally managing technical cooperation, loans and grant aid

* Except for certain items retained by MOFA required for policy commitments

FY2008:
- ODA: US$11,116 million
- Grant aid: US$1,016 million
- Technical cooperation: US$1,486 million
- ODA loans: US$7,440 million

FY2009:
- New JICA: US$11,116 million
  - GA: US$1,118 million
  - T/C: US$1,596 million
  - ODA loans: US$8,402 million

FY2008: JPY 103.5/USD (DAC rate)
FY2009: JPY 97.60/USD (IFS rate for April 31, 2009)
AfT accounts for over a half of total loans.

Exchange rate (DAC rate)
Asia and Africa are the main regions for JICA’s AfT

JICA’s Aid for Trade by Region (2007)

- Loans

- Technical Cooperation and Grant Aid
CLMV are the main focus in ASEAN region

JICA’s Aid for Trade: ASEAN by Country (2007)

Loans

- Cambodia: 2%
- Indonesia: 35%
- Philippines: 9%

56%

Technical Cooperation and Grant Aid

- Indonesia: 22%
- Malaysia: 4%
- Philippines: 16%
- Singapore: 0.1%
- Thailand: 6%
- Brunei: 0.0006%

52.3%
Economic infrastructure is the major field of cooperation

JICA’s Aid for Trade: ASEAN by Sector (2007)

<table>
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<tr>
<th>Economic Infrastructure</th>
<th>Agriculture</th>
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<tr>
<td>Loans</td>
<td>9%</td>
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<tr>
<td>Communications</td>
<td>2%</td>
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90% Economic Infrastructure

Technical Cooperation and Grant Aid
- Trade Policy and Regulations: 3%
- Tourism: 1%
- Mineral Resources and Mining: 1%
- Industry: 7%
- Fishing: 5%
- Forestry: 9%
- Business and Other Services: 7%
- Banking and Financial Services: 4%
- Production and Supply: 6%

Agriculture

Economic Infrastructure: 36%
JICA’s AFT Strategy to ASEAN

Regional Integration

Peace in the Region

Equality among Member Countries

Strong Economic Ties

South-South Cooperation

Infrastructure Development

Development of Investment and Business Environment

Cross Border Transport Infrastructure

Industrial Park Development

Trade Promotion

Development of Regional Economy

Sustainable Economic Growth
### ASEAN-JICA Cooperation

#### Need for New Approach to Cooperation with ASEAN

<table>
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<tr>
<th>ASEAN 10 Region Wide Cooperation</th>
<th>Pilot → Spreading Out Cooperation</th>
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<tr>
<td><strong>Upgrading the Regional Competitiveness</strong></td>
<td><strong>Strategic approach on science and technology</strong></td>
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<td><strong>Integrated and competitive maritime transport</strong></td>
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<td><strong>Narrowing the Development Gap</strong></td>
<td><strong>Regional Program for Disaster Reduction In ASEAN</strong></td>
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<td><strong>Laos Pilot Program for Narrowing the Gap toward ASEAN Integration</strong></td>
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<td><strong>Japan-Singapore Partnership Program</strong></td>
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MISSION:

- Balance between demand-driven and partnership approaches is essential.
- Diverse needs even among CLMV countries – common issues / country-focused
- Regional approach important – different from national priorities

Projects formulated (example)

- Trade Negotiation for CLMV
- Promotion and Management of SME for CLMV
- International course on taxpayers Services for CLMV countries
- Traffic Management
- Digital telecommunication network Operation & maintenance technology
- Enhancing Investment Climate for CLMV

Narrow socio-economic gaps among ASEAN countries through JICA’s cooperation.
- 2nd East-West Corridor
- National Road No.6-7 (Grant)
- KIZUNA Bridge & National Road No.6-7 (Grant)
- National Road No.1 (Grant)
- Sihanoukville Port (Loan)
- Can Tho Bridge (Loan)
- Bridge on Route 13 Rehabilitation (Grant)
- Hai Van Tunnel (Loan)
- Pakse Bridge (Grant)
- Da Nang Port (Loan)
- Cai Mep-Thi Vai Port (Loan)
Major JICA Development Studies & Projects in GMS

- The Study on Special Economic Zone Development Plan in Border Area (Savannakhet Province) in Lao People’s Democratic Republic
- Integrated Master Plan for Sustainable Development of Siem Reap/Angkor Town
- Master Plan Study for the Coastal Channels and Ports Development in the Kingdom of Thailand
- Transport Master Plan of the Phnom Penh Metropolitan Area
- Study on Regional Development of the Phnom Penh-Sihanoukville Growth Corridor
- Master Planning and Feasibility Study of the Sihanoukville Port
- Comprehensive Study on Logistics System in Lao PDR
- Study on the National Transport Development Strategy in the Socialist Republic of Vietnam (VITRANSS2)
- The Study on the Integrated Regional Development Plan For Savannakhet and Khammaouan Region in Lao People’s Democratic Republic
- National Road Network Master Plan Development Project in Cambodia
- Master Plan for Maritime and Port Sectors in Cambodia

Bold Line: Nation wide Master Plan
Triangle of Hope: Creating the Optimal Conditions for Investment

Government will

Briefing the need for investment climate development from the Malaysian specialist to the president, ministers and the public

Led to President’s Initiative to Promote TOH

Hope

Formation of 12 public-private working groups to formulate policy for areas including ICT, Tourism, ESZ, Mineral Extraction.

Streamlining public administration

Formulation of Trade and Investment Promotion Package

Private sector participation

Dispatch of Joint Mission including Zambian government officials to seek investment from Malaysia and India

Joint JICA-Malaysia ESZ Study Underway
JICA’s AfT Projects in Cambodia

<Regional Cooperation>
(P) Regional Cooperation Project on Risk Management for customs in Mekong Region/2008.2-2011.3
(D) The Master Plan Study on the Development of the NEW CNS/ATM System/2009.2-2010.3

<Wide Area>
(P) Freshwater Aquaculture Improvement and Extension Project/2005.2-2010.2
(D) The Master Plan Study for Promotion of the Mining Industry/2008.8-2010.8
(D) The Master Plan Study for Promotion of the Mining Industry/2008.8-2010.8
(L) Greater Mekong Telecommunication Backbone Network Project/2007.3
(L) Greater Mekong Power Network Development Project/2007.3

<Phnom Penh & Shihanoukville>
(P) Establishment of National Port Policy and Administration System/2009.2-2011.11

<Shihanoukville>
(P) The Project for Strengthening Port Operation and Management/2007.7-2009.6
(L) Shihanoukville Port Urgent Expansion Project/2004.11
(L) Shihanoukville Port SEZ Development Project/2008.3

<Kampot Province & Kampong Som>
(L) Greater Mekong Power Network Development Project/2007.3

<Phnom Penh and its environs>
(P) The Cambodia-Japan Cooperation Center/2004.4-2009.3
(P) Capacity Building for the Forestry Sector (Phase 2)/2005.12-2010.12
(P) Capacity Building Project for the Tax Department of Cambodia (Phase 2)/2007.6-2010.6
(P) Capacity and Institutional Building of the Electric Sector (Phase 2)/
(P) The Project on Capacity Development on ICT Management at NiDA/2008.2-2010.1
(P) The Strengthening of Construction Quality Control
(P) Capacity Building for the Quality Standard Control of Agricultural Materials/
(E) Advisor on Customs Policy and Administration/2007.12-2009.7
(E) Advisor on Investment Promotion Specialist/2007.11-2009.10
(E) Advisor on Road Management/2006.7-2009.7
(E) Advisor for Power Sector Planning/2007.06-2009.06
(D) The Study on the Outer Ring Road of Phnom Penh Metropolitan Area/2007.6-2008.10
(D) Study on the Institutional Strengthening of Investment Promotion/2009.2-2010.5

<Kandal>
(G) The Project for the Improvement of the National Road No.1/2005-

(Mondol Kiri>

(L) Greater Mekong Power Network Development Project/2007.3

<Phnom Penh & Shihanoukville>
(P) The Project for Strengthening Port Operation and Management/2007.7-2009.6
(L) Shihanoukville Port Urgent Expansion Project/2004.11
(L) Shihanoukville Port SEZ Development Project/2008.3

(P) Technical Cooperation Projects (D) Development Study/Technical Cooperation for Development Planning (G) Grant Aid (L) Loan (E) Expert