

Third Party Evaluation FY 2010
The Ministry of Foreign Affairs of Japan

Evaluation of Assistance for Peace-Building

-Summary-

March 2011

Preface

This report is a summary of the “Evaluation of Assistance for Peace-Building” undertaken by Waseda University (Waseda Institute of International Strategy) requested by the International Cooperation Bureau of the Ministry of Foreign Affairs (MOFA) of Japan.

Since its commencement in 1954, Japan’s Official Development Assistance (ODA) has contributed to the development of partner countries, and finding solutions to international issues which vary with times. Recently, there have been increased domestic and international calls for more effective and efficient implementation of ODA. MOFA has been conducting ODA evaluations mainly at the policy level with two main objectives: to support management of implementation of ODA; and to ensure its accountability. Those evaluations are conducted by third parties to enhance their transparency and objectiveness.

This evaluation aims to review the overall assistance policy for Japan’s peace-building, to draw lessons and make proposals for the policy design of peace-building and its effective and efficient implementation in the future, as well as to disseminate the evaluation results widely to the public .

Professor Emeritus Yasutami Shimomura of Hosei University, acting as a chief of the study team, and Associate Professor Yuji Uesugi of Hiroshima University, being an advisor for the study, made an enormous contribution to this report. Likewise, MOFA, the Japan International Cooperation Agency (JICA), and the ODA Taskforces as well as governmental organizations in Timor-Leste, donors and NGOs also made invaluable contribution. We would like to take this opportunity to express our sincere gratitude to all those who were involved in this study.

Finally, we wish to add that the opinions expressed in this report do not reflect the views or positions of the Government of Japan or any other institution.

March 2011

Evaluation of Assistance for Peace-Building

1. Theme: Peace-Building	
2. Case Study Country: Timor-Leste	
3. Evaluators: (1) Chief Evaluator: Yasutami Shimomura, Professor Emeritus, Hosei University (2) Advisor: Yuji Uesugi, Associate Professor, Hiroshima University (3) Consultants: Waseda University	
4. Period of Evaluation Survey: From September 2010 to March 2011	

Mora Bridge and Mariana Irrigation Projects

Outline of Evaluation

1. Evaluation Results

(1) Relevance of Policy

Japanese policy for peace-building has been overall relevant, and has been consistent with priorities for international donor community, domestic policies and developing countries. Japan has attempted to actively get involved in international trend in peace-building.

(2) Effectiveness of Results

In terms of both input and output of ODA, Japan's efforts in peace-building have generated results on the ground. This study has examined the impact using the econometric analysis.

(3) Appropriateness of Process

The process of peace-building policy has been overall successful, in terms of the coordination across different schemes and agencies. However, Country Assistance Programs have yet to be formulated for all target countries.

(4) Case Study: Japanese Assistance in Peace-Building for Timor-Leste

The aid has been well coordinated and flexibly targeted to match the needs at the emergency and reconstruction phase. However, a clear-cut and consistent policy and coordination mechanism, for example, in terms of PKO and ODA, are sometimes missing.

2. Main Recommendations

(1) It is necessary to establish an inter-ministerial coordinating mechanism in order to improve the policy-making in peace-building.

(2) It may be useful to draft and distribute manuals for peace-building, regarding the followings:

- a. Defining the concept and scope of "assistance for peace-building."
- b. Sharing information as an "institutional memory." and
- c. Accumulating best practices, using country specific evaluation reports.

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

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Chapter 1 Lessons Learned and Recommendations

This chapter attempts to draw lessons learned for Japanese peace-building assistance policy and to propose policy recommendations.

Given the fact that the concept of “peace-building” is relatively new and has hardly reached a consensus about its definition among development professionals, the evaluation team defines “conflict, peace, security” categories listed under OECD-DAC statistics as “peace-building in narrower sense,” whereas all other categories aiming to build peace and stability as “peace-building in broader sense.”

It is safe to say that Japan’s approach in this field has been “learning by doing,” which also seems to be the case for the rest of the world. What should be emphasized in this study are not only the results of evaluation but also its policy implications for future.

1-1 Lessons Learned and Recommendations for Overall Japanese Peace-Building Policy

(1) Necessity to Share Concept of “Peace-Building”

A basic challenge in evaluating peace-building is that there is no consensus among development professionals about its concept. For the sake of evaluation, however, the evaluation team has tried to define a peace-building in both narrower and broader senses, which still remains far from being accepted as a common concept. It is imperative to have a common concept of peace-building.

(2) Necessity to Assist in “Seamless Assistance”

The objective of “seamless assistance” for peace-building has proven to be appropriate in this evaluation, although there are many obstacles to attain this objective. The lesson learned in this context is that there remain major challenges to be overcome in order to harmonize aid schemes and agencies for this objective.

(3) Necessity to Share Experience

There are a lot of uncertainties in peace-building activities. The example of machineries left behind in Timor-Leste by Japanese Self Defense Forces illustrates the importance and challenges regarding the “seamless assistance”. Similar examples might exist in other cases, which must be shared among development professionals in order to realize more effective assistance.

Based on these observations on lessons learned, this report proposes the following policy recommendations.

(1) It is necessary to establish an inter-ministerial coordinating mechanism in order to improve the policy-making in peace-building.

(2) It may be useful to draft and distribute manuals for peace-building, regarding the followings:

- a. Definition, concept and scope of “assistance for peace-building,”
- b. Sharing information as an “institutional memory,” and
- c. Accumulating best practices, using country specific evaluation reports.

1-2 Lessons Learned and Recommendations for Japanese Peace-Building Policy for Timor-Leste

Needless to say, the success of peace-building does not solely depend on the assistance from the international community but also on other variables such as international relations, neighboring countries, and domestic situation. In other words, if the peace-building does not seem to have a big success, it should not be translated into the failure of international assistance. On the other hand, a security crisis such as the 2006 turmoil in Timor-Leste should provide an opportunity to reconsider the assistance strategy. Japan should increasingly continue aligning with international community in such a case.

As lessons learned and recommendations are closely linked with each other, which is especially true for Timor-Leste, this section provides pointers for policy implications for this island nation.

(1) For Japanese peace-building policy for Timor-Leste, it is important to consider the followings:

- a. the necessity to establish a clear-cut peace-building strategy,
- b. the necessity to establish a commanding authority for the implementation of the strategy,
- c. the necessity to delegate authority to the field professionals and to continue monitoring, and
- d. the necessity to conduct an independent evaluation.

(2) For priority areas of assistance and the tools of assistance, it is also important to strengthen the followings:

- a. the personnel capacity building in public administration,
- b. the method to educate personnel,
- c. the know-hows and skills accumulated by Japanese aid agencies, and
- d. the involvement in Security Sector Reform (SSR).

(3) For the linkage between PKO and ODA, and short-term and long-term assistance, it is important to promote the followings:

- a. the synergy effect of security policy and ODA, and
- b. the coordination between UNPKO and multi-lateral aid activities.

Chaper2 Evaluation Framework

2-1 Background and Objectives of Evaluation

This evaluation aims to take stock of Japanese Government's assistance policy for peace-building, as expressed in the ODA Charter (2003), ODA Mid-Term Policy (2005), as well as "ODA Review: Final Report" (2010). The ODA Mid-Term Policy defines the building of peace as "to prevent the occurrence and recurrence of conflicts, alleviate the various difficulties that people face during and immediately after conflicts, and subsequently achieve long-term stable development" and focuses on the importance of "human security."

This evaluation aims to review the overall assistance policy for Japan's peace-building, to draw lessons and make proposals for the policy design of peace-building and its effective and efficient implementation in the future, as well as to disseminate the evaluation results wider to the public .

2-2 Target of Evaluation

This evaluation focuses on foreign aid policies relevant to peace-building by Japan. The previous evaluation report, completed in Fiscal Year 2005, focused on Afghanistan as a case study. This report takes on the case of Timor-Leste as an integral part of the overall evaluation of Japanese assistance for peace-building.

Japanese assistance for peace-building consists of two policy streams. The first is ODA, running from the ODA Charter, the Mid-Term Policy, and down to focal points for International Cooperation, Country Assistance Program and Rolling Plan. The second is PKO, running from the PKO Law, Implementation Order, and Implementation Plan. This report focuses on the first stream, i.e., ODA.

The Ministry of Foreign Affairs lists "promotion of peace building process", "stability of domestic security," and "humanitarian relief" as three pillars of Japan's contribution for the peace-building. This evaluation goes beyond the short-term perspectives for the peace-building, and examines the medium to long-term perspectives, which include, more precisely, JICA's four policy pillars of "reconstruction of social capital," "reconstruction of the economy," "recovery of governance," and "assurance of security." These perspectives are also considered as peace-building in a broader sense.

2-3 Method of Evaluation

This study has examined the following three aspects of the peace-building policy, based upon the DAC's five evaluation criteria (relevance, effectiveness, efficiency, impact, and sustainability) and "the ODA Evaluation Guideline 5th Edition".

(1) Relevance of Policy

- a. Consistency with development needs in counterpart countries
- b. Consistency with higher policy goals in Japan
- c. Consistency with international priorities
- d. Relevance with other donors

- (2) Effectiveness of Result
 - a. Achievement of original goals
 - b. Achievement of original priorities
- (3) Appropriateness of Process

2-4 Evaluation Procedure and Structure

This evaluation study consists of (1) document survey, (2) hearings in Japan, (3) field study in Timor-Leste. Members of the evaluation team consist of:

Chief Evaluator:

Yasutami Shimomura (Professor Emeritus, Hosei University)

Advisor:

Yuji Uesugi (Associate Professor, Hiroshima University)

Evaluators:

Takeshi Daimon (Professor, Waseda University)	Leader / Development Evaluation
Juichi Inada (Professor, Senshu University)	Peace-building
Rui Hiwatashi (Research Associate, Waseda University)	Timor-Leste

Chaper3 Relevance of Policy

3-1 Peace-Building Assistance Policy of Japan and Its Objectives

Japan started its assistance in peace-building since 1999, when the policy was stated in the ODA Mid-Term Plan (1999), in which “conflict, natural disaster and development” became one of the priority areas. Since then, the peace-building assistance was extended for Afghanistan and Timor-Leste, and became one of the important development policies. The ODA Charter (2003), the ODA Mid-Term Policy (2005), and “ODA Review: Final Report” (2010) have made this position clear.

Above all, the ODA Charter defines “the building of peace” as a priority area to ensure that “all bilateral and multilateral aid activities from emergency humanitarian relief under conflict, support for the cease-fire, assistance for the post-conflict needs and reconstruction shall be coordinated without gap.” The ODA Mid-Term Policy states that “peace and stability are necessary condition for development. These two policy platforms constitute higher policy for the peace-building.

3-2 Definition and Overview of Target Countries in this Report

There is no consensus among officials (including the Ministry of Foreign Affairs, and JICA) regarding how many countries should be included in this evaluation as “peace-building” target countries. Also, if the evaluation team includes non-ODA areas, the target countries may become even more blurred.

Therefore, this study defines “peace-building in a narrow sense” as those areas listed as “conflict, peace and security” in the OECD/DAC statistics and “peace-building in a broader sense” as those contributing to “state-building” and “consolidation of peace”, and examined the countries in whose Rolling Plan or ODA Data book mentions the word “peace-building.” The following 26 target countries were picked up according to these definitions.

Cambodia, Indonesia, Timor-Leste, the Philippines, Sri Lanka, Nepal, Afghanistan, Iraq, Palestine, Bosnia-Herzegovina, Macedonia, Angola, Uganda, Kenya, Central African Republic, Burundi, Congo Republic, Congo People’s Republic, Cote d’Ivoire, Guinea-Bissau, Liberia, Rwanda, Sierra Leone, Sudan, Mozambique, Colombia.

3-3 Relevance with the Higher Policy Objectives

3-3-1 Consistency with International Priorities

Japan has emphasized the “human security” as a central idea for its peace-building assistance, consistently with the Millennium Development Goals (MDGs). However, it is still debatable whether the concept of human security has been internationally accepted, although, gradually, diplomatic efforts to make the concept recognized world-wide have been showing some results. In May 2010, the United Nations General Assembly held a public debate on human security for the first time, and the importance of the concept has been recognized in summit meetings (G8 L’Aquila Summit, the 17th APEC Summit, etc.).

Further, Japanese assistance areas of priority such as “governance”, “democracy” and “capacity building” have been consistent with the international consensus on

peace-building as discussed at United Nations Security Council or Peace-Building Committee.

On the other hand, regarding the question of whether Japanese assistance in peace-building has been well coordinated with other major donors, it has been confirmed as far as Timor-Leste is concerned. Japanese Embassy has always sent personnel to the donors meetings, in particular, working groups of priority sectors and issues. Further, Japanese staff members represented as a head of UN mission and directors at United Nations Children's Fund (UNICEF) or United Nations Development Program (UNDP) have contributed to the presence of Japan. In addition, Japanese contribution to the UN Peace-keeping Operations (PKO) in Timor-Leste has been remembered even after its withdrawal.

In other target countries, Japan has been recognized as one of the leading nations in the peace-building efforts and it chaired the UN Peace-building Commission (PBC) from June 2007 to January 2009. In 2011, Japan serves as a chair of the Working Group of the Lessons Learned of the PBC. Japan continues to lead the design and implementation of peace-building initiatives in target countries (i.e, Burundi, Sierra Leone, Guinea-Bissau, Central African Republic, Liberia and Guinea). Also, at the first round of "International Dialogue of Peace-building and State-building" held in April 2010, Japan contributed to drafting of the "Dili Declaration" in its emphasis on the relevance of MDGs for vulnerable states, the role of justice for nation-building, the role of lead coordinator, and the importance of gender in the "Action Plan." This example suggests that Japan has been involved in the process of peace-building more actively than in the past and has contributed to making public opinion.

3-3-2 Consistency with Needs in Developing Countries

The question of consistency with needs in developing countries cannot be addressed easily, as the situation differs from one country to another. This report examines the case of Timor-Leste (Chapter 6), where Japan influenced the "core" level of development policies (i.e., budget system, development plan, etc.) through the dispatch of Japanese experts within the Timorese government, by which the consistency has been realized.

The coordination with non-ODA activities in such areas as rehabilitation of roads and bridges, maintenance of water supply station, and making the playground for primary schools, which became important infrastructure for public services provided through UNIMSET, have also been realized through Japan's Self Defense Forces.

In other countries, with differing extent and coverage, Japan has contributed significantly to the priority areas of policy-making in target countries. In Afghanistan, for example, Japan has been involved at the core policy level (i.e., macroeconomic policy, regional planning, and educational system). In Africa, the involvement has been less intense but nevertheless in consistent with development priorities of the target countries.

3-3-3 Consistency with Higher Policies in Japan

Regarding the consistency with higher policies in Japan, it is necessary to examine whether and to what extent priority areas defined in Country Assistance Program (CAP) or Rolling Plan are consistent with higher policies of Japan (i.e., ODA Charter, ODA Mid-Term

Policy, etc.). The Rolling Plan for Timor-Leste, for example, lists the following as priority areas of assistance:

Human Resources Development and Institution Building in Main Administrative Departments in the Government,
Maintenance and Improvement of Infrastructure,
Agriculture and Rural Development,
Consolidation of Peace, and

These priority areas are considered consistent with the ODA Charter and ODA Mid-term Policy. The emphasis of assistance has also shifted from the stage of maintenance of security to the stage of long-term development such as training of personnel, institution building, infrastructure and rural development.

Other target countries have shown an overall consistency in priority areas of assistance and the Japanese higher policy priorities, with differing levels of emphasis on its policy, depending on differing levels of transition.

In such countries as Bosnia-Herzegovina, Macedonia, Rwanda, and Angola, for example, the situation has been stabilized so the policy priorities more focus on medium to long – term goals, as in Timor-Leste. In other countries such Uganda, Guinea Bissau, Sierra Leone, Burundi and Liberia, years have passed since the end of the conflict, but the vulnerabilities remain at such a critical level that priorities of assistance have been economic and social support and training of personnel.

Even more vulnerable countries include Congo Republic and Sudan, where the priorities are more humanitarian and reconstruction (refugees, Internally Displaced Peoples, humanitarian relief, Disarmament, Demobilization and Reintegration, removal of mines), having shorter term perspectives. Similar situation can be found in the in-conflict or conflict-driven countries in the Middle East, including Afghanistan, Iraq and Palestine, where the priorities have also been short-term.

Sri Lanka and Nepal, on the other hand, the impacts of conflict were not so devastating that the priorities of assistance also varied, not limiting to the peace-building areas.

3-3-4 Summary

These reviews suggest that, overall, Japanese assistance in peace-building has been consistent with international priorities, domestic priorities, and priorities in target countries.

Chaper4 Effectiveness of Results

4-1 The Efforts for Peace-Building

4-1-1 The Amount of ODA for Peace-Building

This chapter examined how much amount of ODA was offered to which countries in which areas, especially in the period after 2005. The recipient countries of ODA for Peace-building were identified as the countries where “peace-building” or “consolidation of peace” are mentioned in “basic policies and priority areas of ODA” in ODA Databook, and/or “aid priority area” “development agenda” “cooperation program” in Rolling Plan shown in MoFA web site. By this method of analysis, the number of recipient countries of ODA for peace-building is 26 in total, excluding the countries surrounding the conflict areas. The following facts are to be taken notes in aggregating the amount of ODA for peace-building.

First of all, a large amount of ODA was given to the infrastructure projects in the case of the countries receiving a large amount of ODA in the list (Iraq, Sri Lanka, etc.). The purpose of those infrastructure, most of which were assisted by yen loan, is not limited for “peace-building in a narrower sense” but for state-building in broader sense and longer-term development of the target countries.

Secondly, there are many countries in which only a part of the territory the country is the conflict-affected area, such as Aceh in Indonesia, Mindanao in the Philippines, north eastern area of Sri Lanka. Only a part of the amount of ODA to those countries can be included in the amount of ODA for peace-building, and most of them are not.

4-1-2 The Amount of ODA for Peace-Building in a Narrower Sense

As explained in Chapter 3(3-2), the amount of Japanese ODA to 6 areas of “conflict, peace and security” defined by OECD/DAC can be regarded as the amount of ODA for peace-building in narrower sense. The following two points should be noted.

Firstly, the amount of ODA for peace-building in narrower sense defined as above is far smaller than the amount of ODA for peace-building in wide sense to 26 countries. The level of the amount of the former is less than one tenth of the latter.

Secondly, the amount of ODA for peace-building in narrower sense has been rapidly expanding especially after 2006. The average of the amount in 1999-2005 was 789 million Yen, and that in 2006-2009 was 5283 million Yen, which means 6.7 times higher than the former period. Among 6 areas of assistance, “demining” has been the prioritized area in last 10 years (the largest recipient is Cambodia), ODA for “security system management and reform” has expanded in recent years after 2005 (the largest recipient is Afghanistan).

4-1-3 Grant Aid for Conflict Prevention and Peace-Building

“Grant aid for conflict prevention and peace-building” was a newly established aid scheme in 2002. This grant aid scheme is for assisting the programs of conflict prevention and peace-building in the conflict-affected countries, such as disposal of small arms, DDR (demobilization, disarmament and reintegration), demining of landmines and UXOs,

national reconciliation, etc. 47.2% of the total amount of this grant aid in 2002-2008 was offered to Afghanistan.

4-1-4 The Assistance to Security Sector Reform (SSR)

”Security system management and reform” is a newly emerging important agenda in recent years. Japan traditionally did not extend its assistance to SSR, but has been expanding its ODA to SSR since 2006. One of the new features of Japan’s aid to SSR was the beginning of budgetary support to the salaries of Afghanistan National Police (ANP) after 2008. Before that, Japan has taken negative stance to budgetary support to operational costs, because it was regarded as unsustainable and temporary. However, security is the key factor for peace-building in Afghanistan and the significance of assisting the capacity enhancement of ANP was taken into consideration.

4-2 Effectiveness In Terms of Input (ODA Extended)

4-2-1 Analysis of Comparative Advantage

Japan has been heavily supporting the infrastructure such as transportation, telecommunication, and energy, as an area of “comparative advantage.” The question to be asked here is whether and to what extent the comparative advantage has been fully utilized. The following is the list of sample countries receiving ODA in infrastructure and non-infrastructure sectors from various donor countries and institutions.

Table 1 Infrastructure (Transport, Telecom, and Energy) (in millions of US \$)

	Afghanistan	Timor-Leste	Iraq	Sri Lanka	Sudan	Congo PR
Japan	2.1	2.4	16.0	234.2	2.4	1.1
US	900.2	8.9	199.1	4.2	51.9	0.7
UK	100.1	0.0	5.9	2.6	31.2	17.4
World Bank	102.8	0.5	31.8	87.4	0.0	183.5
Others	35.5 (Germany)	1.8 (Norway)	1.8 (Sweden)	10.9 (Korea)	10.8 (Canada)	124.2 (AfDB)

Source: DAC-CRS(2009) All figures are in disbursement.

Table 2 Non-Infrastructure (Education and Health) (in millions of US \$)

	Afghanistan	Timor-Leste	Iraq	Sri Lanka	Sudan	Congo PR
Japan	55.2	3.3	3.8	32.9	63.0	25.4
US	1491.9	12.3	1527.4	11.9	166.2	72.6
UK	163.5	0.1	29.0	3.5	127.9	99.4
World Bank	146.4	3.3	0.1	93.4	0.0	210.3
Others	285.4 (EU)	46.8 (Australia)	31.0 (Germany)	25.7 (EU)	52.9 (Norway)	102.7 (Belgium)

Source: DAC-CRS(2009) All figures are in disbursement.

In Sri Lanka, as a large portion of assistance has been provided in the form of Yen loan, a large amount of aid money has been allocated to the infrastructure such as roads. For other target countries, however, the aid amount allocated for the infrastructure is less. For example, Japanese contribution to infrastructure in Afghanistan is about 1/450, and it is 1/13 in Iraq, and less than half even in Timor-Leste and Sudan. As Iraq is eligible for Yen loan, it is a wonder why the amount allocated for infrastructure has been less. Actually, more ODA has been allocated for non-infrastructure areas.

As of 2009, the ratio of ODA amount allocated for infrastructure and non-infrastructure is 2:55 (million US \$) for Japan, contrasting with 900:1500 (million US \$) or about 3:5 for US, which implies that the ratio of infrastructure ODA is higher in relative terms in the US than in Japan. In other countries, Japanese ODA disburses in a ratio of 2.4:3.3 (million US \$) or about 8:11, contrasting with 8.9:12.2 (million US \$) or about 3:4, showing relatively higher ratio of infrastructure ODA in Japan, and the same conclusion can be drawn from Iraq and Sri Lanka data, while the opposite conclusion can be drawn from Sudan and Congo RP data.

Although it is not quite accurate to draw a general conclusion just from one-year data, if Japan really had a comparative advantage in infrastructure, more assistance could have been allocated for infrastructure in such countries as Afghanistan. This analysis also suggests that the argument for comparative advantage is not enough.

4-2-2 Relevance of Input (ODA Extended) for Risks of Conflicts

The report focuses on “the risk of conflicts” and asks whether and to what extent ODA has been extended effectively to those highly risky countries. Here, the risk is defined as a social situation in which a probability of conflict is potentially high, rather than whether an actual conflict has occurred. In other words, the risk as defined here refers to the “vulnerabilities against risks of war”, namely to what extent a country could resist the occurrence of conflict situation.

The vulnerability indicators used in this report is “State Fragility Index: SFI” (1995 to 2008 time series data) issued by The George Mason University Center for Global Policy, which is defined as follows:

SFI = Effectiveness Score + Legitimacy Score (max. 25 points)

Where

Effectiveness Score = Security Effectiveness + Political Effectiveness + Economic Effectiveness + Social Effectiveness (max. 13 points)

Legitimacy Score = Security Legitimacy + Political Legitimacy + Economic Legitimacy + Social Legitimacy (max. 12 points)

It is well known that there is a significant correlation among the SFI, the probability of conflict occurrence, and the duration of conflicts. In particular, when SFI is over 20, the total duration of conflicts counts for 125 periods (years) with more than 60 percent of probability.

Table 3 SFI and Risks of Conflicts(1996-2007)

SFI	Total Periods of Conflicts	Probabilities(%)
0~3	2	0.38
4~7	7	2.27
8~11	42	9.46
12~15	90	20.3
16~19	64	19.3
20~25	127	66.1

Source : Global Report 2009

As of 2009, the following is the list of high SFI countries.

Table 4 High SFI Countries As of 2009

	SFI	Effectiveness	Legitimacy
SOMALIA	25	13	12
CONGO DR	23	12	11
SUDAN	23	11	12
AFGHANISTAN	22	12	10
CHAD	22	12	10
ETHIOPIA	21	11	10
MYANMAR	21	11	10
IRAQ	20	10	10
SIERRA LEO	19	11	8
BURUNDI	18	12	6
CEN AFR REP	18	10	8
LIBERIA	18	11	7
NIGER	18	9	9
NIGERIA	18	9	9
RWANDA	18	10	8

Table 5 Per Capita ODA by SFI(1996-2009)

SFI	Japan	DAC Average
0-5	6%	9%
6-10	30%	22%
11-15	30%	26%
16-20	25%	24%
20-25	10%	20%

Source : Global Report 2009

As the table shows, only 10% of Japanese ODA (which is half of DAC member average) has been allocated to those countries with SFI 20 or higher, whereas roughly half of them has been allocated to the middle range of SFI (6-20). This suggests that Japanese ODA tends to concentrate on mid-to-high level of vulnerable countries (Cambodia and Timor-Leste), rather than on extremely vulnerable countries (Afghanistan, Iraq, Congo DR, Sierra Leone). Another background for this is that there is a high share of Japanese ODA loan, which tends to avoid risks in terms of economic returns and debt sustainability.

4-3 Effectiveness In Terms of Outcome and Impact

As stated before, it is technically difficult to evaluate the “result” (output and outcome) of the peace-building policy of Japan due to various complex and often intangible influences over the causality of ODA. Nevertheless, the correlation between the ODA and some dynamic aspects of building of peace has been estimated using econometric methods.

The data used in the quantitative analysis include the SFI, the seriousness of conflict, and some other social tension indicators (e.g., number of assassination, general strikes, guerrilla warfare, government crisis, purges, riots, revolutions, and anti-government demonstrations)

The estimation used Tobit model in order to capture the factors underlying risks of conflicts as defined above. The model assumes that there are both “push” and “pull” factors of the risk. The pull factors may include ODA, PKO, institution, education and infrastructure, while the push factors may include regional characteristic, ethnicity, natural resources. To put it formally,

$$Y = \beta X + \varepsilon = Y^* \quad \text{if} \quad Y^* > c$$

$$Y = 0 \quad \text{if} \quad Y^* \leq c$$

where Y^* is defined as latent variable of “risk” which is visible only if it exceeds a certain threshold of c . If it is below that level, it remains invisible. The following table summarizes the result of estimation.

Y variable \ X variable	Seriousness of War	Guerrilla Activities	Riots	SFI
Income		-		-
Infrastructure	-	-	-	-
Education		(weak)		
Trade	-	-	-	
Africa (dummy)	-	-	-	+
Institution	+	+	+	
ODA (Japan)	-	-	-	-
ODA (World)	-	-	-	-

The Y variables are considered to reflect the (tangible) risks of war, explained by X variables as listed in the table.

The policy implications of this result can be summarized as follows. First, the ODA amount is significantly negatively correlated with risks of war, suggesting an existence of circular causality between the increase (or decrease) of ODA and the decrease (increase) of risks of risks. The same results have been held for both Japanese ODA with and without time lag, and for DAC member average. The size of coefficients is generally bigger for Japanese ODA than for DAC average. With the similar context, per capita income and infrastructure are negatively correlated with Y variables. However the education has not seen any significance.

Second, African dummy has shown positive significance only for SFI (state fragility

index), while it has been negative for others, suggesting that Africa is vulnerable but it is rare that it has been translated into actual violence. The institution (effectiveness of legislature) turns out to be positive, suggesting that stable democracies can also allow for the visible anti-government actions.

Chaper5 Appropriateness of Process

Chapter 5 analyzed the appropriateness and effectiveness of the policy process, by checking the organizational structures and coordination among related organizations, among several aid schemes, with other donors, between development and security.

5-1 System and Process of Planning, Decision-Making and Coordination

One of the biggest changes in the system and process of policy-making is that divisions in International Cooperation Bureau of MoFA were restructured from scheme-based divisions of loan, grant and technical cooperation to country-based divisions. Newly established current Country Assistance Planning Divisions can formulate integrated assistance policy more easily, including different aid scheme of loan, grant and technical cooperation.

As it is important to use several aid schemes and formulate a best mix of them in assisting comprehensive peace-building process of target countries, the above mentioned reform of organizational structures of international cooperation bureau can be evaluated as a useful and important one.

On the other hand, Country Assistance Programs are necessary to implement effective and strategic assistance, but they have not yet been formulated in all target countries of peace-building. MoFA is now doing efforts to formulate them in all target countries within next 3 years.

It is also necessary to combine reconstruction and development, security and political process in more strategic manner, but there is no specific organization to integrate and coordinate those different agenda, and making better coordination and collaboration among many stakeholders of peace-building efforts remains a big challenge.

5-2 Tools of Peace-Building Assistance

Japan has many different kinds of aid schemes including loan, in contrast to the western donors which focus on grant aid in peace-building.

In the emergency and recovery phase of peace-building, MoFA has several aid schemes, such as “grant aid for conflict prevention and peace-building” and “emergency grant aid”. The latter is an aid scheme which can be quickly disbursed for offering emergency aid in the situations of conflict or just after conflict.

Several new aid schemes were established in recent years. For instance, “grant aid for conflict prevention and peace-building” was established in 2002, which has been expanding in terms of its amount of budget. In 2006, “grant aid for cooperation on counter-terrorism and security enhancement” “grant aid for disaster prevention and reconstruction” and “grant aid for community empowerment” were established. For example, “Grant aid for cooperation on counter-terrorism and security enhancement” has been offered in security sector especially in Afghanistan and Iraq, and “grant aid for disaster prevention and reconstruction” was given to the infrastructure rehabilitation projects in Timor-Leste. “Grant aid for community empowerment” is established to assist the comprehensive empowerment of communities, and is regarded as a useful aid scheme which can be combined with other aid scheme or other donors, even in the countries for peace-building.

“Grant assistance for Grassroots human security projects” is also a useful quick-impact aid scheme often used in the situations of post-conflict reconstruction, in which most vulnerable people are the beneficiaries and its impact is clear, although it is small in terms of amount of money. There were many projects assisted by the grant in the conflict affected areas, such as in rural areas in Afghanistan and ARMM area of Mindanao.

In short, the fact that several new aid schemes were established and used for peace-building can be positively evaluated. The remaining challenge is how to combine several different aid schemes strategically in the whole phases from emergency humanitarian aid and rehabilitation to longer-term reconstruction and development.

5-3 Collaboration among Domestic Actors

The necessity of coordination among different aid schemes of grant, loan and technical assistance has been often mentioned in Japanese aid community. The integration of JICA and JBIC in 2008 and the organizational reform of International Cooperation Bureau of MoFA from scheme-based divisions to country-based divisions in 2006 were the examples of efforts for more effective and smooth collaboration among different aid schemes. More effective coordination can be made by the establishment of country-based divisions, searching possible aid schemes and avoiding duplication among them.

In the case of emergency assistance, Japanese government has often offered money to UN organizations and International committee of Red Cross which have a lot of experiences of aid operations in conflict-affected areas. On the other hand, Japanese government has been expanding its budgetary support for operations of Japanese NGOs such as Japan Platform (JPF), which was established in 2000.

One of the advantages of collaboration with NGOs is that it makes aid more grass-roots and more sensitive to the voices and needs of the local people. The budget for JPF, “grant assistance for Japanese NGO projects”, both of which are the aid scheme of MoFA, and “grass-roots technical cooperation projects” supported by JICA have been increasing in general.

Yen Loan has been mostly used for long-term development and reconstruction. The necessity of coordination between grant and loan in the process of emergency aid to longer-term development and how to strengthen the coordination between them still remains a big challenge in Japanese aid policy for peace-building.

One of the priority areas of Japanese efforts for post-conflict reconstruction is the improvement of infrastructures of electricity, roads, and water facilities etc. An important feature of Japanese support for improvement of infrastructure is that Japan has supported not only the fund for the construction of the infrastructure but also assisted the enhancement of capacity of managing the facilities through technical cooperation to line ministries.

In short, the collaboration with NGOs in Japanese aid for peace-building has been making progress. However, further efforts are necessary for making more strategic linkage among several aid schemes and different domestic stakeholders.

5-4 Collaboration between Bilateral Aid and Multilateral Aid

The coordination and/or combination between bilateral aid and multilateral aid are

important for effective implementation of aid, partly because that human resources and experiences are still in short in Japanese aid community especially in dealing with the emergency aid in conflict areas.

The necessity of collaboration between them was also mentioned in the final report on ODA of the MoFA publicized in June 2010. There is an example of combination of “grant aid for community empowerment” and “human security trust fund” for assisting the project in Ituri of the Democratic Republic of Congo in 2007-2010, although it is a rare case.

The coordination between MoFA and the Ministry of Finance which deals with the aid budget to Multilateral Development Banks (MDBs), has also been progressing in recent years. There are some cases of coordination at field level between the Japanese embassy and the field office of the World Bank in the process of project formation. These facts can be evaluated positively.

On the other hand, the country desk, which deals with the policy formation in Tokyo, does not have the systematic process of collaboration of bilateral and multilateral aid, and there is only limited number of cases of collaboration between them, depending on the specific human relations at the field of the target countries.

5-5 Coordination between ODA and PKO

In some historical cases of Japanese dispatch of personnel to PKO such as Cambodia, Timor-Leste and Haiti, Japanese government also provided a large amount of cases in ODA to those countries. For instance, in Cambodia where Japan sent its Self Defense Force (SDF) to UNTAC as personnel PKO for the first time, Japan made a comprehensive contribution to the peace-building process of the country by offering a large amount of ODA as well as the dispatch of PKO.

In the report, 2 cases of Haiti and Timor-Leste were picked up to examine how the coordination between ODA and PKO was made. In the case of MINUSTA (UN Haiti Stabilization Mission) established after the huge earthquake in 2010, Japanese SDF implemented the removal of debris for the Signo tuberculosis sanatorium in response to the request of UN, and ODA was also given to improve the water facilities of the sanatorium.

Another case in Timor-Leste is a case with some challenges for coordination between ODA and PKO. Japanese SDF left its road construction/maintenance vehicles and equipment to the government of Timor-Leste after the completion of its service in PKO mission in 2004. MoFA and JICA have been assisting Timor-Leste to develop the engineering capacity of management of the vehicles and equipment using ODA. Those have not been fully utilized because of the shortage of capacity of the government of Timor-Leste.

In short, some challenges still remain for better and strategic coordination between ODA and PKO, because the procedures and organizations of ODA and those of PKO are different and there are so many stakeholders both in aid community and security community.

Finally, there is a new aid approach called PRT (Provincial Reconstruction Team) that consists of civilian aid workers and the military who protect the aid staffs, to make aid feasible in bad security situations, most notably in Afghanistan. Japan began to send civilian staffs to PRT in Chagchalan in Goal Province in Afghanistan since May 2009. Although there are still mixed opinions for and against the collaboration between the

military and the civilian among Japanese public, but the Japanese involvement into the PRT in that area is highly valued by the local people and the government of Afghanistan because it is the effective assistance to the neglected people in poor area at the grass-roots level .

Chaper6 Case Study: Japanese Assistance in Peace-Building for Timor-Leste

6-1 Overview of Japanese Assistance Policy and Achievement for Timor-Leste

In 1999, the question of nation-building of Timor-Leste started with a social turmoil when the Government of Indonesia offered them a status of special state having more autonomy vis-à-vis Jakarta. The people had opted for a full independence rather than an autonomous status within Indonesia.

The transition for independence went through several phases of United Nation's tutelage, and in May 20, 2002, the United Nations Transitional Authority for East Timor (UNTAET) transferred all sovereign power to the newly independent nation.

On the other hand, during the period of 2002 to 2004, the succeeding UN Mission of Support in East Timor (UNMISSET) supported the civil engineering in road and bridges, and under this context, Japanese Self Defense Forces has been sent and deployed for the UNPKO missions.

In April 2006, another turmoil occurred and government ceased to function. Roughly 10 percent of the population, or 150,000 people became internally displaced. International security forces, in particular Australian Army, helped stabilize the situation, and they have remained in the country since then.

Priority areas for Japanese assistance have been the following:

- a. infrastructure construction and maintenance,
- b. human resources development, capacity building and institutional building,
- c. agriculture and rural development, and
- d. consolidation of peace.

6-2 Evaluation of Japan's Assistance for Timor-Leste

Overall, the Japanese ODA for Timor-Leste has been meeting the needs of Timor-Leste, by adopting timely and flexible approaches to help their transition from emergency to reconstruction phases. This effort has been appreciated by government officials, people and donor community overall.

On the other hand, however, a broader sense of assistance from Japan, including the linkage between ODA and PKO activities has resulted in mixed results, partly because there was not a clear-cut and consistent assistance policy, encompassing the PKO and ODA assisted Security Sector Reforms, and the effective coordination mechanism for implementation of policy was de facto non-existent. The priority area of "consolidation of peace", started since 2005, has not been significant in assistance amount of ODA

The other priority areas of assistance, and in particular, the area of human resources and capacity development, deserve a good reputation in meeting the local needs in times of need. On the other hand, however, the human resources of the nation do not suffice to support its transitional path to long-run economic development. Infrastructure and agricultural sectors have been assisted seamlessly from initial emergency relief to reconstruction phases. Despite these achievements, however, it remains to be seen whether and to what extent the Japanese assistance has impacted the result of peace-building, although there are some risks of conflict indicators, such as SFI showing

some improvements.

The process aspects have seen no major problems, in terms of harmonization among different projects both within Japan and among donor community in the field. On the other hand, a commanding and coordinating function may need to be institutionalized in order to realize inter-ministerial coordination and consistent policy making for the peace-building. Also, among international donors, there was a high expectation for Japan to play a more leading role in infrastructure and agriculture sector where Japan has a comparative advantage.

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