

Country Assistance Policy for the Republic of Chile

June 2012

1. Purpose of the Assistance

Chile is a country that has traditionally maintained a friendly relationship with Japan. In 2007, the Economic Partnership Agreement (EPA) was concluded between both countries. In addition, Chile is considered as an important resource providing country for Japan, for its abundant mineral resources such as copper and lithium, as well as for its diverse fishing resources.

Chile has carried out the establishment of a good investment climate, based on open economy policies, achieving a relatively high level of development in this aspect, and making itself a member nation of the Organization for Economic Co-operation and Development (OECD) in May, 2010. However, on the other hand, the inequality of income still remains as a current problem in Chile, due to which international cooperation continues being necessary. Most of all, environmental policies centralized in disaster management is one of the concerning issues, and there are high demands in the area of the establishment of public administration related to disaster prevention.

Based on this situation, the assistance towards Chile in its environmental preservation efforts is relevant from the perspective of assuring Japanese resources. At the same time, it is expected to expand economic exchanges through the bilateral EPA, and contribute to the strengthening of economic relations with Japan.

Moreover, Japan has promoted, together with Chile, the joint assistance to third countries (triangular cooperation) for over ten years, and the results of this cooperation not only have been positively evaluated by the beneficiary countries, but also by other donors and international organizations, through which the presence of Chile in the international community was increased. It is highly expected in the future that these triangular cooperations will contribute to the stability and development in the region.

2. Basic Policy of the Assistance:

Contribution to a sustainable development through the strengthening of capacities to take environmental measures, focused on disaster prevention.

Environmental conservation is an essential problem to be solved in order

to achieve sustainable development in Chile. Due to its highly frequent occurrence of natural disasters, such as earthquakes and tsunamis, as in Japan, it is required that Chile strengthens its capacity to deal with them. With the utilization of Japan's knowledge and cutting-edge technologies, it is important to contribute to the stable development of Latin America through triangular cooperation, centering on the support for the correspondence to natural disasters.

3. Priority Areas

(1) Environmental measures focused on disaster prevention

It is needed that Chile continue working to recover from the great earthquake in February, 2010, as well as to surely promote disaster prevention measures for possible disasters in the future. In general, the consciousness of the Chilean people is not necessarily high, due to which human resource development, the expansion of research and construction of comprehensive disaster prevention system are issues to be resolved. For these reasons, and from the perspective of environmental protection, Japan is to contribute to the improvement of disaster prevention measures in Chile, through a technology transfer related to disaster prevention and human resource development, based on the knowledge of Japan, which has a wide experience of natural disasters and whose geographical conditions are similar to those of Chile.

(2) Supporting South-South Cooperation

In 1999, Japan concluded its partnership programme of development cooperation with Chile, known as the Japan-Chile Partnership Programme (JCPP), which was the first to be signed with a Latin American country, thus playing an important role in the institutionalization and management strengthening of the International Cooperation Agency in Chile. As a result of these efforts, Chile has strengthened triangular cooperation for the Latin American region, cooperating with other donors, such as Spain and Germany, and in recent years, with the United States, Australia, South Korea, among others. It is important for Japan to maintain the emphasis in these triangular cooperation activities, where it is possible to use Japanese technologies which have spread in Chile, and simultaneously maintain the presence of Japan in the country. In addition, Japan will continue to encourage Chile to play an active role in solving problems related with development, not only in Latin America but

also in other regions.

4. Points to be considered

Because Chile has already achieved a certain level of economic development, technical cooperation and Grant Assistance for Grass-Roots Human Security Projects have become the center of cooperations. In addition to realizing cooperation projects in which these two schemes have a high synergy between them in the future, efforts will be made to promote cooperations that consider the partnership between the public and private sector. At the same time, it is important to establish systems that guarantee a steady economic growth, taking into consideration that, in the near future, Chile will graduate from ODA.