

Statement of Mr. Shiro SADOSHIMA
Deputy Director-General, Economic Cooperation Bureau,
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at the High-Level Forum on Aid Effectiveness
Paris, February 28-March 2, 2005

Distinguished Co-chairs,
Ladies and Gentlemen,

1. The year 2005 is a commemorable year for the international development community. We have: (i) the Paris High-level Forum in February; (ii) G8 summit in July, which focusing on African development; (iii) the UN five-year review of the Millennium Declaration in September. In these fora, the two issues will be discussed actively in term of development assistance: one is how to increase the volume of financial resources for development such as ODA and FDI. The other is how to improve aid effectiveness. Today's Paris High-level forum is worthy of attention from the latter perspective.

2. Since the Rome High-level Forum, the international development community has made progress to improve aid effectiveness. For example, the importance of aid effectiveness is now being widely shared by almost all regions. The key elements of the Rome Declaration, which consists of (i) respect to ownership, (ii) country-based approaches, and (iii) respect to diversity of aid modalities, are also shared.

3. Japan has been making various efforts to implement the Rome agenda and its own harmonization action plan. For example, first at the regional level, we organized a regional workshop in Hanoi in October 2003 jointly with the Government of Vietnam and the DFID in order to create momentum for further improving aid effectiveness in this region. In October 2004, we organized an Asian regional workshop for the Paris HLF jointly with the Government of Thailand and the Asian Development Bank. Second, in loan aid, we expanded the efforts of 5-bank initiative to other countries. Third, in Bangladesh, Cambodia, Tanzania, Nicaragua, etc, we are supporting program-based approaches (see a paper titled "Implementing the Rome Agenda in Japan's ODA" for the details). As for capacity development, Japan takes part in the LENCED (Learning Network on Capacity Development) actively, and organized an international symposium in Tokyo in February 2004. Fourth, Japan is now enhancing the function of the field missions so that they can flexibly engage in efforts to improve aid effectiveness.

4. There are various lessons learnt through implementing the Rome agenda. First, respect for ownership matters. This is the first and most significant element to make development efforts successful. It is important to note that ownership of partner countries should be present at various levels, where development exercises are conducted. Built on this, the process of aid effectiveness should be led by partner countries, not in a way driven by a donor.

5. Second, capacity development always matters. This is a decisive factor for success, no matter what partner countries and donors want to achieve in the developmental exercise. This point was emphasized by many attendants of the regional workshops for the Paris HLF. In the long run, partner countries will need to have capacities which allow them to set out visions for its own development,

prioritize them, and take the initiative to implement development projects and evaluations, sustain the output, and improve those visions in response to changing situations. Capacity development is also very important to promote the use of a country system by donors. For effective capacity development, partner countries need to conduct diagnostic work on capacity development needs, and to implement public administration reform. For example, civil service reform is crucial for making the results of capacity development sustainable. In the mean time, the donor side is encouraged to take a new approach for effective capacity development, such as, (i) ensuring participation of partner country in the design, implementation and monitoring and evaluation stages of projects/programs, (ii) utilizing local skills and knowledge, and (iii) implementing the South-South cooperation.

6. Third, alignment is also important. It matters even more in the extreme case fragile states, where various constraints impede the effective delivery of services. To urge donors to further align their aid with the national development strategies including poverty reduction strategies, program-based approaches (PBAs) is effective.

7. We strongly welcome the Paris Declaration. It is based on the lessons learned through the implementation of the Rome agenda. It reflects all those important lessons mentioned above. Japan, on its part, has prepared a new action plan based on the action plan released at the Rome High Level Forum in order to accelerate the implementation of the Paris Declaration.

8. From now on, I would like to encourage everyone of us, governments, civil societies, and international organizations, to make the best efforts to fulfill the commitments stipulated in the Declaration.

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