

Section 3 Efforts for Effective and Appropriate Implementation

Japan's ODA has, over many years, not only contributed to the development and growth of developing countries in various ways; ODA has also established firm bonds of friendship and trust between Japan and developing countries, and contributed significantly to improving Japan's standing in the international community, and by extension, to further ensuring the peace and prosperity of Japan. However, it was not without challenges and struggles. There were instances of frauds committed in implementing ODA projects, or they failed in delivering expected outputs or encountered delays due to unforeseen circumstances. Sometimes ODA projects had unanticipated impacts on the environment or local communities, or resulted in accumulated debt. Occasionally Japan receives feedback that the "visibility of Japanese assistance" is lacking, or that its objective has not been met.

The Government of Japan makes sure that none of these experiences were in vain, and to turn them into lessons for the future. To this end, the government has established evaluation schemes, endeavored to enhance transparency, and held dialogues with a wide range of stakeholders, including civil society. To ensure that Japan's ODA leads to true prosperity for the people in the developing countries through effective and non-wasteful means, the government has established rigorous criteria that take into account environmental and social considerations, arrangements to prevent fraudulent practices, thorough dialogues and coordination with recipient countries, and detailed project management and follow-up processes. It is incumbent on Japan to continue to make these efforts ceaselessly, in order to implement more effective and appropriate development cooperation.

1. Implementation of Effective and Efficient Development Cooperation

The Government of Japan is committed to promoting effective and efficient development cooperation to be able to reap maximum effects from a limited budget. For this reason, the government is committed to enhancing unity between the government and implementing agencies

as well as strengthening collaboration with relevant actors, reinforcing the PDCA (project formation [Plan], implementation [Do], evaluation and monitoring [Check], and follow-up [Act]) cycle, and engaging in cooperation that draws on the strengths of Japan.

(1) Strengthening the Structure to Implement Development Cooperation

A. The implementation structure of the government

The International Cooperation Bureau of MOFA plays a central role in comprehensive planning of policies regarding development cooperation, including ODA, and coordinating overall policies of the entire government. The Bureau strives to implement ODA effectively by mobilizing the three schemes of assistance—loan aid, grant aid, and technical cooperation—in an integrated manner, as well as coordinating bilateral and multilateral cooperation (cooperation through international organizations). In addition, relevant ministries and agencies share information and exchange their views, and reflect their insights and experiences in relevant policies. One of the efforts for strengthening collaboration among the relevant ministries and agencies is the Ministerial Meeting on

Strategy related to Infrastructure Export and Economic Cooperation. This Ministerial Meeting was set up under the Chief Cabinet Secretary for deliberating important matters concerning overseas economic cooperation and for implementing it strategically and efficiently. Its members include the Deputy Prime Minister/Minister of Finance, the Minister for Internal Affairs and Communications, the Minister for Foreign Affairs, the Minister of Economy, Trade and Industry, and the Minister of Land, Infrastructure, Transport and Tourism. The Ministerial Meeting discusses a variety of themes and promotes development cooperation implemented by the government as one, in order to effectively and efficiently carry out development cooperation.

B. Partnership between the government and implementing agencies

MOFA works with JICA, the implementing agency, to be able to swiftly implement ODA reflecting various types of policies, such as the Priority Policy for Development Cooperation that MOFA formulates every fiscal year.

In October 2008, JICA, which was responsible for the implementation of technical cooperation and grant aid, merged with the overseas economic cooperation section of

the Japan Bank for International Cooperation (JBIC), which was in charge of providing loan aid, namely Japan's ODA loans. As a result, JICA has become the comprehensive implementing agency for ODA that provides technical cooperation, loan aid, and grant aid in an integrated manner. A portion of MOFA's work related to the implementation of grant aid was also transferred to JICA.

C. Strengthening functions of representation overseas

In order to strengthen policy dialogue with the governments of developing countries, “Country-based ODA Task Force,”¹ consisting of a Japanese diplomatic mission (Embassy of Japan), overseas offices of JICA and other agencies has generally been established in each recipient country of Japan’s ODA. The Task Force participates in the decision-making process for ODA policies such as Country Development Cooperation Policies and Rolling Plans after gaining a good understanding of the development needs of the recipient countries. In addition, the Task Force conducts consultations regarding policies with the governments of developing countries. Furthermore, the Task Force works with other donor countries and international organizations in making recommendations on the coordination and

review of assistance methods, as well as considering and selecting candidate projects for Japan’s ODA.

Japan has also adapted to the increasing momentum for aid coordination* in developing countries, in conformity with the formulation and review of the development strategies, sector programs (comprehensive project plans), etc. of the relevant country, expressed in the Poverty Reduction Strategy Paper (PRSP).^{*} Japan has been assigning coordinators for economic cooperation to specific diplomatic missions abroad since FY2006 to collect information and conduct research related to aid coordination. In addition, Japan has established a system to disseminate information on Japan’s ODA policies to other countries and make recommendations in the field.

Glossary

* Aid coordination

Aid coordination refers to the mechanisms by which multiple donors share information and work together to formulate aid strategies as well as plan and implement projects, in order to achieve enhanced aid effectiveness. In the past, aid coordination focused on collaboration and coordination among donors on individual projects, while in recent years, approaches have shifted to more comprehensive aid coordination in which donors provide assistance under shared strategies and procedures in accordance with the development policies of the recipient countries, mainly in Sub-Saharan Africa but also in other nations around the world.

* Poverty Reduction Strategy Paper (PRSP)

PRSP is a document introduced in 1999 by the World Bank and the IMF as a condition for heavily indebted poor countries (poor countries with enormous debt) to receive debt relief. This action plan for socio-economic development sets goals every three years in the areas of education, health, food security, and other areas, to ensure that funds released by debt relief are spent on measures to reduce poverty instead. The document is created by incorporating views of representatives from donor countries, NGOs, research institutes, and the private sector, under the ownership (proactive initiative) of the governments of developing countries.

(2) Efforts for a More Strategic Approach

To adopt a more strategic approach, it is important to reinforce a PDCA cycle and take into account more strategic approaches at each phase of the cycle. In policy-making, Japan formulates policies and goals concerning development cooperation while fully recognizing that development cooperation is one of the most important tools of Japan’s foreign policy. In the process, Japan thoroughly assesses diverse factors such as: the situation around the international community including that of developing countries; the development policies and programs of developing countries; and the strategic importance of the recipient country and the development challenge in

relation to Japan. In providing development cooperation, Japan strives to: strengthen coordination between ODA and non-ODA finance/cooperation; effectively combine grants, loans, and technical cooperation; and improve related systems and operate them flexibly. Furthermore, Japan conducts thorough evaluations at the policy and program/project levels and strives to feed the results back appropriately to the policy-making and program/project implementation processes, not only for improving the effectiveness and efficiency of cooperation but also for fulfilling accountability to the public.

A. Consultations with developing countries

In order to implement more effective development assistance, Japan holds close policy dialogues with developing countries to share mutual recognition and understanding. Japan implements ODA with emphasis on assistance requested from developing countries, to offer support that encourages development through the recipient country’s ownership (own efforts). At the same time, Japan

conducts policy consultations with relevant government officials of those countries at a stage prior to receiving a formal request. By doing so, Japan attempts to harmonize those requests with Japan’s ODA policy, by gaining a thorough understanding of the development policies and assistance needs of respective developing countries.

Note 1: Excluding some countries under the direct management of JICA Headquarters.

B. Program Approach

The Program Approach is an approach in which objectives for resolving specific development issues (program objectives) are established through consultation and other forms of contact with recipient countries, and concrete ODA projects of different schemes needed to achieve these goals are implemented.

For example, to achieve the “objective” of reducing

the maternal mortality rate in a specific region, “necessary projects,” such as hospital construction using grant aid and midwives training through technical cooperation could be implemented. At present, Japan is implementing the Program Approach on a pilot basis, and will draw on the experiences and results to strengthen this approach.

C. Country Development Cooperation Policy

A Country Development Cooperation Policy is Japan's country-specific ODA policy formulated on the basis of comprehensive assessment of the development plans and challenges of each ODA recipient country, taking its political, economic and social situations into consideration. The Policy concisely outlines the aim, basic policy and priorities of the development cooperation to each

recipient country, and thereby, intends to show a clear direction for the development cooperation implemented through “selection and concentration.” The Policy is to be formulated for all countries eligible for ODA, and as of October 2016, Country Development Cooperation Policies (formerly known as “Country Assistance Policies”) for 113 countries have been formulated.

D. Development Project Accountability Committee

The Development Project Accountability Committee is convened to exchange views with independent committee members who have knowledge and experience in the relevant fields, in order to confirm the relevance of ODA projects and increase the quality and transparency of ODA. The Committee, which has held meetings since 2011, plays a central role in the PDCA cycle. The Committee was established in order to implement ODA

projects with increased effectiveness and to enhance their transparency. To this end, prior to carrying out studies for formulating new projects of grant aid, loan aid, and technical cooperation, the Committee holds exchanges of views regarding the details of the studies between external experts in ODA-related areas and relevant departments of MOFA and JICA, and to reflect past experiences and the perspectives of external experts in the new projects.

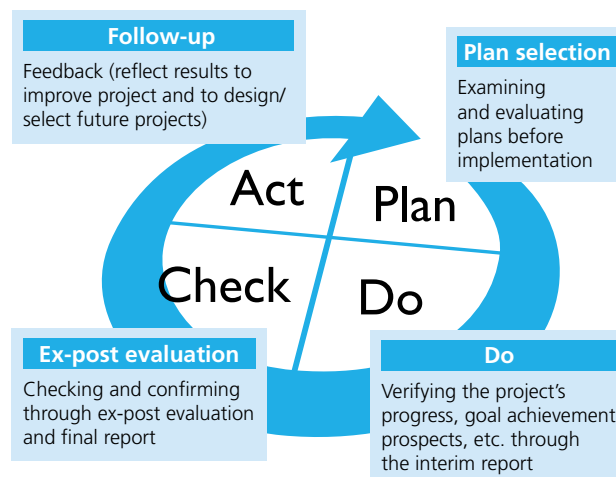
E. Enhancement of evaluation

To increase the transparency of ODA projects and to improve accountability, Japan has been (i) enhancing a feedback mechanism, the so-called PDCA cycle (project formation [Plan], implementation [Do], evaluation and monitoring [Check], and follow-up [Act]); (ii) strengthening the Program Approach; and (iii) reinforcing “visualization.”

With regard to enhancing the PDCA cycle, ongoing efforts include: (i) formulating Country Development Cooperation Policies for all recipient countries of Japan's ODA; (ii) convening the Development Project Accountability Committee; (iii) setting indicators for individual projects; and (iv) strengthening the evaluation implementation structure.

In April 2013, Japan released the “Implementation of Strategic and Effective Assistance (Third Edition)” report for the purpose of enhancing the transparency of ODA projects and making continuous improvements in implementing the projects. In this document, the following initiatives were announced in order to strengthen the PDCA cycle: introduction of systematic numerical targets for grant aid projects (to enable reasonable targets to be set for each project); introduction of the PDCA cycle for Grant Aid for Poverty Reduction Strategy; and introduction of a four-grade evaluation system for project evaluations. At the 11th meeting of the Administrative Reform Promotion Council in June 2014, experts commended the introduction of systematic numerical targets as an example of an improved measure that strengthened the PDCA cycle.

PDCA Cycle



At the “Spring Administrative Program Review” conducted in June 2014, open discussions on the JICA Partnership Program (JPP) were held. Given the comments made during the discussion, a comprehensive external evaluation was carried out to examine the relevance, effectiveness, appropriateness, and other dimensions of the JPP system. Improvements were then made to the JPP system based on the results of this evaluation.

In addition, at the “Autumn Administrative Program Review” conducted in November 2014, open discussions

were held regarding the “Modality of the PDCA Cycle for Contributions to International Organizations,” and based on the comments made at this review, an evaluation to assess Japan’s contributions to international organizations was conducted. But the “public process of Administrative Program Review” implemented in June 2016, made a comment that it needs to improve the standards of international organization evaluations, for example, by listening to the views of third parties, so Japan obtained the views of experts and revised the evaluation items. The evaluation results were released on MOFA’s website in August 2016.

In order to implement ODA projects more effectively and efficiently, strengthening of the PCDA cycle at not only the project level but also the policy level is required. To this end, Japan implements policy evaluations of all aspects of economic cooperation policies based on the Government Policy Evaluations Act (GPEA) and MOFA implements ODA evaluations by third parties to evaluate from a neutral position.

Regarding third-party evaluations, evaluations are mainly carried out at the policy-level (e.g., country assistance evaluations and priority issue evaluations) and from the development viewpoints based on three evaluation criteria, namely, whether the policies and programs match the dominant ODA policies of Japan and the needs of the aid recipient countries (relevance of the policies), whether the goals that were initially planned have been achieved (effectiveness of the results), and whether an appropriate process was carried out until implementation of the policies (appropriateness of the processes).

Moreover, based on the idea that confirmation of how the implementation of said policies and programs affect diplomacy is important in an evaluation, since 2011, diplomatic viewpoints have been introduced as evaluation

criteria in addition to the developmental viewpoints.

In order to utilize the recommendations and lessons obtained from the results of the ODA evaluation in future projects and the implementation process, Japan communicates them to the governments of developing countries, including the relevant departments and bureaus. Furthermore, evaluation has the role of fulfilling accountability regarding how ODA is used and what its effects are, as Japan publishes the evaluation results widely on web sites, etc.

Meanwhile, JICA conducts evaluations of the respective grant aid, loan aid and technical cooperation projects as well as thematic evaluations. JICA conducts consistent monitoring and evaluations in the pre-implementation, implementation, and post-implementation stages for each project, and has established a consistent evaluation mechanism for these three schemes of assistance. These evaluations are conducted in accordance with the DAC Criteria for Evaluating Development Assistance. Furthermore, ex-post evaluations by third party evaluators (external evaluations) are conducted for projects exceeding a certain amount of money. JICA also takes steps to enhance impact evaluations,² recognizing the importance of quantitatively assessing the effects of JICA’s operations.

MOFA takes response measures for the recommendations and lessons obtained from the results of the ODA evaluations, and reflects them in the policy formulation and the implementation of ODA.

MOFA also conducts policy evaluations on development cooperation policies in general, ex-ante evaluations on projects exceeding a certain project budget, and ex-post evaluations on pending projects that have not begun after five years, and incomplete projects* that have not been completed after ten years. These evaluations are carried out pursuant to the GPEA.

*** Pending projects/incomplete projects**

“Projects that have not begun after five years” are projects for which the loan agreement has not been signed or loan disbursement has not begun after five years have elapsed following the decision to implement the project. “Projects that have not been completed after ten years” are projects for which loan disbursements have not been completed after ten years have elapsed following the decision to implement the project.

Note 2: A method of verifying the effects of development operations using statistical and econometric methodologies.