

Third Party Evaluation Report 2011
The Ministry of Foreign Affairs of Japan

Evaluation of Japan's Grant Assistance for the Food Aid Project (KR)

-Summary-

February 2012

International Development Center of Japan Inc.

Preface

This report is a summary of the Evaluation of Japan's Grant Assistance for the Food Aid Project (hereinafter referred to as KR¹) undertaken by the International Development Center of Japan Inc. entrusted by the Ministry of Foreign Affairs (MOFA) of Japan in FY2011.

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 the 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 improve management of ODA; and to ensure its accountability. Those evaluations are conducted by third parties to enhance their transparency and objectivity.

The objective of this evaluation is to draw lessons and make recommendations for the future revision and effective and efficient implementation of the scheme of KR by reviewing the overall assistance policies of the scheme. It also aims at achieving accountability to the Japanese people by publishing the evaluation results.

Prof. Motoki Takahashi, Professor, Graduate School of International Cooperation Studies, Kobe University, acting as a chief evaluator, and Dr. Koichi Ikegami, Professor, Faculty of Agriculture, Kinki University, being an advisor for the evaluation, made an enormous contribution to this report. Likewise, MOFA and the Japan International Cooperation Agency (JICA) as well as the government and institutions in Ethiopia, the case study country, 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.

February 2012

International Development Center of Japan Inc.

¹ KR is the abbreviation for Japan's food aid scheme. It comes from the Kennedy Round, the sixth session of General Agreement on Tariffs and Trade (GATT) trade negotiations held in 1964-1967. However, this abbreviation is only used in Japan.

Evaluation of Japan's Grant Assistance for the Food Aid Project (KR) (Scheme Evaluation)

<p>1. Evaluators:</p> <p>(1) Chief Evaluator</p> <p>Prof. Motoki Takahashi, Professor, Graduate School of International Cooperation Studies, Kobe University</p> <p>(2) Advisor</p> <p>Dr. Koichi Ikegami, Professor, Faculty of Agriculture, Kinki University</p> <p>(3) Consultant</p> <p>International Development Center of Japan Inc.</p>	 <p>Distribution of wheat to drought victims in Ethiopia provided by KR in cooperation with the United Nations World Food Programme (WFP) (courtesy of WFP)</p>
<p>2. Period of Evaluation:</p> <p>June 2011 – February 2012</p>	
<p>3. Case Study Country</p> <p>Ethiopia</p>	

Outline of Evaluation

1. Evaluation Results

●Relevance of Policies

The policies adopted for the period of FY2001-FY2010 for the implementation of KR were generally relevant to Japan's diplomatic policies but were judged to be insufficient in terms of their consistency with international approaches and aid trends.

●Effectiveness of Results

Although conclusive evaluation results were not established, KR in the evaluation period is inferred to have brought about some positive outcomes in terms of alleviation of food shortages, stabilization of food prices, socioeconomic development using the counterpart funds and promotion of diplomacy.

●Appropriateness of Process

While KR in the evaluation period are judged to have been formulated and implemented in an appropriate manner in general within the current framework, there are points for future improvement to ensure the relevance of the policies and effectiveness of the results.

2. Main Recommendations

(1) Prepare and publicize a document explaining KR to clarify its objectives and relation between the objectives and methods

For the future implementation of KR, it is essential to prepare and publicize an official document that clearly states the objectives of KR by comprehensively examining such criteria as “degree of food shortages,” “diplomatic viewpoint” and so forth emphasized

by MOFA to approve KR projects. In particular, it is desirable to clarify the status of KR in relation to assistance for the improvement of food security and agriculture and rural development in developing countries in accordance with Japan's ODA policies. In the process, it should also be rechecked whether appropriate methods are employed to achieve the objectives.

(2) Target KR on specific beneficiary groups and countries with further emphasis on the “eradication of extreme hunger”

KR should be established as short-term assistance under Japan's food security (assistance) policy and further emphasis should be placed on “eradication of extreme hunger,” focusing on countries and groups “faced with threats to human lives and safe living, such as hunger, poverty and illness.” Possible methods include: 1) the expansion of KR in cooperation with international organizations; 2) introduction of food-for-work and food-for-training targeting the vulnerable in collaboration with Japan's agricultural cooperation projects and NGOs; and 3) food assistance targeting the urban poor. Along with the targeting, 4) the abolition of the counterpart fund system should be considered according to the circumstances of individual recipient countries.

(3) Enhance collaboration with Japan's agricultural cooperation, other development partners (DPs) and NGOs with a view to reducing dependence on food aid and establishing food security in developing countries

To reduce dependence on food aid and enhance food security in developing countries, it is essential to incorporate “a graduation support program” in comprehensive food assistance. It is also important to prepare consistent policies for KR and formulate and implement individual projects based on the policies so that food aid can achieve synergetic effects through collaboration with other Japanese ODA projects in the agriculture and rural development sector. In addition to comprehensive assistance by Japan alone, there is a need for stronger collaboration with other DPs and NGOs in response to the specific conditions of individual recipient countries.

(4) Conduct periodic monitoring and evaluation and publicize their results

The formulation of an evaluation framework, periodic evaluation of outcomes based on the framework and publication of the evaluation results should be sought. The evaluation should be conducted not only to achieve accountability to the Japanese people but also to enable the people of recipient countries to understand the significance of KR and to evaluate the importance of its outcomes for them. Monitoring should take one step further than checking of the deposit of counterpart funds (proceeds from the sales of KR products). Publicity should not simply feature information on the signing of the E/N and delivery of food but also involve the reporting of the concrete outcomes/achievements of KR to the Japanese people.

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

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Map of Ethiopia

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Chapter 1 Evaluation Policies

1.1 Background and Objectives of Evaluation

The Government of Japan has been implementing the Grant Assistance for the Food Aid Project (KR) based on the Food Aid Convention (FAC) since FY1968 to alleviate food shortages in developing countries. The total funding for KR up to FY2010 exceeds ¥530 billion. Funding in FY2010 under the KR scheme was ¥13.1 billion as bilateral aid for 19 developing countries and ¥5.7 billion as assistance for refugees and disaster victims in 12 countries/areas in cooperation with international organizations. Rice, wheat, flour, maize and other foodstuffs were supplied to recipient countries through the grant assistance.

In recent years, the environment surrounding Japan's ODA has undergone profound changes internationally and domestically. In 2010, the Ministry of Foreign Affairs (MOFA) conducted a strategic review of the ODA policy and summarized the results in a report titled "Enhancing Enlightened National Interest – Living in harmony with the world and promoting peace and prosperity" published in June that year. The review called for: 1) More strategic and effective implementation of aid, 2) Strong support and understanding from the people; and 3) Mobilization of resources needed to meet development challenges. In view of the review results, it is highly significant to examine the outcomes of KR projects to date and to present lessons and recommendations that serve as a useful reference for future Japanese aid in general and the KR scheme in particular.

The present evaluation of the KR scheme was conducted with the following objectives under the current circumstances of Japan's ODA described above.

- 1) To obtain lessons and recommendations that will contribute to policy planning and implementation of Japan's future ODA through the evaluation of the KR scheme
- 2) To achieve accountability to the Japanese people by publishing the evaluation results
- 3) To feed back the evaluation results to the governments of recipient countries, related institutions and other development partners (DPs) and to publicize Japan's ODA
- 4) To contribute to improving Japan's ODA practices and transparency

1.2 Scope of Evaluation

The evaluation covers those projects implemented under Japan's KR scheme in the period from FY2001 to FY2010 in general (bilateral KR and KR in cooperation with international organizations). However, the use of the counterpart funds set aside by the governments of recipient countries in a bilateral KR project is not included in the scope of evaluation.

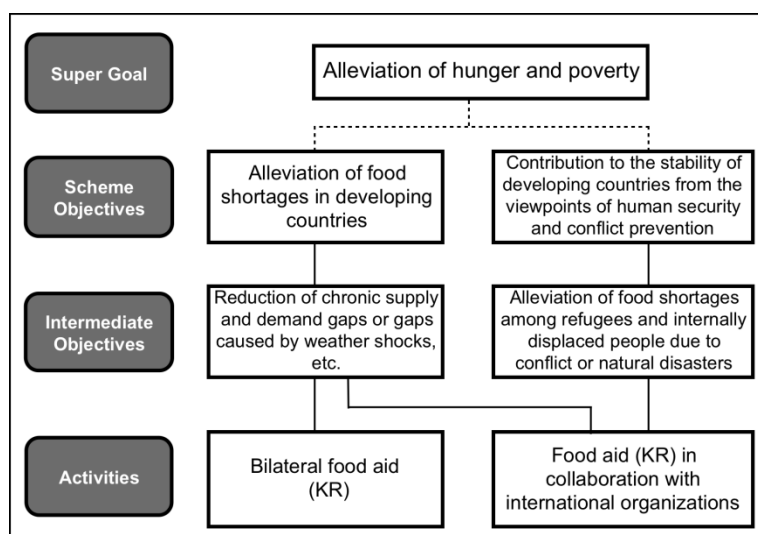
1.3 Framework of Evaluation

In the analysis, the evaluation team first identified the objectives of the KR scheme and then evaluated it from the three criteria of "relevance of policies," "effectiveness of results" and "appropriateness of processes" based on MOFA's ODA Evaluation Guidelines 6th Edition (April 2011). Specifically, the evaluation team conducted the following tasks.

(1) Review of Objectives of the KR Scheme

The objectives of the KR scheme were reviewed to determine the scope of evaluation. Since the inception more than 40 years ago, the international social and economic environment surrounding KR has significantly changed, not least due to the rising need for emergency relief for natural disasters and conflicts. The evaluation team interviewed MOFA and other stakeholders to find the ideas, objectives and logic leading to concrete activities they had shared while referring to the relevant documents they possess. The interviews also identified the response of the stakeholders to the changing environment. Based on the results, an objective framework of the KR scheme was prepared (Figure 1).

Figure 1 Objective Framework of the KR Scheme (prepared by the Evaluation Team)



Source: Prepared by the evaluation team based on such documents as KR project reports, ODA White Paper and Diplomatic Bluebook compiled by MOFA and also on interviews with various stakeholders.

(2) Relevance of Policies

From the viewpoint of determining whether or not “the direction aimed at by the KR scheme is relevant,” the consistency of KR’s aid policies shown in the objective framework was examined against: 1) Japan’s diplomatic policies (ODA Charter, Medium-Term Policy on ODA, food security policies, humanitarian policies and diplomatic policies in general); and 2) international approaches and aid currents (international frameworks for food security and direction for food assistance of other DPs).

(3) Effectiveness of Results

From the viewpoint of determining how much the objectives of the KR scheme have been achieved, comprehensive judgment of the effectiveness was made in accordance with the following steps. First, appropriate evaluation indicators were identified at the design step of evaluation to establish the past performance. It must be noted that the objectives of a scheme are not quantified in general and this is the same for the KR scheme. The principal purpose of individual projects under the KR scheme is to mitigate the shocks caused by sudden phenomena (natural disasters, wars and weather shocks among others) and it may not be appropriate to link the improvement of medium- and long-term outcome indicators to

the outcomes of individual KR projects. Accordingly, qualitative analysis was conducted through interviews with the stakeholders and available documents to determine whether assistance to meet the needs of recipient countries had been provided swiftly. Meanwhile, quantitative analysis of the inputs (amounts granted and quantity of grains provided) and outputs (number of beneficiaries, etc.) was also conducted as much as possible. The qualitative examination of the diplomatic impacts of the KR scheme was also conducted based on relevant information gathered from MOFA's Diplomatic Bluebook and individual projects from the viewpoint of evaluating ODA as a means of diplomacy.

(4) Appropriateness of Processes

The appropriateness of the planning and revision process for basic policies and measures defining the KR scheme and its implementation processes was evaluated from the viewpoint of determining whether or not the processes employed to ensure the relevance of the policies and the effectiveness of the results of the KR scheme are appropriate. Specifically, several key issues were examined: 1) Have the operating policies (guidelines, etc.) been reviewed?; 2) Have the appropriate division of labor and implementation been performed among the stakeholders?; and 3) Have monitoring and follow-up been appropriately and timely conducted?

1.4 Evaluation Procedure

The evaluation was conducted between June 2011 and February 2012. During this period, a review meeting was held four times with the participation of officials of MOFA and JICA. The concrete evaluation procedure is described below.

(1) Formulation of Evaluation Implementation Plan

The evaluation team formulated an evaluation implementation plan, clarifying the objectives, scope, criteria and work schedule among others. In the first review meeting, the evaluation team members discussed these matters with officials of MOFA and JICA. The evaluation framework that specifies evaluation items, indicators and information gathering methods was prepared to conduct the examination based on the three criteria of evaluation explained above. All the participants of the review meeting agreed on the framework.

(2) Selection of Case Study Country

In this evaluation, a case study was conducted for the purposes of: 1) deeper investigation of the concrete operational status and actual outcomes of KR projects in the recipient country; 2) precise understanding of the characteristics, issues and points for improvement of the KR scheme in the recipient country through a series of interviews with the government of the recipient country, other DPs and the United Nations World Food Programme (WFP); and 3) "easy-to-understand evaluation" through the introduction of a concrete case. For the selection of the case study country, several candidate countries where KR projects have been implemented were analyzed in terms of: 1) dietary energy consumption, proportion of the population in a condition of undernourishment, amount of food aid received and share of food aid in the total dietary energy supply; 2) number of DPs providing food assistance, their performance and status of Japan in the country; and 3)

importance of food security assistance, including KR, in Japan's Country Assistance Program. The relevance of the case study country was also examined from the viewpoint of making policy recommendations to improve the KR scheme. Thus, Ethiopia was selected as it was deemed to offer a wide range of useful information.

(3) Literature Review and Interviews in Japan and Questionnaire Survey

The study team collected information and conducted a literature review on the trends of food assistance including KR and that of other DPs. A series of interviews was conducted with officials of MOFA, JICA and other stakeholders as well as experts regarding the matters concerned. In addition, a questionnaire survey on the state of implementation and perception of the current status of the KR scheme was conducted with officials in charge of KR projects at the Japanese embassies in 21 major KR recipient countries.

(4) Field Study in Ethiopia

Based on the literature review and interviews in Japan, a field study was conducted in Ethiopia from September 25th to October 6th, 2011. Information on the situation of KR projects and other food assistance was gathered from government officials of Japan and Ethiopia, those involved in JICA's technical cooperation projects and field representatives of other DPs. As part of this field study, projects sites of WFP and JICA were visited to obtain an insight into their activities. Before and after the field study, the second and third review meetings were held, respectively.

(5) Analysis in Japan and Preparation of the Report

The information obtained through the literature review and interviews in Japan and the field study in Ethiopia was analyzed for the comprehensive evaluation of each evaluation item using the relevant criteria to obtain lessons and recommendations. The fourth review meeting was held to discuss the draft evaluation report with the stakeholders. The final report was then compiled, taking into consideration their comments on the draft report.

1.5 Limitations of Evaluation

It is important to note the following limitations of the evaluation.

First, there were some areas where the scope of examination was restricted due to the unavailability of key information. The minutes of committee meetings involving officials of the governments of Japan and the recipient country to verify the distribution status of grains in individual KR projects were believed to provide useful information in analyzing the effectiveness of the results. However, only one sample of minutes was provided by MOFA because of objections by the governments of the recipient countries and other reasons. Although the evaluation team attempted to collect supplementary information through the questionnaire survey with the Japanese embassies, no exhaustive information was obtained on the situation after the delivery of grains.

No bibliographic examination of the decision-making and project implementation processes could be conducted to determine the appropriateness of the processes because

of the unavailability of official documents exchanged between the Japanese embassies and the MOFA headquarters.

Moreover, in regard to the KR projects implemented in cooperation with international organizations, the evaluation team was unable to obtain WFP's implementation reports submitted to MOFA because, according to the MOFA officials in charge, of its relation with WFP. The analysis of the KR projects implemented in cooperation with international organizations was constrained by the difficulty in obtaining comprehensive information (for example, the attributes and scale of the beneficiaries) other than information on the inputs (monetary input amount and quantity of procured grains) of individual projects.

Second, from the viewpoint of the analytical methodology, as quantitative target values and indicators to be achieved by the KR scheme were not set, it was not possible to assess the degree of achievement vis-à-vis target values in the process of examining the effectiveness of the results. It is generally difficult to measure the degree of contribution made solely by KR and other food assistance programs regarding the positive effects on such macroscopic data as food shortages and the state of malnutrition. For this reason, the evaluation team judged the effectiveness of the results in an integrated manner, utilizing the qualitative information obtained from the literature review and interviews in addition to examination of the macroscopic data.

Third, the fact that only one country, Ethiopia, was selected for the case study made it rather difficult to generalize the issues of the KR scheme based on the state of operation and outcomes of KR projects in Ethiopia, though its relevance as a case study country was judged based on the analysis as described above. To avoid misjudgment based on biased information, the evaluation team made an effort to obtain useful information from available literature and websites in addition to the stakeholder interviews in Japan and the questionnaire survey involving Japanese embassies in major recipient countries. Nevertheless, there was a limit in fully establishing the state of operation and outcomes of KR projects in various recipient countries of which the circumstances greatly differed from those of Ethiopia.

1.6 Notes for Terms Used: “Food Aid” and “Food Assistance”

There is a tendency among DPs and international organizations in recent years to distinguish between “food aid” and “food assistance.” In Japanese policy documents, however, both of these phrases are not necessarily used to embody separate concepts. In this report, these two phrases are defined as follows.

- 1) Japan's Grant Assistance for the Food Aid Project (KR), which is the subject of evaluation, is described as “the KR scheme” or simply “KR.”
- 2) Other types of food aid and food-related assistance provided by the Government of Japan are described as “food assistance” in accordance with MOFA's policy document regarding food security and ODA.
- 3) In the case of documents in English, the phrase used in each document is used.

Chapter 2 Outline and Performance of KR

2.1 Outline of the Scheme of KR

(1) Background and Objectives of KR

Japan's KR began in FY1968 following the signing of the Food Aid Convention (FAC) in 1967. The FAC was agreed as part of the International Grains Agreement (IGA) at the Kennedy Round of the General Agreement on Tariffs and Trade (GATT) that started in 1964 and was intended to establish an international framework for food aid in the form of grains. It has since been updated several times and the FAC, 1999 is the latest. Under the FAC, signatories (donors) pledge to provide annually specified minimum amounts or values of food aid to developing countries facing a food shortage. At present, the minimum total volume of aid stands at 4,795,000 tons (wheat equivalent), of which Japan's pledge is 300,000 tons (ditto). The following are cited by MOFA as the objectives of KR.

- 1) Alleviation of food shortages in developing countries
- 2) Contribution to the stability of developing countries from the viewpoints of human security and conflict prevention

Countries eligible for KR are basically those in Income Categories I and II in the World Bank's lending guidelines and those with GNI per capita below the historical ceiling for IDA eligibility;² and those listed by FAO as "countries in crisis requiring external assistance."

(2) Implementation Arrangements for KR Projects

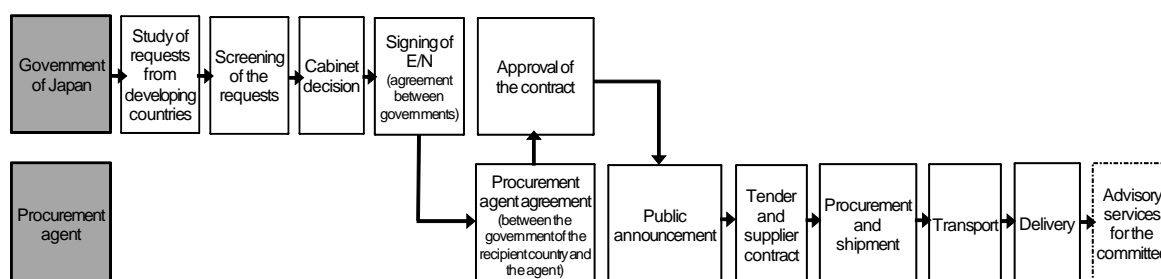
KR projects are implemented in two ways: bilateral food aid and food aid in cooperation with international organizations such as WFP. Each type of food aid and the basic flow of implementation are outlined below.

1) Bilateral KR

In bilateral KR, funds are made available to procure such grains as rice, wheat and maize in response to a request from the government of a developing country facing a food shortage, taking into consideration the country's food situation, socioeconomic conditions, outstanding amount of foreign debts, trade with Japan and institutional arrangements to receive food aid in a comprehensive manner. The government of the recipient country is obliged to deposit in the local currency all the proceeds from the sales of the grains procured by KR as "counterpart funds." The amount must be two-thirds or more of the FOB price of the grains. The government can use the funds to implement projects and procure goods contributing to economic and social development after consultation with the Government of Japan. Figure 2 shows the basic flow of bilateral KR.

² The GNI per capita thresholds are updated annually. For 2011 (July, 2010 – June, 2011), the thresholds are US\$ 995 in 2009 for Category I, US\$ 1,165 in 2009 for Category II and US\$ 1,905 for the historical ceiling for IDA eligibility. The historical ceiling for IDA eligibility corresponds to the criterion for "IDA Eligibility or 20-Year IBRD Terms." For details, see World Bank, Operational Policies; and GNI per capita Operational Guidelines & Analytical Classifications.

Figure 2 Flow of Bilateral KR



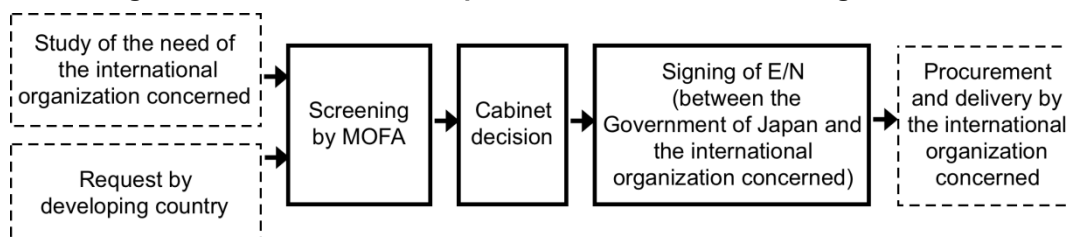
Note: This figure shows the flow of KR when MOFA is in charge of the work and does not reflect JICA work during the period when JICA is responsible for the work.

Source: Prepared by the evaluation team based on information obtained from MOFA and JICA

2) KR in Cooperation with International Organizations

KR in cooperation with international organizations, such as WFP, is implemented to deal with food shortages among vulnerable people such as refugees and internally displaced people due to conflict or natural disasters. The basic flow is similar to that of bilateral KR and aid is provided in response to a request from a developing country or international organization. The major difference from bilateral KR is that the recipient country has no obligation to deposit counterpart funds. Figure 3 shows the basic flow of KR in cooperation with international organizations.

Figure 3 Flow of KR in Cooperation with International Organizations



Source: Prepared by the evaluation team based on interviews with MOFA, WFP Japan Office and other stakeholders

2.2 Performance of KR

(1) Trends of Amount and Number of Projects by Region and Characteristics

The amount provided by KR tended to decrease gradually from the 1990s but turned around in the mid-2000s (Table 1).

Table 1 Trends of Japan's KR Amount (FY2001 – FY2010) (¥ billion)

Region	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total	Bilateral	Via International Organizations
Asia	2.08	3.18	2.21	1.95	1.67	1.82	1.67	3.80	3.20	3.11	24.69	11.01	13.68
Middle East	1.34	3.61	1.90	0.65	1.01	1.01	1.12	1.33	1.43	1.90	15.30	0.24	15.06
Africa	7.97	10.13	6.05	7.09	8.01	8.77	12.69	18.99	14.08	13.83	107.62	66.50	41.12
Latin America	0.30	0.80	0.40	0.55	0.50	0.48	0.48	1.73	0.63	0.00	5.87	3.21	2.66
Central Asia & Caucasus	0.00	0.70	0.20	0.20	0.00	0.00	0.00	0.45	0.30	0.00	1.85	0.00	1.85
Total	11.69	18.42	10.76	10.44	11.19	12.08	15.96	26.30	19.64	18.84	155.32	80.96	74.37

Note: E/N amount base: The figure for Asia is the total for East Asia and South Asia.

Source: Prepared by the evaluation team based on information obtained from MOFA

In contrast, the number of KR projects (E/N basis) decreased in the latter part of the 2000s compared to the first part (Table 2). In terms of both the amount and number of projects, Africa is by far the largest region, accounting for some 70%, followed by Asia with around 15%. The increasing trend of the amount since FY2007 can be mainly attributed to the larger disbursement to Africa. Following a decrease in the number of projects, the amount per project increased from approximately ¥250 million in the early years of the 2000s to some ¥600 million in FY2008 and thereafter.

Table 2 Trends of Number of KR Projects (E/N basis) (FY2001 – FY2010)

Region	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total	Bilateral	Via International Organizations
Asia	5	6	7	7	7	8	5	6	6	4	61	31	30
Middle East	3	3	2	2	3	3	3	3	3	4	29	1	28
Africa	21	26	30	31	33	33	28	31	24	25	282	151	131
Latin America	1	3	2	2	2	2	1	3	1	0	17	7	10
Central Asia & Caucasus	0	3	2	2	0	0	0	1	1	0	9	0	9
Total	30	41	43	44	45	46	37	44	35	33	398	190	208

Note: The figure for Asia is the total for East Asia and South Asia. When a KR project in cooperation with an international organization involves refugees, etc. spreading over more than one country, the project is counted as a single project.

Source: Prepared by the evaluation team based on information obtained from MOFA

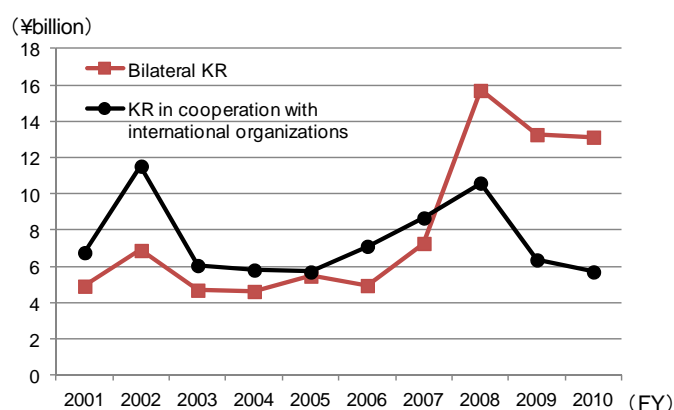
A sharp increase of the amount in FY2002 (¥18.4 billion) was mainly attributable to assistance for earthquake victims in Afghanistan (in cooperation with WFP) and a number of assistance for cross-border refugees and disaster victims in Africa (all in cooperation with WFP). In FY2008, the amount recorded the highest (¥26.3 billion) in the history of KR due to an increased number of bilateral KR projects in Africa where food shortages were aggravated by the steep rise in global food prices. In recent years, the implementation of KR has been significantly affected by natural disasters, conflicts and trends of the international economy and market in addition to chronic food shortages in some areas.

(2) Trends of Bilateral KR and KR in Cooperation with International Organizations

The comparison of the performance of bilateral KR in the last 10 years with that of KR in cooperation with international organizations shows that the amount of the former is ¥81 billion while that of the latter is ¥74.4 billion (Table 1 above). Historically, the amounts of these two types of KR are similar, but the aid amount of the former, i.e. bilateral KR, has far exceeded the aid amount of the latter in the last three years (Figure 4).

The number of projects for bilateral KR is 190 while that for KR in cooperation with international organizations is 208 (Table 2). By region, both types of KR have been offered in Asia, Africa and Latin America while projects in the Middle East and Central Asia/Caucasus have consisted almost entirely of KR projects in cooperation with international organizations. The average aid amount of ¥430 million per project for bilateral KR is larger than the average aid amount of ¥360 million per project for KR in cooperation with international organizations. The latter is used when it is not possible to implement a bilateral KR project due to conflicts or other security problems and the KR performance by region appears to reflect the different security situation in each region.

Figure 4 Trends of Bilateral KR and KR in Cooperation with International Organizations



Source: Prepared by the evaluation team based on information obtained from MOFA

(3) Trends of KR by Item

The amount is the largest for rice, followed by wheat, flour, bulgur, maize and maize meal (Table 3). While the amount varies from one year to another, rice costs some ¥6 billion to ¥16 billion while wheat, etc. costs some ¥1.3 billion to ¥5 billion. Of the total KR amount for FY2001 through FY2010, rice accounted for 53% and wheat/flour/bulgur for 15%.

Table 3 KR Aid Amount by Item (FY2001 – FY2010) (¥ billion)

Item	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total	Bilateral	Via International Organizations
Rice	5.9	6.5	6.2	6.1	6.4	6.7	8.2	16.6	10.0	9.7	82.2	61.9	20.3
Wheat, Flour, Bulgur	1.9	5.2	1.4	1.6	1.8	1.5	1.9	3.4	2.1	2.4	23.1	13.7	9.5
Maize, Maize Meal		1.7	0.2	0.2	0.7	0.6	0.5	0.9	1.5	1.6	7.8	3.8	4.0
Pulses	0.4		0.1	0.1				0.5			1.1	0.0	1.1
Other, Un-classifiable	3.6	5.1	2.9	2.5	2.3	3.3	5.4	4.9	6.1	5.1	41.2	1.6	39.6
Total	11.7	18.4	10.8	10.4	11.2	12.1	16.0	26.3	19.6	18.8	155.3	81.0	74.4

Note: The figures are based on the relevant data for individual projects for which an E/N was signed. In the case of those projects which involve a single item, the amount specified in the E/N is considered to be the aid amount of the item in question, meaning that the transport and insurance cost as well as the procurement agent fee, all of which are necessary for procurement, are included in addition to the cost of the grain proper. For those projects involving more than one item, information on the items is available but not on their breakdown in terms of monetary value and volume. Consequently, they are categorized as “unclassifiable” and the amount specified in the E/N is entered for this category.

Source: Prepared by the evaluation team based on information obtained from MOFA

Many of the projects of which the items provided are considered unclassifiable involved rice and wheat in the forms of “rice and tins of tuna” and “wheat and pulses.” Consequently, rice is inferred to have accounted for some 60% and wheat/flour/bulgur for some 20%. When bilateral KR projects almost entirely involve a single item of which rice is dominant, accounting for nearly 80% of the amount, KR projects in cooperation with international organizations tend to involve multiple items, resulting in a relatively low ratio of rice.

In terms of volume, some 1.47 million MT of rice and some 0.62 million MT of wheat/flour/bulgur were supplied from FY2001 to FY2010 (Table 4). In the decade, 80% of the rice and approximately two-thirds of the wheat were supplied through bilateral KR while the entire volume of pulses was supplied through KR in cooperation with international organizations.

Table 4 KR Supply Volume by Item (FY2001 – FY2010) (1,000 MT)

Item	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Total	Bilateral	Via International Organizations
Rice	180.5	168.9	140.2	122.4	112.9	90.5	102.2	205.2	162.0	183.4	1,468.1	1,193.2	274.9
Wheat, Flour, Bulgur	53.0	166.5	41.7	42.3	44.1	38.4	33.8	91.9	62.5	45.9	620.1	406.8	213.3
Maize, Maize Meal		26.7	4.0	3.6	15.5	11.8	6.7	16.3	44.8	53.4	182.7	111.3	71.4
Pulse	8.2		1.2	1.3				5.7			16.4	0.0	16.4
Other, Un-classifiable	64.7	102.8	36.1	38.5	36.3	34.3	51.7	54.2	80.0	75.0	573.5	37.3	536.2
Total	306.3	464.9	223.3	208.0	208.7	174.9	194.4	373.3	349.2	357.7	2,860.8	1,748.6	1,112.2

Source: Prepared by the evaluation team based on information obtained from MOFA

Chapter 3 Case Study: Overview of KR to Ethiopia

Ethiopia has the second largest population (approximately 83 million) in Sub-Saharan Africa and faces major challenges such as food security and poverty reduction. The current five-year development plan, “Growth and Transformation Plan 2010/11 – 2014/15 (GTP),” aims at reducing the number of households experiencing chronic food insecurity, i.e. those participating in the Productive Safety Net Program (PSNP), from 7.1 million in 2009/10 to 1.3 million in 2014/15 although the food insecurity has worsened due to a drought in early 2011. Ethiopia has been the world’s largest recipient of food aid for the last 20 years.

3.1 Overview of KR to Ethiopia

The performance of KR to Ethiopia for the period from FY2001 to FY2010 is shown in Table 5. Bilateral KR to Ethiopia provides wheat. KR in cooperation with international organizations was provided in FY2001, FY2008 and FY2009.

Table 5 Performance of Japan's KR to Ethiopia (FY2001 – FY2010)

		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Bilateral	(¥ mil)	-	1,000	200	200	400	460	530	-	850	550
	(MT)	-	38,566	6,288	6,819	13,880	11,276	9,596	-	26,548	12,782
With International Organizations	(¥ mil)	550	-	-	-	-	-	-	860	740	-
	(MT)	14,196	-	-	-	-	-	-	12,904	12,027	-
Total	(¥ mil)	550	1,000	200	200	400	460	530	860	1,590	550

Note: KR in cooperation with international organizations in FY2001 provided wheat as food assistance for refugees (via WFP). In FY2008, KR in cooperation with WFP provided maize, pulses and CSB.

Source: Prepared by the evaluation team based on information obtained from MOFA

3.2 Evaluation of KR to Ethiopia

(1) Relevance of Policies

1) Consistency with Japan's ODA Policy for Ethiopia

The main objective of Japan's Country Assistance Program for Ethiopia (formulated in June 2008) is the establishment of food security and KR directly contributes to this objective. The new Country Assistance Policy for Ethiopia to be formulated in 2012 is expected to take up “food security” and “industrialization” as the two major objectives based on the GTP while listing “agriculture and rural development” as a priority area. The

Government of Japan thus recognizes that continuous efforts to establish food security are required in Ethiopia. KR is, therefore, consistent with Japan's ODA policy for Ethiopia.

2) Consistency with Development Policy and Needs of Ethiopia

Since 1991, Ethiopia has upheld agriculture as the key sector for economic development with particular emphasis on food security. While the GTP aims at breaking away from the dependence on food aid and achieving poverty reduction, there is still a need for food aid due to chronic food shortages caused by drought, climate change and population increase. KR is, therefore, consistent with the policy and needs of Ethiopia.

3) Consistency with Food Assistance Policies of Other DPs

Japan's bilateral KR is the only food aid scheme with a counterpart fund system in Ethiopia. Facing the protracted food insecurity and huge assistance needs of Ethiopia, other major DPs are collaborating with each other to provide comprehensive assistance to establish food security at the national and household levels, combining: 1) emergency food aid (mainly via WFP); 2) provision of food, cash and vouchers under the PSNP; and 3) assistance for increased food production under the Agricultural Growth Programme (AGP). The Ethiopian Grain Trade Enterprise (EGTE) in charge of the sale of wheat provided by KR states, "KR contributes to the stabilization of food prices and is superior to food aid distributed for free." The Government of Ethiopia classifies KR as "structural food aid."

(2) Effectiveness of Results

1) Degree of Achievement of the Scheme Objectives

Degree of achievement of scheme objective No. 1: Alleviation of food shortages in Ethiopia: Japan provides KR to Ethiopia every year and the volume supplied ranks Japan in the top 10 DPs providing food assistance to Ethiopia (in the top 5 for the last five years except for 2008). With an annual increase of the total volume of aid food to Ethiopia, the volume of Japan's KR is also increasing. Japan offers wheat every year under bilateral KR in response to the request of Ethiopia and thus has made a certain contribution to alleviating food shortages in Ethiopia.

Degree of achievement of scheme objective No. 2: Contribution to the stability of Ethiopia from the viewpoints of human security and conflict prevention: The stable development of Ethiopia will lead to peace in the entire Horn of Africa region. Japan's KR in cooperation with international organizations is mostly concentrated in Somali Regional State and other border areas in need of emergency food assistance. The Ministry of Agriculture evaluates Japan's KR in cooperation with WFP as contributing to emergency relief. Although it is not possible to measure the effects of KR alone, KR seems to contribute to the stability of Ethiopia and the Horn of Africa region.

2) Degree of Achievement of the Intermediate Targets

Degree of achievement of intermediate objective No 1: Reduction of chronic food supply and demand gaps or gaps caused by weather shocks, etc.: The quantity of grains produced in Ethiopia is below the demand in most years and Japan's KR contributes to reducing the food supply and demand gap and containment of food price hikes in urban areas. However, the overall volume supplied by KR is far smaller than the food demand in

Ethiopia and EGTE points out that the symbolic effect of Japan's KR is more pronounced than its actual effect. In FY2010, KR locally and temporarily contributed to reducing the food supply and demand gap as wheat was delivered when the market was tight due to drought.

Degree of achievement of intermediate objective No. 2: Alleviation of food shortages among refugees and internally displaced people due to conflict or natural disasters: The WFP Ethiopia office states that although it is difficult to single out Japan's KR for evaluation, Japan's KR is contributing to the alleviation of food shortages in Ethiopia in general and the KR funding for WFP has a positive impact on the policies and actions of other DPs. It also highly appreciates the KR in cooperation with WFP in 2008 and 2009 as timely assistance since Ethiopia was in crisis due to drought and the steep rise in food and fuel prices.

3) Diplomatic Impacts

At the ceremony for the signing of the E/N for a bilateral KR project or for the delivery of KR grains, the Government of Ethiopia always expresses its gratitude. Such events are reported by the local radio, television and newspapers and are believed to build a sense of closeness to Japan among the people of Ethiopia. The Ministry of Finance and Economic Development (MoFED) confirms such a feeling, stating that the relationship between Ethiopia and Japan is good thanks to Japan's ODA including assistance for infrastructure development. Although the diplomatic impacts of KR alone cannot be measured, it seems that KR has brought about certain positive effects on the strengthening of the bilateral relationship. In the case of KR projects in cooperation with WFP, food supplied by WFP carries its logo and the name of the funding DP does not necessarily appear. Therefore, the people of Ethiopia may not be aware of Japan's assistance through this channel.

(3) Appropriateness of Processes

Implementation process of bilateral KR: The implementation process of KR to Ethiopia is essentially the same as the process of bilateral KR to other countries. While the implementing organization on the Ethiopian side is MoFED, EGTE is in charge of the sale of procured wheat and transfer of the proceeds to the counterpart fund account. After the signing of the E/N, it takes about seven months for the wheat to arrive and approximately one year for sale to commence by flour millers. As food prices in Ethiopia can suddenly change due to drought and international market conditions, the timing of delivery is extremely important. However, bilateral KR does not always contribute to reducing a food supply and demand gap timely. The Embassy of Japan in Ethiopia points out the necessity for closer communication between the two countries. Both MoFED and EGTE express their satisfaction with the careful follow-up by the Japanese side. As far as monitoring after delivery is concerned, the relevant judgment is made based on the deposit of counterpart funds in addition to reports by the Government of Ethiopia to the committee. The Embassy of Japan recognizes room for examination about the feasibility of post-delivery monitoring.

Implementation process of KR in cooperation with WFP: The process is basically the same as the process of this type of KR for other countries. In the case of Ethiopia, the provision of information by WFP was delayed in 2008 and 2009, but this problem has since been solved. Several DPs point out a similar problem of communication.

Coordination with other Japanese ODA schemes and other DPs: Both MoFED and the Ministry of Agriculture point out that KR is not effectively coordinated with other Japanese ODA schemes and the assistance of other DPs. While the Government of Japan has suggested the use of KR counterpart funds for JICA's technical cooperation projects in the agricultural sector, the Government of Ethiopia intends to utilize the funds for infrastructure development, etc. which will contribute to the achievement of the GTP objectives. Other DPs are aware that Japan provides food aid to Ethiopia but do not know how KR is implemented. Japan does not actively participate in various donor meetings in the fields of agriculture and food security and the DPs interviewed by the evaluation team unanimously urged Japan to actively participate in these meetings.

In summary, Japan's KR to Ethiopia is judged: 1) to be consistent with Japan's ODA policy for Ethiopia and the development policy and needs of Ethiopia while it is different from the approaches adopted by other DPs; 2) to have made a certain contribution to alleviating food shortages in Ethiopia (the market in general and refugees and disaster victims) and strengthening of the bilateral relationship, though the quantitative effect cannot be confirmed; 3) to have failed to make the significance of KR known to the international community as Japan does not coordinate KR with food assistance of other DPs in Ethiopia; and 4) to have been generally implemented in an appropriate manner within the current implementation framework, though there is room for improvement in the monitoring.

Chapter 4 Evaluation Results

4.1 Relevance of Policies

While the direction of KR was relevant in the light of Japan's diplomatic policies, the consistency with international approaches and aid trends was somewhat insufficient.

(1) Consistency with Diplomatic Policies of Japan

KR for the period of FY2001-FY2010 was generally consistent with Japan's ODA policies (the ODA Charter and the Medium-Term Policy on ODA), food security policies, humanitarian policies and diplomatic policies in general. However, the consistency is not clear between the principle of "In the short term, Japan will provide food assistance to avert humanitarian disasters" as indicated by the ODA policy on agriculture and rural development and the fact that KR has been provided to countries other than those listed by FAO as "countries in crisis requiring external assistance," which is one of the eligibility criteria for KR.

(2) Consistency with International Approaches and Aid Trends

KR is consistent with the eradication of extreme poverty and hunger, one of the Millennium Development Goals (MDGs). It is implemented in accordance with the FAC and is consistent with the international frameworks for food security as agreed at the G8 Summit and the World Summit on Food Security.

In the midst of fiscal difficulties, other DPs tend to concentrate their food assistance on countries and people faced with acute food shortages while directing their efforts to

encouraging developing countries to utilize food aid to develop the ability to achieve food security. Reflecting such a direction of food aid/assistance, there have been major shifts in the international aid trends, e.g. “from food aid to food assistance,” “from program aid to emergency aid,” “from in-kind aid to cash transfers,” “from direct transfer of agricultural surpluses to local and triangular purchases,” “from government-to-government aid to cooperation with international organizations” and “concentration on countries in urgent need.” Japan’s KR cannot be described as being highly consistent with these trends.

As for complementarity with the food assistance policies of other DPs, KR can be said to complement the policies of other DPs in that Japan fulfills its commitment to the FAC. However, while other DPs are searching for new food assistance methods and frameworks as described above, Japan’s KR, especially bilateral KR, is not highly consistent with the emerging international policies.

A major advantage of KR as compared with the food assistance of other DPs appears to be the counterpart fund system, according to the questionnaire survey with the Japanese embassies in the main KR recipient countries. However, it should be taken into consideration that some DPs that used to employ a similar system have abandoned or are phasing out the system for the reasons that targeting is difficult and that the management is costly and time-consuming.

4.2 Effectiveness of Results

No conclusive evaluation results were obtained on the degree of achievement of the scheme objectives and intermediate objectives and diplomatic impacts. As the Japanese embassies and the governments of recipient countries have pointed out, however, KR is inferred to have brought about certain positive outcomes in terms of alleviation of food shortages, stabilization of food prices, socioeconomic development using the counterpart funds and promotion of diplomacy.

(1) Degree of Achievement of the Scheme Objectives

Degree of achievement of scheme objective No. 1: Alleviation of food shortages in developing countries: Japan’s KR has constantly exceeded the commitment to the FAC, contributing to alleviating food shortages in developing countries. In the last decade, Japan was the third largest food aid donor after the United States and EU. Despite enormous food aid, the number of undernourished people in developing countries has increased in the last 20 years or so, exceeding one billion in 2009 and remaining to be around 0.9 billion in 2010.³ The progress toward the MDG target, “Halve, between 1990 and 2015, the proportion of people who suffer from hunger,” has been insufficient. There is only weak correlation between the amount of KR and the degree of food shortage. The impacts of KR on the approaches of other DPs and the international community in general are unclear.

Degree of achievement of scheme objective No. 2: Contribution to the stability of developing countries from the viewpoints of human security and conflict prevention: Even

³ FAO, State of Food Insecurity in the World 2010, p. 8. In the 2011 report, the estimated number of undernourished people is not given because of the change in methodology for estimation.

though no clear causal relationship was confirmed between the KR inputs and human development or peace, there are many KR projects which are linked to social development and which contribute to the survival of vulnerable people from the viewpoint of human security. Concrete examples include food assistance for WFP and the relief services program of the United Nations Relief and Works Agency for Palestine Refugees (UNRWA).

(2) Degree of Achievement of the Intermediate Objectives

Degree of achievement of intermediate objective No. 1: Reduction of chronic food supply and demand gaps or gaps caused by weather shocks, etc.: Although bilateral KR can be said to have contributed to reducing food supply and demand gaps in recipient countries, the volume supplied is not particularly high compared to the demand in each recipient country. Bilateral KR has also contributed to the stabilization of the market prices of grains. Because of the relatively small volume compared to the total demand in each recipient country, the actual effect is deemed to be limited. The contribution of counterpart funds to socioeconomic development indicated by the Japanese embassies and the governments of recipient countries was not examined because the use of counterpart funds is outside the scope of the present evaluation.

Degree of achievement of intermediate objective No. 2: Alleviation of food shortages among refugees and internally displaced people due to conflict or natural disasters: KR in cooperation with international organizations has generally been implemented in proportion to the number of refugees or internally displaced people and is judged to have made a certain contribution to alleviating food shortages among these people.

(3) Diplomatic Impacts

Diplomatic impact of Japan's action for global food issues: It is reported that Japan's leadership in dealing with global food issues is positively evaluated in the international community. Although the effect of KR alone cannot be measured, it is certain that KR contributes to the international compliments of Japan's efforts.

Diplomatic impact of bilateral KR: As the recipient countries of KR projects tend to receive assistance under other ODA schemes, it is not possible to measure the diplomatic impacts of KR alone. However, bilateral KR seems to achieve certain positive effects in regard to the strengthening of bilateral diplomatic relations. There are cases where KR is provided from a diplomatic standpoint to countries not necessarily in food crisis. Hence, KR does not seem to be fully engaged in MDG 1 "Eradicate extreme poverty and hunger" and its own objectives "alleviation of food shortages in developing countries" and "human security."

Diplomatic impact of KR in cooperation with international organizations: KR in cooperation with international organizations is provided to assist refugees, disaster victims and the socially vulnerable in various parts of the world and constitutes a concrete contribution to "human security." Japan's assistance from the viewpoint of human security is highly appreciated not only by the beneficiaries but also by recipient countries, international organizations and NGOs. Thus, KR in cooperation with international organizations has certainly played a role in developing such favorable opinions. However, this type of KR is

not necessarily recognized as Japanese assistance and its diplomatic impacts may be limited in some cases.

4.3 Appropriateness of Processes

While KR in the evaluation period are judged to have been formulated and implemented in an appropriate manner in general within the current framework, there are points for future improvement to ensure the relevance of the policies and effectiveness of the results.

(1) Appropriateness of Formulation and Revision Process

The Development Assistance Policy Coordination Division of MOFA's International Cooperation Bureau largely formulates the policies for KR, consulting with other relevant divisions as required. While KR is considered to be part of the "strengthening of the food security of Japan and the world," one of Japan's fundamental diplomatic objectives, there does not appear to be sufficient coordination with other Japanese ODA schemes to assist developing countries in establishing food security. It is difficult to judge whether or not KR policies are formulated and revised based on a proper analysis of available information by those concerned with KR in Japan as the methodology for determining recipient countries is not disclosed. Since its launch in FY1968, KR has been implemented in accordance with basically the same procedure and a review mechanism has not been clearly established.

(2) Appropriateness of Implementation Process

Implementation process of bilateral KR: The division of labor among related organizations at the project formulation and implementation stages is fairly appropriate under the current implementation arrangements. The formulation of a project appears to be based on an accurate understanding of the policies and needs of the recipient country through the study of requests conducted by the Japanese diplomatic missions. Monitoring is conducted but usually does not go beyond checking the deposit of the counterpart funds. Regular evaluation has never been conducted at either the project or program level. Coordination and collaboration with other Japanese ODA schemes, other DPs and NGOs are found to be insufficient. Public relations activities are basically confined to: 1) publicity at the time of the signing of the E/N and the delivery of grains in the press and on websites of the Japanese embassies in the recipient country; 2) information on the signing of the E/N on MOFA website; and 3) reporting of the project outline and performance in the ODA White Paper published by MOFA. There have been few reports on the use of KR products and outcomes of KR projects in recipient countries.

Implementation process of KR in cooperation with international organizations: The selection of suitable projects appears to be based on the need of WFP in their food assistance activities. It is judged that there is a good understanding of Japan's policies for KR on the part of WFP. The monitoring of KR projects in cooperation with WFP is primarily based on reporting by WFP. Although supplementary information gathering is conducted by those in charge on the Japanese side through their communication with representatives of WFP in Japan and recipient countries, monitoring is insufficient for the purposes of analyzing the implementation results in a comprehensive manner and making decisions for cooperation in the following year. Publicity on activities assisted by KR is insufficient and

the Japanese people cannot readily find how Japan's funds help food insecure people in the recipient countries.

Chapter 5 Recommendations

Japan, for which human security is one of the main pillars of its ODA policies, should take another look at the objectives and implementation framework of KR in consideration of the growing emphasis on the humanitarian aspect of the world's food assistance efforts. Based on such understanding, the evaluation team makes the following recommendations for future revision of the policies for KR and more effective and efficient implementation.

(1) Prepare and Publicize a Document Explaining KR to Clarify Its Objectives and Relation Between the Objectives and Methods

There is no particular document that explains the objectives, implementation policies and implementation framework of the KR scheme in a comprehensive manner. Neither is there any systematic presentation of its objectives. In view of this situation, the evaluation team prepared an objective framework of KR based on documents outlining the scheme and findings of interviews with MOFA officials as the basis for evaluation. For the continued implementation of KR in the coming years, there is a strong need for the preparation and publication of an official document explaining the scheme. In the process of clarifying the objectives of KR, it is essential to recheck whether appropriate methods are employed to achieve the objectives for the following reasons.

The reference document prepared by MOFA for the administrators of KR projects states two objectives of the scheme: 1) alleviation of food shortages in developing countries; and 2) contribution to the stability of developing countries from the viewpoints of human security and conflict prevention. In contrast, for the approval of proposed KR projects, MOFA emphasizes the "degree of food shortage," "diplomatic viewpoint" and so forth. The Japanese embassies in the main recipient countries of KR tend to highlight "alleviation of food shortages," followed by "stabilization of food prices," "development effects of projects using counterpart funds" and "importance as a diplomatic tool" as the roles of KR. The "stabilization of domestic politics and security" and "contribution to foreign exchanges" are also seen as important roles of KR, though they are less popular answers. None of these emphases are contradictory to the objectives listed in the reference document in a broader sense, but the fact that the administrators have various understanding of KR suggests a need for further clarification of the focus of the food aid.

For both bilateral KR and KR in cooperation with international organizations, the scheme would be able to obtain stronger support of the Japanese people if the assistance duly reaches those people really suffering from food shortages and contributes to eradicating hunger and establishing human security in developing countries. Support for KR among the Japanese people may become even stronger if the assistance is concentrated in "countries in crisis requiring external assistance" in line with the stated purpose of the scheme. Such concentration on countries in an urgent need for food assistance enhances KR's significance to the people of recipient countries. Consequently, KR would not only bring about direct diplomatic effects on Japan's bilateral relations but also bolster diplomatic impacts in the international community in general. KR's significance needs to be

more clearly explained to the people of Japan and recipient countries, as well as to the international community.

Japan's sectoral ODA policy on agriculture and rural development states that Japan will provide food assistance to avert humanitarian disasters in the short term and that in order to prevent and eliminate the causality of food shortages, including starvation, Japan will support policy-making for agriculture to improve the productivity, development such infrastructure as irrigation facilities and rural roads, disseminate agricultural production technologies and strengthen local organizations in the longer term.⁴ In short, food assistance is recognized as a short-term measure to avert humanitarian disasters and to respond to emergencies to complement longer-term measures. For KR, it is essential to clarify its basic policy in an official document that Japan gives priority to assistance to increase food production in chronically food-insecure countries and provides food aid to complement such assistance when necessary.

The preparation of a scheme document for KR is indispensable for monitoring and evaluation, which is further explained in Recommendation (4). The publication of the document is also vital to allow all those involved in KR in Japan and recipient countries to be fully aware of the objectives and method of the scheme and the framework for evaluation so that there is a common understanding among the stakeholders.

(2) Target KR on Specific Beneficiary Groups and Countries with Further Emphasis on the “Eradication of Extreme Hunger”

KR is implemented through two channels, i.e. bilateral KR and KR in cooperation with international organizations, which correspond to the two scheme objectives of “the alleviation of food shortages in developing countries” and “contribution to the stability of developing countries from the viewpoints of human security and conflict prevention,” respectively. In the latter, food is distributed to refugees, internally displaced people and the socially vulnerable through WFP and other international organizations and its link to human security is quite visible. In contrast, the former has both the humanitarian aspect of “the alleviation of hunger” and the development aspects of “the stabilization of food prices,” “contribution to foreign exchanges” and “development effects using counterpart funds.” However, there are cases where food procured by bilateral KR is distributed to vulnerable people as humanitarian aid in some recipient countries.

Based on the above arguments, the evaluation team suggests that KR be established as short-term assistance under Japan's food security (assistance) policy and that further emphasis be placed on “human security,” i.e. “eradication of extreme hunger,” focusing on countries and groups “faced with threats to human lives and safe living, such as hunger, poverty and illness.” The targeting approach can be pursued by the following means.

⁴ MOFA Home > Foreign Policy > ODA > Sectoral Development Policy > Agriculture and Rural Development: Japan's Action (<http://www.mofa.go.jp/policy/oda/sector/agriculture/action.html>). The underline is added by the evaluation team.

- 1) Expansion of KR in cooperation with international organizations: KR in cooperation with WFP and UNRWA, currently provided to refugees and internally displaced people due to conflict or natural disasters, is expanded from the viewpoint of human security.⁵
- 2) Introduction of food-for-work and food-for-training: Such activities as food-for-work and food-for-training targeting the vulnerable (those facing severe food shortages)⁶ are carried out in collaboration with JICA's agricultural cooperation projects and assistance for increased food production. Part of the food provided by KR could be used as compensation for work or participation in training.
- 3) Food assistance targeting the urban poor: Some representatives of the WFP Ethiopia office and DPs interviewed in Ethiopia acknowledged the need for food assistance targeting the urban poor, but the actual level of assistance provided is far from ideal. Apart from the free distribution of food, such activities as food-for-work and food-for-training can be introduced in areas with a high incidence of poverty.
- 4) Examination of the possible suspension of the counterpart fund system depending on the circumstances of each recipient country: Depending on the circumstances of each recipient country, the suspension of the counterpart fund system and free distribution of food to the vulnerable can be considered. In the past, some recipient countries have been exempted from the deposit of counterpart funds due to their special circumstances. It is necessary to operate the counterpart fund system in a more flexible manner in line with the targeting approach.

(3) Enhance Collaboration with Japan's Agricultural Cooperation Projects, Other DPs and NGOs with a View to Reducing Dependence on Food Aid and Establishing Food Security in Developing Countries

Despite Japan's official policy of providing food assistance as a short-term measure and cooperation in agriculture and rural development as a longer-term measure, KR has hardly been linked to Japan's ODA in the said sector including food security. The Embassy of Japan in Ethiopia is working on MoFED, which is the implementing body for KR projects in the country, to use part of the counterpart funds to finance activities related to JICA's technical cooperation projects in the agriculture and rural sector but has not succeeded in securing the funds because of the different priorities of the Government of Ethiopia. In response to the questionnaire survey, many of the Japanese embassies pointed out the need for the planning and implementation of aid that coordinates KR projects with technical cooperation projects designed to improve disaster prevention and agricultural infrastructure or to intensify the capacity building of farmers. While coordination has been put into practice by the Japanese ODA Task Forces in some countries, more effective collaboration is hoped for. There are not many cases of collaboration or coordination

⁵ As explained in the section on the effectiveness of the results, KR in cooperation with international organizations may become so-called "invisible Japanese aid." The MOFA's official stance is that careful consideration should be given to any expansion of such invisible aid as the domestic criticism of "aid without the face of Japan" could intensify.

⁶ Food-for-work involves the participation of local people in such projects as the construction or rehabilitation of roads and irrigation facilities, etc. and reforestation and food is distributed as compensation for the work conducted. Cash-for-work is based on the same principle but cash or money coupons to buy food are paid. Meanwhile, food-for-training involves the distribution of food to those people participating in useful training for food production, nutritional improvement and improved health.

between KR and other DPs or NGOs.

Comprehensive assistance incorporating a “graduation support program” is necessary to reduce the dependence on food aid of developing countries in protracted crisis and to facilitate their self-help efforts to establish food security. This recommendation is practically the same as the sectoral ODA policy on agriculture and rural development described above. Comprehensive assistance for food security is likely to gain the broad support of the people of both recipient countries and Japan. For the implementation of KR, the preparation of consistent policies for the scheme and the formulation and implementation of individual projects based on the policies are essential so that food aid can achieve synergetic effects through collaboration with technical cooperation and loan projects for agriculture and rural development. Some examples of such collaboration are listed below.

- 1) Coordination with assistance for agricultural policies and the sector program: The use of the KR counterpart funds is defined through consultations with the government of the recipient country (KR implementing body) so that part of the funds can be used to finance the planning and implementation of agricultural policies to improve the agricultural productivity or an agricultural sector program assisted by Japan. This mechanism was actually employed in Tanzania at the outset of the Agricultural Sector Development Program.
- 2) Collaboration with technical cooperation projects in the agricultural sector: For the dissemination of technologies/techniques relating to agricultural production and marketing, it is essential to motivate farmers so that they can overcome the initial cost (including the opportunity cost) and risks involved in the learning and application of new technologies/techniques. One possible way to do this is to introduce food-for-training using some of the food provided by KR or the counterpart funds with the approval of the government of the recipient country to JICA's technical cooperation projects.
- 3) Collaboration with agricultural infrastructure development projects with grant aid: As part of agricultural infrastructure development projects involving the construction of irrigation facilities or rural roads, food-for-work is introduced to improve and maintain minor canals or feeder roads so that local communities responsible for the operation and maintenance of such infrastructure can carry out the works. The involvement of local communities will also help to enhance effectiveness and sustainability of a project.

In regard to collaboration with other DPs, KR has been implemented based on the FAC, and there has been some cooperation among the signatories to the convention via the Food Aid Committee administering the FAC. Since its birth in 1967, the FAC has been updated several times to reflect the aid trends and needs of the time and its emphasis in recent years has increasingly been placed on a comprehensive approach to food security issues. While the signatories to the FAC are the world's major food assistance donors, their preference underwent a significant change in the late 2000s from conventional food aid to comprehensive food assistance. As a principal signatory to the FAC, Japan should review the ways to provide food assistance in line with the aid trends and needs of today.

For Ethiopia, which is the world's largest recipient of food aid, major DPs have been collaborating with each other to provide comprehensive assistance to establish food security at the national and household levels in the face of the chronic food insecurity and

huge aid needs. They also urge Japan to join their aid coordination efforts. For other recipient countries, there is a compelling need for Japan to strengthen its aid coordination and collaboration with other DPs in accordance with the specific situation of each country in addition to Japan's own comprehensive assistance. Collaboration with other Japanese ODA schemes and coordination with other DPs and NGOs are essential to enable Japan to tackle the world's serious food problems through the implementation of KR.

(4) Conduct Periodic Monitoring and Evaluation and Publicize the Results

The formulation of an evaluation framework, periodic evaluation of outcomes based on the framework and publication of the evaluation results should be sought not only to achieve accountability to the Japanese people but also to enable the people of recipient countries to understand why Japan provides KR and to evaluate the importance of its outcomes for them. In general, it is difficult to establish suitable indicators for the diplomatic effects, but it should still be possible to use "the voices of evaluation of KR from recipient countries" as an indicator and to collect such voices systematically via the Embassy of Japan in each recipient country. Post-delivery monitoring is simply to assess the deposit of counterpart funds in bilateral KR. Monitoring should take the further steps of: 1) making it compulsory for the implementing body in the recipient country to report the sale and distribution of food and any problems encountered in the process of implementation; 2) conduct interviews with the principal sellers of KR food; and 3) conduct a sample survey.⁷

The implementation of comprehensive food assistance in collaboration with other DPs on the premise that the counterpart fund system is abolished can allow joint monitoring and evaluation with the governments of recipient countries and other DPs. Even though other DPs wish to conduct their own monitoring and evaluation from the viewpoint of fulfilling their supervisory responsibility and/or accountability to their own people, they have actually been following the joint monitoring and evaluation framework partly to reduce the burden on the governments of recipient countries. Initial needs assessment, monitoring and evaluation are already conducted in Ethiopia jointly by the government and DPs. In the light of the massive aid needs of countries experiencing severe food shortages, collaboration with other DPs is an expedient idea to ensure more effective and efficient monitoring and evaluation.

Publication of the monitoring and evaluation results is of equal importance as the implementation of monitoring and evaluation. The fairness and transparency of procurement and distribution in bilateral KR projects in particular must be consolidated not only from the viewpoint of accountability to the Japanese people but also in the context of stamping out corruption and improving the procurement capability of the governments of recipient countries. For this purpose, publication of the monitoring and evaluation results for KR projects plays an extremely important role and other DPs are also interested in learning about such results.

It is desirable for publicity of KR to include information on the people who have received

⁷ The MOFA's official stance on this point is that examination of how to improve monitoring is already taking place but that the effective monitoring of KR projects faces an essential limitation because of its principle of selling the goods provided in the market.

KR food, how many refugees or internally displaced people have access to the food and how much KR has contributed to alleviating food shortages and the stabilization of developing countries in addition to information on the signing of the E/N and delivery. For both channels of KR, it is important to listen to “real voices” on how KR has eliminated the food shortages and to transmit these voices to a wider circle. It may be possible for the Japanese diplomatic missions in recipient countries to collect and transmit information in cooperation with local NGOs and local consultants. This kind of publicity will not only facilitate understanding of and support for KR by the Japanese people but will also raise the reputation of the scheme among the governments and people of recipient countries and the international community.

Chapter 6 Lessons Learned

(1) Gather, Disclose and Provide Information Required for ODA Policy Evaluation

In the implementation of the present evaluation, the evaluation team experienced some limitations in terms of obtaining information from MOFA on the ground that such transfer would require the consent of the governments of recipient countries and international organizations involved in KR projects. Information on the kinds and quantity of goods supplied and timing of shipment is included in the annual operation report of the FAC, as MOFA is obliged to submit the said information to the Food Aid Committee. The report can be downloaded from the FAC’s website. The US Agency for International Development (USAID) includes an overview of the US food aid as well as detailed information on each program in its annual report on food aid. The US Government Accountability Office (GAO) conducts evaluation surveys on several recipient countries for the purpose of auditing and publishes its reports. It would be possible for MOFA to follow suit for KR. In evaluating ODA policies, especially scheme evaluation, it is difficult to conduct a relevant study in every single recipient country. To ensure efficient and effective evaluation, therefore, a system to gather and publish information should be established in addition to efforts to have the understanding of the governments of recipient countries and international organizations in advance so that the evaluation team can obtain necessary information.

Map of Ethiopia



Photos



Ethiopia: Interview with H.E. Mr. Mitiku Kassa,
State Minister, Ministry of Agriculture (MOA),
Disaster Risk Management and Food Security
Sector (DRMFSS)



Ethiopia: Interview with Mr. Berhane Hailu,
General Manager, Ethiopian Grain Trade
Enterprise (EGTE)



Ethiopia: Stone wall to prevent soil erosion constructed under WFP's MERET (Managing Environmental Resources to Enable Transition to More Sustainable Livelihoods) Project (Kusaye, Girar Jarso *Woreda*, Oromia Region)



Ethiopia: Under the MERET Project, local residents receive training on flood disaster prevention and soil and water conservation from *woreda* (district) and WFP experts and carry out their activities with their ownership.



Ethiopia: Distribution of wheat under WFP's emergency relief program at Fiche Food Distribution Point (Girar Jarso *Woreda*, Oromia Region)



Ethiopia: People returning from Fiche with a horse-drawn cart laden with distributed wheat to lowland areas some 10-30 km away

Photos (Continued)



Ethiopia: The JICA-assisted Quality Seed Promotion Project (QSPP) aims at the increased production and use of quality teff and wheat seeds (teff is shown here).



Ethiopia: An agricultural extension officer conducts training for farmers at QSPP's Seed Farmers School (SFS).



Ethiopia: A flourmill of K.O.JJ company that purchased Japan's KR wheat from EGTE



Ethiopia: A flourmill of K.O.JJ company



Rice distributed to Bangladesh women under KR in cooperation with WFP (courtesy of WFP)



Wheat flour provided to Palestinian refugees under KR in cooperation with UNRWA (courtesy of UNRWA)