1. Challenges for Asia

- Rapid Population Growth
  - 60% of the world’s population (7 billion people) live in Asia.

- Urbanization
  - 9 out of the 23 cities with a population of over 10 million are in Asia.

- Poverty

- Robust Economic Development
  - Average 6% annual GDP growth rate since the 1980s

- Increase in Energy Demands
  - China’s energy demands in the coming ten years will increase by about 3.4%, but with an energy efficiency of only about 10% of Japan’s.

- Environmental Degradation
  - Air pollution, fresh water depletion and contamination, and threatened forests, biodiversity and land resources.
  - About 13% of land in Asia has suffered degradation.

- Inappropriate Governance Structure
  - Political disorder, insufficient regulatory measures, weak local government and civil organization, difficulty of access to information.

- Financial Difficulties
2. Cooperation among Asian Countries for Sustainable Development

- Asian Diversity
  - Asia is diverse in terms of natural conditions as well as historical, cultural and social background. Economically, Japan is one of the most advanced country, and China and India is growing very rapidly while some countries such as Nepal still remains as least developed.

- Need for Cooperation
  - In the globalized economy, Asian countries are inevitably dependent upon each other. The Asia-Pacific region must cooperate in order to achieve sustainable development.

- Prioritized Areas of Cooperation
  - Information collection and dissemination.
  - Improvement of governance in public administration and business.
  - Capacity building.
  - Entitlement of citizens.

3-1. Capacity Building

- Capacity Building Programs as Foreign Aid
  - JICA has changed its aid policy from hard (i.e., infrastructure-related) to soft (i.e., capacity building).
  - The procedures for target setting and assessment of implementation of an aid program become very important in order not to make it endless.
3-2. Capacity Building

- **21st Century COE Program**
  - The 21st Century COE Program has two components:
    1. Research on the institutional aspects of environmental governance, environmental assessment and environmental education.
    2. Implementation of environmental education and networking of environment-related institutions.
  - The Program, however, does not seem sufficiently focused to achieve its goal.
    1. It addresses too broad a range of environmental issues, management systems and technologies.
    2. It should be more selective with its target countries.
    3. Networking is an efficient way to expand activities, but should be done much more prudently, for example, by selecting more appropriate candidate institutions.