

Evaluation of Aid for Trade

Evaluation Team

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Source: Ministry of Foreign Affairs of Japan

Background and purpose of evaluation

(1) Purpose

We conducted this survey for the purpose of obtaining lessons and recommendations that will contribute to effective and efficient implementation of assistance in the future by comprehensively evaluating Japan's Aid for Trade.

(2) Target and period

The target of this evaluation was "Development Initiative for Trade" (December 2005) and "Development Initiative for Trade 2009" (July 2009) which Japan established as its sectoral development policies in trade area. Japan's assistance projects intended for these two initiatives were also evaluated. The period covered by this evaluation is basically from 2006 to 2010

(3) Methodology

This evaluation was implemented from the viewpoint of relevance of policies, effectiveness of results and appropriateness of processes. We implemented the evaluations through a literature review, domestic interview surveys and a field surveys in Viet Nam and Lao.

Results of evaluation

Main points of the results of evaluation

Relevance of policies and effectiveness of results of Japan's Aid for Trade were evaluated as high. Agendas remain to be addressed in that Japan should appeal more effectively Aid for Trade domestically and abroad.

Relevance of Policies

The contents of the "Development Initiative for Trade" (December 2005) and "Development Initiative for Trade 2009" (July 2009) were consistent with both the broad aid ideologies and policies held by the international community regarding trade. Furthermore, these initiatives are consistent with both Japan's ODA Charter and the Medium -Term Policy on ODA, which highlight that: "Japan will endeavor to ensure that its ODA, and its trade and investment, which exert a substantial influence on the development of recipient countries, are carried out in close coordination, so that they have the overall effect of promoting growth in developing countries."

Effectiveness of Results

Based on the apparent improvements in economic performance (economic and export growth) in the main countries receiving Aid for Trade (AfT) from Japan, positive conclusions could be reached regarding the "Effectiveness of Results," as Japan's AfT played some role in improving economic performance. AfT target items were effectively implemented in Viet Nam and Lao PDR, the countries visited for conducting the field survey.

Appropriateness of Process

The two initiatives have been well publicized through repeated introductions at the WTO Global Aid for Trade Review meetings and other such forums. However, within the recipient countries, they are seldom referred to directly by Japanese aid agencies and government agencies of recipient countries in the aid implementation process. Even within Japan, awareness of both initiatives is low. If awareness of the two initiatives is raised in Japan and in the recipient countries, this can be expected to further enhance the effectiveness of Japan's AfT.

Main Recommendations

(1) Emphasize the Results of AfT in the Development of Low-Income Countries in Asia

Japanese contributions should be emphasized by highlighting the current significance of Japan's AfT to low-income countries in Asia, instead of its past significance for upper-middle-income countries in East Asia. Furthermore, in order to continue promoting the results of AfT more strongly both inside and outside Japan, "Development Initiative for Trade" PR activities will need to be carried out in a more effective manner, while referring to successful examples from other past initiatives.

(2) Aid Coordination with New Partners

In the international cooperation arena, including AfT, the roles of new donors, the private sector, and civil society have become larger than ever before. In order to further raise the effectiveness of Japan's AfT, attention must be given to effective aid coordination with these new development partners.

(3) Promote Regional Development

Building infrastructure for effective trade with neighboring countries is one key component of AfT. Regional development is very important for generating development synergies among neighboring countries. When promoting this regional development, it would be meaningful to reconsider development plans at appropriate times. (One example is to elevate the position of Vientiane, the capital of Lao PDR, within Mekong development projects).



(Note: The opinions expressed in this summary do not reflect the views and positions of the Government of Japan.)