

Third Party Evaluation Report 2013
The Ministry of Foreign Affairs of Japan

Evaluation of Assistance to the African Millennium Villages Initiative

February 2014

Mizuho Information & Research Institute, Inc.

Preface

This report under the title of the Evaluation of Assistance to the African Millennium Villages Initiative was undertaken by Mizuho Information & Research Institute, Inc., entrusted by the Ministry of Foreign Affairs (MOFA) in fiscal 2013.

Since its commencement in 1954, Japan's Official Development Assistance (ODA) has contributed to the development of partner countries and to finding solutions to international issues which vary with the times. Recently, more effective and efficient implementation of ODA has been required not only in Japan but also in the international community. MOFA has been conducting yearly ODA evaluations every year mainly at the policy level with two main objectives: to improve the management of ODA; and to ensure its accountability. The evaluations are conducted by third parties to enhance their transparency and objectivity.

This study was conducted to comprehensively evaluate the holistic assistance policies and specific activities of the "African Millennium Villages Initiative." In this Initiative, Japan assisted nine villages in eight African countries over five years through the United Nations Trust Fund for Human Security (UNTFHS). The evaluation was performed in accordance with the assistance trends in aid recipient countries and among the international community. It was also in accordance with the actions of relevant organizations in the areas where aid was provided. The study evaluates policies and approaches through the development perspective, also taking into account of the diplomatic viewpoints. Such viewpoints include the impact of contributions from Japan in the international community and at the local level. This study aims to ascertain the lessons learned and recommendations in order to formulate and implement future assistance policies.

Katsuya Mochizuki, Professor at the Department of International Cooperation, Graduate School of Toyo Eiwa University, served as a chief evaluator to supervise the entire evaluation process, and Midori Yajima, Assistant Professor at the Center for Sustainability Science (CENSUS), Hokkaido University, served as an advisor to share her expertise on East Africa. Both have made enormous contributions from the start of this study to the completion of the report. In addition, in the course of this study both in Japan and in our field research, we have benefited from the cooperation of MOFA, the Japan International Cooperation Agency (JICA), and the local ODA Task Force, as well as government agencies in Uganda and Malawi, donors, and non-governmental organizations (NGOs). We would like to take this opportunity to express our sincere gratitude to all who were involved in this study.

Finally, the Evaluation Team wishes to note that the opinions expressed in this report do not necessarily reflect the views or positions of the Government of Japan.

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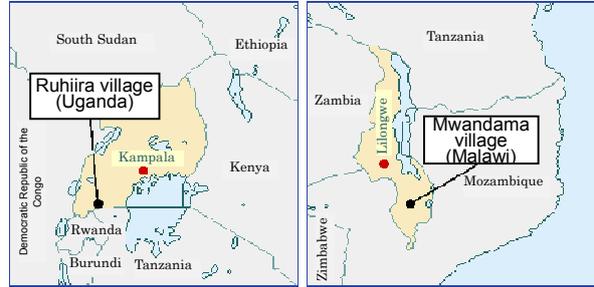
Mizuho Information & Research Institute, Inc.

Note: This English version of the Evaluation Report is a summary of the Japanese Report of the Evaluation of Assistance to the African Millennium Villages Initiative

Evaluation of Assistance to the African Millennium Villages Initiative (Brief Summary)

Evaluators (Evaluation Team):

- Chief evaluator: Katsuya Mochizuki, Professor at the Department of International Cooperation, Graduate School of Toyo Eiwa University
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(Left) Case study 1: Uganda

(Right) Case study 2: Malawi

Evaluation Period: July 2013 - February 2014

Countries for field study: Uganda, Malawi

Background, Objectives and Scope of the Evaluation

The Millennium Villages Project (MVP) is a comprehensive assistance program proposed by the United Nations Millennium Project (UNMP). It aims to eliminate extreme poverty in impoverished villages in Sub-Saharan Africa, where the achievements of the Millennium Development Goals (MDGs) have been delayed. The project does so through a comprehensive development approach, which seeks self-sustaining development capabilities of villages. Through the United Nations Trust Fund for Human Security (UNTFHS), Japan provided a total of about 20 million US dollars (about 2 billion yen) in assistance to the “African Millennium Villages Initiative (AMV),” which is a part of the MVP. The study’s purpose is to comprehensively evaluate Japanese assistance to the AMV by conducting review from the development and diplomatic viewpoints. By doing so, the evaluation seeks to ascertain the lessons learned and recommendations in order to formulate and implement assistance policies in the future.

Brief Summary of the Evaluation Results

● Development Viewpoints

(1) Relevance of Policies

The AMV is consistent with high-level international norms and frameworks on development such as the MDGs. It is also consistent with Japan’s high-level (ODA) policies, such as Japan’s ODA Charter/Medium-Term Policy on ODA, as well as the development agenda and the policies of countries where the Millennium Villages (MVs) are located. The approaches that the AMV has proposed, to achieve the MDGs, carry a certain degree of justification. They were also difficult to achieve under the conventional Japanese aid modalities that were based on requests from

developing countries. Therefore, assistance from Japan for the AMV is considered to be significant, necessary, and policy-relevant.

(2) Effectiveness of Results

MVs that received assistance from the AMV showed certain improvements in each of the sectors, corresponding to input. The sectors include: agriculture and business development, health, education, water and sanitation, and the development of infrastructure. Considerations and efforts for attaining “operational sustainability” (refer to p.4) in project operations were also acknowledged to some extent. However, when examining the results from the perspective of whether the projects ensure any “special effects” that compensated for the “aid maldistribution,” (refer to p.4) some degree of “Spillover Effect to Outsides” was found to some extent, although the “Synergy Effect between Sectors” did not fully appear. These two effects were examined bearing in mind the characteristics of the AMV, in which assistance was intensively transferred to various sectors in specific regions. Additionally, the “*Big Push* Effect for Self-Sustained Growth,” which is the primary objective of the MVP, could not be confirmed during this evaluation and was recognized as being a future issue even at the local level.

(3) Appropriateness of Processes

The Embassies of Japan and the JICA offices in the relevant countries were not mandated to directly administer or supervise the progress of the projects, since Japan’s assistance to the AMV was delivered through international organizations. However, Japan should have proactively followed the outcomes of the projects and requested sufficient feedback, since the policy intention for this project was that it was to be a trial run for new aid approaches proposed by the UN. It would therefore appear that, even though it was not responsible for supervising the AMV projects directly, Japan should have proactively followed the outcomes of the projects and requested sufficient feedback. Moreover, at the level of local organizations related to the AMV, their roles and relations should have been clarified, and the common understanding on the AMV framework should have been adequately established among them.

●Diplomatic Viewpoints

Japan’s assistance to the AMV has had the following diplomatic impacts: it contributed assistance to Africa provided by the international community, promoting the concept of human security, which Japan advocates in the international arena, and enhanced the diplomatic presence of Japan in the international community. It was also expected to create direct diplomatic impacts for the countries where the Millennium Villages are implemented. However, Japan’s degree of contribution to the AMV was not well recognized by the governments and local communities of these countries.

Main Recommendations

(1) Monitoring and evaluating the “*Big Push Effect for Self-Sustained Growth*”

Providing assistance to the AMV was a significant trial project for both the UN and Japan. However, the outcomes were insufficient to compensate for the “aid maldistribution” at the time of the evaluation. By demonstrating the “quick impact” of assistance, without having satisfactory verification of assistance to the AMV, there is a risk of facilitating external/ aid dependence among local aid recipient communities. Therefore, it is necessary to clearly articulate the monitoring and evaluation indicators to measure the core of the AMVs “*Big Push Effect for Self-Sustained Growth.*” It is also necessary to carefully validate the results based on data relating to the MVs.

(2) The Need for the Verification of Long-Term Impacts

Originally, the AMV was expected to create a “*Big Push Effect*” over a short-term period such as five years; however, this seems difficult to achieve this due to the nature of this type of rural development project. In order to confirm this Effect, it would be necessary to modify the approach by providing assistance on a longer term and large-scale basis, or changing the locations of assistance. Additionally, it is essential to constantly follow the areas that were improved by the AMV, not only by verifying the “*Big Push Effect.*”

(3) Reviewing Continued Assistance for the MVP

It is acknowledged that the AMV created a certain level of side effects, namely the “Synergy Effect between Sectors” and the “Spillover Effect to the Outside,” whereas it is difficult to conclude that the AMV did create the “*Big Push Effect*” as originally expected. Moreover, the MVP has several advantages as a broadly recognized approach of poverty reduction, such as: a certain level of MVP reputation, the commitment of the UN and specialized agencies, a system excelling at collecting data that is indispensable for research and development, and the experience and expertise required to involve private companies and organizations. Hence, from the perspective of aid diplomacy, it is suggested to consider continuing the assistance to the MVP, through which a useful development model could be researched and created for future international discussions.

(4) Strengthening the Implementation and Administrative Structure

If MVP assistance is to be continued, it is essential to understand the quantitative data needed to verify the “*Big Push Effect.*” Due to the fact that the AMV did not provide sufficient data on the project reports to validate its effects, we have no choice but to declare that the project implementation and administration of the supervisory organizations were insufficient. In light of this, the extent of responsibilities should be clarified among the concerned organizations. This includes the agencies that design and implement the projects, the international

organizations that mediate aid, and research organizations that analyze the outcomes. Clarification of the above is necessary to put into effect a structure by which Japan, as a principal donor, can ensure monitoring of the progress and outcomes of the projects definitively and continuously. Therefore, one alternative is to consider thoroughly reviewing the aid mechanism by which Japan directly funds the project-implementing agencies. Another alternative is to conduct a joint research of the aid models by both the MVP project-implementing agencies and research institutions of Japan.

(Left) Crop cultivation by the introduction of irrigation equipment
(Right) Grain storage being used



Chapter 1

Outline of Evaluation

1 – 1 Evaluation Background and Purpose

The African countries centered in the region south of the Sahara Desert (Sub-Saharan Africa) are suffering from extreme poverty, even when compared with other impoverished areas of the world. *The Africa Human Development Report 2012*, published by the United Nations Development Programme (UNDP) in 2012, revealed that out of 187 countries in the world, the fifteen countries with the lowest Human Development Index (HDI) are located in Sub-Saharan Africa, despite its development of recent years. With the deadline for the achievement of the Millennium Development Goals (MDGs) approaching in the year 2015, improving the situations in these regions is a pressing issue for the international community.

The Millennium Villages Project (MVP), which was proposed by the United Nations Millennium Project (UNMP) and led by Professor Jeffrey Sachs, Director of The Earth Institute at Columbia University in the United States, is a comprehensive assistance project to aid rural areas in African countries. In order to achieve the MDGs, the purpose of the MVP is to eliminate extreme poverty in impoverished villages and transform them to have the ability to develop in a self-sustainable way by the year 2015. This is to be achieved through a comprehensive approach, which combines investments in health, food production, education, access to clean water, and the development of basic infrastructure. The activities of the program began with the inaugural project in Sauri village, Kenya in 2004. The program is done in partnership with UNDP as the project's lead executor and other organizations such as The Earth Institute.

Japan provided a total of about 20 million US dollars (about 2 billion yen) in assisting a large part of the early MVP under the name of the "African Millennium Villages Initiative (AMV)". This contribution was made over two phases, "Phase 1" from 2006 to 2008 and "Phase 2" from 2008 to 2011¹, through the United Nations Trust Fund for Human Security (UNTFHS).

¹ The project period of the AMV, funded by Japanese assistance, was a total of 5 years, from February 2006 until January 2011. The first two years were called "Phase 1" (February 2006-January 2008), and the remaining three years were called "Phase 2" (February

Among the twelve Millennium Villages (MVs) in the ten countries that were the initial targets of the MVP, nine MVs under the AMV in eight countries were the targets of investment from the UNTFHS. Making the most of the outcomes and lessons learned ascertained from assisting these MVs, the MVP has been making continued efforts to scale up the project to the regional and national levels, while expanding the MV targets.

Based on the background of the AMV described above, the purpose of this evaluation is to ascertain the lessons learned and recommendations in order to formulate and implement assistance policies in the future. This was performed by evaluating Japanese assistance to the AMV, with consideration of development viewpoints for the targeted areas and Japan's diplomatic viewpoints. Consideration is also given to clarify aspects such as points at issue and good practices. In addition, the evaluation was positioned so that its results would be publicly released, to provide accountability to Japanese nationals and international civil societies, and feedback of the results to those who were the subject of assistance, other donors, Non-Governmental Organizations (NGOs), and other organizations concerned.

1 – 2 Evaluation Target and Period

The target of this evaluation is the Japanese assistance to the AMV assisted through the UNTFHS. The AMV is a part of the comprehensive MVP aid projects for villages in African countries. Nine villages in eight countries (Ghana, Kenya, Malawi, Mali, Nigeria, Senegal, Tanzania, and Uganda) were targeted by the AMV funded by Japan through the UNTFHS.

The focus of this evaluation is the two Millennium Villages in particular, where the field surveys were conducted: Ruhira village in the Isingiro District of Uganda, and Mwandama village in Zomba District of Malawi. At the time of the evaluation, Japanese aid policies and specific approaches pertaining to the activities of AMV/MVP in these countries and regions were also taken into consideration, when the need arose, to undertake comprehensive evaluations.

2008-January 2011). Please note, however, that at the local level, the first 5 years of the MVP as a whole are generally called the "First phase", with the rest being called the "Second phase".

1 – 3 Evaluation Framework

1 – 3 – 1 From the perspective of the “Relevance of Policies”

For evaluating the Relevance of (Japanese) Policies, namely “assistance to the AMV,” evaluations were conducted by differentiating relevance into two categories: the relevance of Japan’s “purpose” for assisting the AMV and the relevance of the “methods” by which Japan assisted the AMV.

(1) Relevance of Japan’s “Purpose” for Assisting the AMV

The relevance of Japan’s “purpose” for assisting the AMV was assessed from two aspects: 1) whether the AMV’s purpose itself was relevant, and 2) whether Japan’s policy goals and intentions to assist the AMV were relevant.

The first item, the “relevance of the AMV’s purpose itself,” was taken at issue because Japan, through its assistance of the AMV, had contributed to accomplishing the AMV’s purpose. Therefore, if the AMV’s purpose itself was not relevant, Japan’s purpose for assisting the AMV was also irrelevant. The relevance of the AMV’s purpose itself was evaluated by checking whether the AMV’s purpose was: A) consistent with high-level international norms and frameworks; B) consistent with Japan’s high-level (ODA) policies; C) consistent with the development agenda and policies of countries where the MVs were located (in this case, Uganda and Malawi); and D) relevant in terms of relations with other donors.

The second item, the “relevance of Japan’s policy goals and intentions to assist the AMV,” was evaluated from the perspective of whether the goals and intentions were significant and necessary, and whether they fit with the actual circumstances of the AMV.

(2) Relevance of the “Methods” by which Japan Assisted the AMV

The “method” by which Japan assisted the AMV was evaluated by the aid modality used by Japan. That is, Japan provided the funds through the UNTFHS to the UNDP, which was the proposer of the AMV, as well as its principal execution body. The evaluation of the relevance of aid modality was conducted in two parts: 1) the relevance of Japan’s assistance to the AMV through the UNDP and; 2) the relevance of Japan’s assistance to the AMV through the UNTFHS.

1 – 3 – 2 From the perspective of the “Effectiveness of Results”

The Effectiveness of Results for “assistance to the AMV” fundamentally depended on the Effectiveness of Results for the AMV itself. Hence, the Effectiveness of Results for the AMV itself was evaluated at two different levels, as follows:

(1) Effectiveness of Results of Each Sector of Aid Input

In this category, input of assistance to the AMV, and the respective outputs/outcomes, were analyzed and evaluated by the sectors of: “Agriculture and Business Development,” “Health,” “Education,” and “Water and Sanitation/ Development of Infrastructure.”

For the outcomes, the extent of results (changes) per input was quantitatively compared between the regions of intervention (MVs) and entire countries (or districts) where the MVs were located. However, since the AMV was a project targeting specific regions (MVs) that were uniquely selected, it was difficult to obtain the relevant data specific to the MVs from official statistics. As a result, there was no other choice but to rely on data relating to the MVs that was collected by the bodies that implemented the AMV projects -- namely, the target of evaluations. As a result, it should be noted that from the perspective of objectivity, evaluations were conducted with certain restrictions.

(2) The Effectiveness of Results from a Cross-Sectoral Perspective

In this category, the Effectiveness of Results from a cross-sectoral perspective were measured by four items: “Sustainability,” “Spillover Effect to Outside,” “Synergy Effect between Sectors,” and “*Big Push* Effect for Self-Sustained Growth.”

(a) “Sustainability”

The term “sustainability” means whether the implementation and operation of the projects were gradually handed over to the local recipient sides. The reason for this handover is to ensure that local recipients are able to continue the development projects in a self-sustaining manner after external assistance is reduced or suspended. More specifically, the following results of efforts were evaluated: the involvement of local residents and local governments, the transfer of skills and knowledge, and the availability of equipment used in the project.

(b) Spillover Effect to Outside, Synergy Effect between Sectors, and the “*Big Push* Effect for Self-Sustained Growth” ---“Special effects” Expected for the AMV

“Sustainability,” which was mentioned above, is an element that has been sought in development projects in general. However, the remaining three effects: “Spillover Effect to

Outside,” “Synergy Effect between Sectors,” and the “*Big Push* Effect for Self-Sustained Growth,” are effects that were especially expected in the results of the AMV assistance, due to the characteristics of the AMV. The term “characteristics of the AMV” refers to the fact that intervention is undertaken: (1) in specific regions, (2) in various sectors, and (3) intensively, with a large amount of resources.

First, the AMV was a model project for rural development intended for specific regions (MVs) with a population size of approximately 5,000 people. Since nine MVs were set for the AMV, the total population covered by the AMV was about 45,000 people. Meanwhile, the population of impoverished people living on less than 1.25 US dollars per day in Sub-Saharan Africa amounted to nearly 400 million people in 2005, the year prior to when the AMV started.

Secondly, the AMV’s assistance was provided for various sectors simultaneously. Some of these sectors were agriculture and business development, health, education, water and sanitation, and the development of infrastructure.

Thirdly, since a variety of sectors received aid inputs simultaneously, the amount of aid of the AMV was inevitably massive. According to the preliminary calculation by the UNMP that proposed the AMV, the investment amount necessary in the year 2006 was 75 US dollars per capita in order to finally achieve the MDGs by 2015. Of this amount, 41 US dollars had to be borne by Official Development Assistance (ODA) from foreign countries. However, the amount of ODA provided to Uganda in 2002 for the direct purpose to reach the MDGs was a mere 12 US dollars per capita. In the AMV project proposal, the annual project cost (investment amount) per capita was estimated at 110 US dollars on average, of which, 70 US dollars were expected to be borne by the ODA. Additionally, 50 US dollars (out of the previously mentioned 70 US dollars) was to be borne by the ODA to fill the gap of the initial ODA amount².

With these features, the AMV naturally causes “aid maldistribution,” where limited aid resources are intensively injected into specific regions, which as a result restrains the allocation of resources to other areas. The UNMP proposed covering the additional ODA necessary for the AMV by a sufficient net increase of expenditure from developed countries³,

² UNDP, *The African Millennium Villages Initiative*, Submission to the United Nations Trust Fund for Human Security, January 2006, p.28-29.

³ The UNMP’s proposal mentions the “Monterrey Consensus” of the 2002 International Conference on Financing for Development, in which developed countries are committed to provide 0.7 percent of their GNP to developing countries (especially 0.15 to 0.20 percent of GNP for least developed countries) as ODA, and suggests that the costs of achieving the MDGs are,

nevertheless the fact still remains that assistance was unevenly distributed to specific regions.

Therefore, in order to daringly implement (or assist) an aid project such as this, it is essential that the AMV has “special effects” to “compensate” the issue of “aid maldistribution.” The following three effects are considered to constitute these special effects:

- (1) The effect where benefits spill over to other regions in various forms, instead of limiting aid to specific regions. <Spillover Effect to Outside>
- (2) Extra effects, which will not be borne by individual investments, are “added” due to synergy effects amongst different aid-receiving sectors, instead of providing aid simultaneously to various sectors. <Synergy Effect between Sectors>
- (3) Effects that quickly boost economies in the target regions to grow continuously and self-sustainably without relying on external assistance, instead of intensely inputting large amounts of aid. <“*Big Push*” Effect for Self-Sustained Growth>

The relationship between these three effects and the characteristics of the AMV that bring out those effects are shown in the table below.

fortunately, well within the commitments of the Monterrey Consensus. UNMP, *Investing in Development*, Overview Report, UNDP, 2005, p.64.

Table: Features of the AMV and desired “special effects”

Characteristics of the AMV	“Special effects” which are expected to “compensate” for the issues of “aid maldistribution” caused by the AMV’s characteristics	
Injecting aid in specific regions	⇒	Spillover Effect to Outsides
		Effects that give direct benefits to surrounding areas.
		Effects coming from the transfer of skills and the movement of human resources (that acquired skills from AMV projects)
Injecting aid in various sectors	⇒	Demonstration effect
		Objective synergy effect
Injecting aid in various sectors	⇒	Synergy Effect between Sectors
		Subjective synergy effect (facilitating self-reliance among local residents)
Intense inputs of (large amounts of) aid	⇒	“Big Push” Effect for Self-Sustained Growth

Source: Created by the evaluation team.

(c) Types of “Special Effects” and the Definition of “Sustainability”

To conclude the results of the analysis and outcomes of the evaluation in advance, there are subtypes in the “Spillover Effect to Outside” and the “Synergy Effect between Sectors” (see Table 1). “The effects that give direct benefits to surrounding areas,” a part of the spillover effect, define the extended provision of AMV services (for example, medical services offered by the health center) to residents in the surrounding areas of the MVs. “Effects coming from the transfer of skills and the movement of human resources (that acquired skills from AMV projects),” a core effect that constitutes the “Spillover Effect,” means that the technologies, expertise and human resources cultivated by the AMV projects are spread outside the Millennium Villages and utilized for rural development. “The demonstration effect” is similar to “the effects coming from the transfer of skills and the movement of human resources (that acquired skills from AMV projects).” However, its effect is highly abstractive when compared to the other subtypes (especially when there is no visible action as exemplified by the transfer of skills and the movement of human resources (that acquired skills at the AMV)), because the results of the AMV create demonstrative effects to the other regions.

“Subjective synergy effect (facilitating self-reliance among local residents),” a part of the “Synergy Effect between Sectors,” can be achieved where local residents are simultaneously and comprehensively involved in the operation of aid projects that are implemented in their regions at the various stages and sectors surrounding their lives. Through these experiences, local residents start to have a much stronger sense of ownership toward their region’s

development issues, when compared to cases where they are involved in only one or a few respective sectors. In contrast, the generally assumed synergy effect will be defined as the “objective synergy effect.” This includes the improvement of residents’ nutritional states (health sector) through production increases and diversification of agricultural products (agriculture sector), as well as the development of distribution channels of agricultural products (business development sector) through the active use of locally grown products in school meals (education and health sectors).

The effect that boosts economies to stages where regions can promote growth continuously and in a self-sustaining manner is referred to as the “*Big Push Effect*.” It follows the theory’s traditional assertion that large-scale foreign investment drives economic growth. The UNMP also recommended that “[a] big push of aid-supported investment that puts the country on a path of increased savings and self-propelling growth is far more efficient than low quantities of aid that do not change the fundamental growth potential of the economy⁴.”

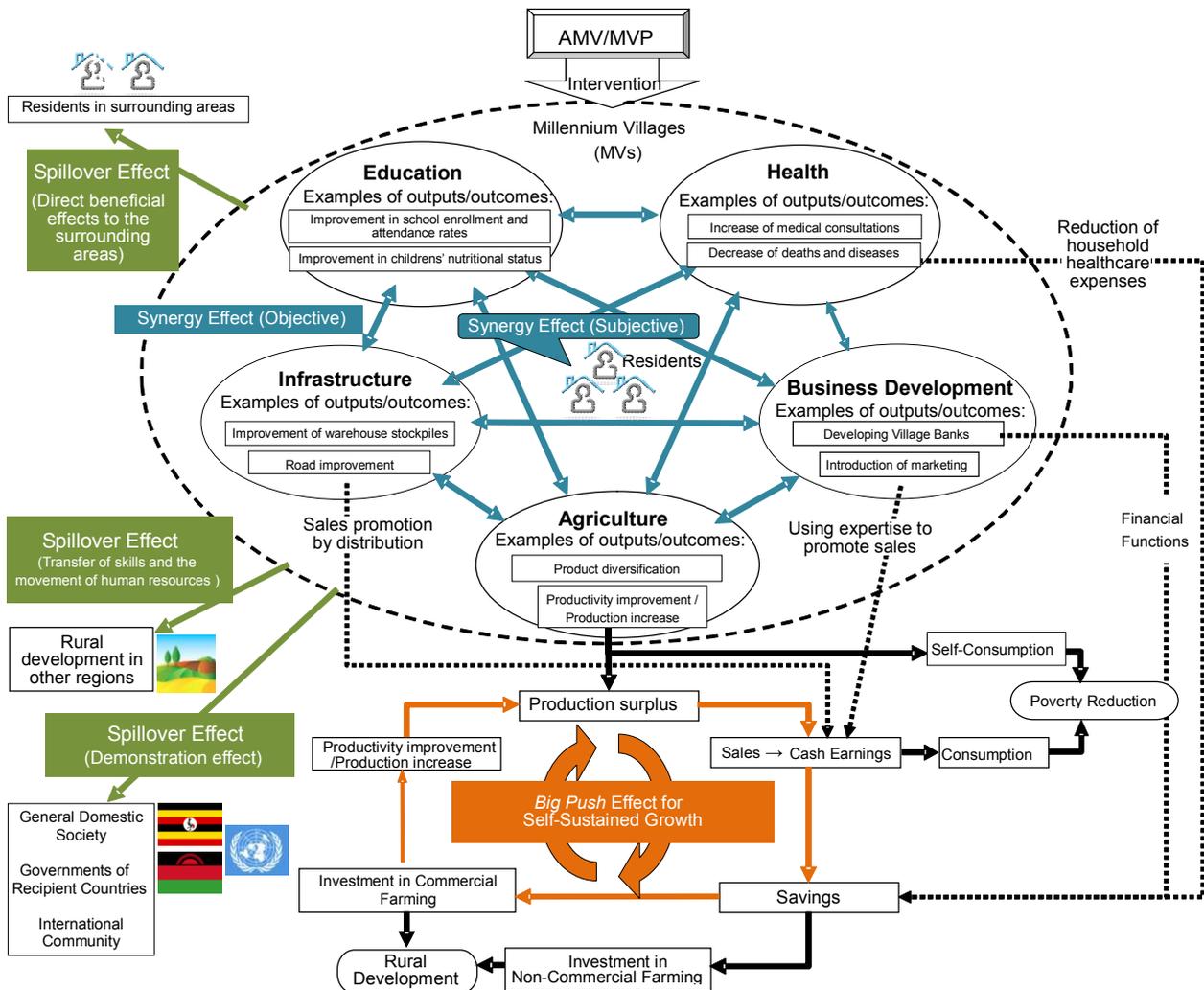
This “*Big Push Effect for Self-Sustained Growth*” is semantically related to “sustainability.” However, as mentioned in section (a), the “sustainability” of projects whose operations are handed over to the local recipient sides are generally desired in developmental aid projects, whereas the “*Big Push Effect*” is specifically expected in the AMV as just a “compensation” for “aid maldistribution.” Therefore, these two effects are handled separately in this evaluation. The UNDP’s AMV project proposal also distinguished those effects, calling the former “operational sustainability” and the latter “financial sustainability.”⁵

The figure below illustrates the relationship between the sectors in which aid is provided through the AMV, and the three effects that are desired particularly in the AMV, especially the operational pathway of the “*Big Push Effect*.”

⁴ UNMP, *Investing in Development*, Full Report, UNDP, 2005, p. 52.

⁵UNDP, *Op. cit.*, p. 36.

Figure: Relationship between sectors that provide aid through the AMV, and three effects which are specifically desired in the AMV



Note: Only the representative pathways are illustrated where activities of various sectors cause the “Big Push Effect.” As a result, there may be other pathways that are not shown in this diagram.
 Source: Prepared by the evaluation team by referring to Bernadette M. Wanjala and Roldan Muradian, “Can ‘Big Push’ Interventions Take Small-Scale Farmers out of Poverty?”, *World Development*, Vol. 45, 2013, p.148.

1 – 3 – 3 From the perspective of the “Appropriateness of Processes”

The Appropriateness of Processes in “assistance for the AMV” was evaluated by the following two items:

(1) Appropriateness of Japanese Assistance Processes

In order to evaluate the Appropriateness of Japanese Assistance Processes, the following items were specifically examined: the contents of the UNDP proposals, Japan's advanced involvement in the selection of the MV regions (including requests to include specific candidate regions in the proposals), the decision of primary assistance to the AMV (of 2006), monitoring/evaluation to decide on additional assistance (of 2008), monitoring up until the period when the AMV funding ended in 2011 and other subsequent evaluations, the roles that were taken by the Ministry of Foreign Affairs of Japan as the leading governmental organ and local Embassies in the countries where MVs are located, and the involvement of other relevant institutions and organizations (JICA, etc.).

(2) Evaluation of the Appropriateness of Assistance Processes in Ruhira and Mwandama Millennium Villages

In order to evaluate the Appropriateness of Assistance Processes in local Millennium Villages, examinations were conducted on how the following institutions/organizations were involved in the AMV: the Millennium Promises (MPs, local organizations that manage the AMV), the UNDP/the United Nations Office for Project Services (UNOPS), the MDG Centre of Columbia University, the Government of Uganda and Malawi, the District Government of Isingiro and Zomba, local residents of Ruhira and Mwandama villages, other international organizations, NGOs, private companies, and local organizations concerned.

1 – 3 – 4 From the “Diplomatic Viewpoints”

The Japanese Diplomatic Viewpoints were evaluated by the following items:

- (1) Promoting understanding and increasing recognition amongst the international community or the UN community of the significance and importance of the UN's AMV/MVP material projects.
- (2) An increase of Japan's presence as a principal donor of the UNTFHS, in the international community/UN community.
- (3) Diplomatic impacts, which led to stronger relations between Japan and Uganda/Malawi, due to the commitment to the AMV by the Government of Japan and Japanese private companies and organizations.

Chapter 2

Summary of Evaluation Results and Recommendations

2 – 1 Summary of Evaluation Results

2 – 1 – 1 Evaluation of the “Relevance of Policies”

The AMV, itself is a target of Japanese assistance. It was originally a project designed to verify a comprehensive development aid approach that would assist poor rural areas in Africa to achieve the MDGs. Therefore, the AMV approach was consistent with high-level international norms and frameworks such as the MDGs, the New Partnership for Africa's Development (NEPAD), the Tokyo International Conference on African Development (TICAD), and the 2003 “TICAD 10th Anniversary Declaration,” especially in terms of emphasizing “human security” as promoted by Japan. Consistency of the AMV approach could also be seen in the high-level policies of Japan, such as the ODA Charter/Medium-Term Policy of ODA. In addition, there was a certain level of consistency with the development agenda and the policies of Uganda and Malawi, the countries in which the MVs are located.

Japan's policy goals and intentions of the assistance to the AMV are considered to be significant, necessary, and relevant when considering the following facts. The achievement of the MDGs was considered to be difficult in Sub-Saharan Africa. The UNMP proposal stated that in order to climb out of this “poverty trap,” a “big push” of basic investments was essential, which included the development of basic infrastructure such as roads, electricity, ports, water and sanitation⁶. Japan recognized a certain extent of justification in the proposal, where emphasis was placed on the improvement of the local resident's livelihoods by a top-bottom approach. Hence, Japan decided to fund the AMV as a trial approach, since it was difficult for the country to take action under its conventional aid modality, where projects are based on requests from developing countries.

Japan's use of the UNTFHS as a channel for assisting the AMV was relevant, because there were no other available channels in the given situation. Japan was in a position where it would have been able to get involved in the projects as a then-solo sponsor of the UNTFHS.

⁶ UNMP, *Investing in Development*, Full Report, p.39.

Funding through the UNDP (the implementing agency of the AMV) was also considered to be relevant considering its large, international and specialized characteristics of the project. However, by taking into account that the UNDP was not a proactive bearer of the core part of the AMV, and that this in turn has posed issues on the progress management and mobility of the project implementation or the monitoring of the outcomes, we need to reserve judgment on the evaluation to some degree.

2 – 1 – 2 Evaluation of the “Effectiveness of Results”

The respective output/outcomes of input into the AMV were largely favorable. Examples of observations are as follows: in the agriculture sector, crop yield increased due to the application of fertilizers and the use of irrigation systems and new crop varieties; in the business development sector, the use of storage facilities and financial services were expanded; in the health sector, there was a decrease in deaths and the prevalence of underweight infants, and an increase of births attended by doctors/midwives; in the education sector, there was an increase in attendance rates at elementary schools, as well as a decrease in the drop-out rates; in the water and sanitation sector, more people gained access to safe water; and in the infrastructure development sector, there was the development of roads and power supply facilities.

In addition, considerations and efforts for ensuring “operational sustainability” (refer to p.4) were also acknowledged to some extent. These included promoting local resident participation and acquiring capacity development through training and other means.

Nevertheless, favorable outputs/outcomes simply seemed to be the result of relatively large inputs into the AMV. To evaluate the Effectiveness of Results for the AMV, in which (a large amount of) assistance was intensively invested across various sectors in specific regions, it is essential to consider whether or not “special effects” to “compensate” the issue of “aid maldistribution” were obtained⁷.

Among the 3 “special effects,” the “Spillover Effect to Outside” was found to some extent in

⁷ This perspective is similar to the point where Professor Paul Krugman of Princeton University (present) criticized in his 1994 paper that the “extraordinary” growth of East Asian Economies was based on “an expansion of inputs” and did not accompany “improvement of production efficiency,” and was therefore not sustainable. Paul Krugman, “The Myth of Asia’s Miracle”, *Foreign Affairs*, 73:6, November/December 1994.

the transfer of skills and demonstration effects to other regions within the districts/countries where the MVs are located, as well as to development programs.

Additionally, some cases indicated having a “Synergy Effect between Sectors.” However, it is doubtful that the achievements that were “added” by the synergy effect were large enough to create a “*Big Push* Effect for Self-Sustained Growth,” which was the primary object of the “compensation” for “aid maldistribution.” Moreover, very few cases were successful in creating the synergy effect.

Finally, the interviewees largely recognized the following aspects in regards to the essential “*Big Push* Effect,” although the evaluation team could not obtain any quantitative evidence to support these statements. Firstly, the AMV’s purpose of inputting large amounts of funding was to create “quick impacts.” Secondly, creating an environment that leads to self-reliance and sustainable growth was considered a “future issue.” Thus, it can be judged that the “*Big Push* Effect” had not yet been observed at the time. The findings of this evaluation coincide with the conclusions of the scant prior research that considered the AMV/MVP effects. In particular, the research conclusions show that the majority of production surpluses created by productivity improvement were consumed at the household level. Therefore, the production surplus did not contribute to the creation of a positive growth cycle in which such production surpluses were saved, used as investments, or utilized to further improve productivity⁸.

As a result, it is difficult to currently raise the issue of the AMV obtaining “special effects” to “compensate” for the “aid maldistribution.” Therefore, if one could empirically analyze with certainty that the AMV aid approach was not appropriate, Japanese assistance to the AMV, which was a project of trial elements, would have an effect to some extent. However, on the other hand, it is also quite doubtful whether there was sufficient evidence to conclude that the AMV aid approach was not appropriate. Various issues were simply not fully examined. These included: why the “*Big Push* Effect” was not observed, whether five years was too short for the effects to be seen, whether the amount of assistance was insufficient, and whether the target regions where aid was injected were too poor (in other words, whether the aid would have been effective if other economically developed areas had been the targets)⁹. Additionally, the possibility exists that the data needed to verify these “special effects” weren’t properly collected in the first place.

⁸ Wanjala and Muradian, Op. cit.

⁹ For example, Matsuyama discussed that economic take-off requires a sufficiently large market. Kiminori Matsuyama, “The Market Size, Entrepreneurship, and the Big Push”, *Working Papers in Economics*, E-92-13, The Hoover Institute, Stanford University, June 1992.

2 – 1 – 3 Evaluation of the “Appropriateness of Processes”

Japan’s assistance to the AMV was in the form of Official Development Assistance (ODA) that was contributed through UNTFHS, an international organization, by Multilateral Aid. As a result, Japan was not in a position where it was able to directly administer or supervise the progress of projects. Nevertheless, Japan was involved in the AMV project formulation stage, before the AMV proposal was submitted to the UNTFHS. Therefore, as a solo donor of the UNTFHS at the time, Japan was in a position to substantially assist the projects. In addition, as was mentioned in the section detailing the evaluation of the “Relevance of Policies,” Japan, from its position as a responsible donor, should have proactively followed the achievement of its projects and requested sufficient feedback when the contents of the reports were insufficient. It would have been more appropriate if Japan had taken these actions from the perspectives of accountability. This is especially the case when we consider the fact that the policy intention, when initially assisting the AMV, was to test a new aid approach that was different from the conventional Japanese aid modality of implementing projects based on requests from developing countries.

In reviewing the local processes for the AMV, issues were detected regarding the clarification of relations, division of roles, and lack of common viewpoints among stakeholders. In the two countries where the field surveys were conducted, the substantial operation body of the projects was the MDG Centre of Columbia University, which served as the presiding functionary for the AMV/MVP. Meanwhile the UNDP, which was the organization processing applications to the UNTFHS, remained as the actor providing logistical support. Nonetheless, this relationship was not accurately perceived, even among the local organizations concerned.

Furthermore, the level of commitment of the local governments varied between the countries where the projects were conducted. Among the two cases examined, the Millennium Village in Uganda successfully involved many partners and mobilized resources, whilst the Millennium Village in Malawi was more focused on cooperating with the local governments. The above-mentioned characteristics are both important elements, but in order to retain the outcomes created from project interventions, strengthening the capacities of local governments is inevitable, since they will play a central role once the project has been concluded. Thus, emphasis should be placed on the process of firstly enhancing communication with the local bodies and then working together cooperatively with these local organizations.

2 – 1 – 4 Evaluation of Diplomatic Aspects

The AMV/MVP are projects aspiring to achieve the MDGs, which were goals that were set as a consensus among the international community. Thus, the AMV assistance therefore has a great significance as a policy. Through the funding of the AMV/MVP, Japan's decisions can be valued as contributing to the promotion of assistance from the international community to African countries. Moreover, the implementation of the AMV assistance left a major mark for the increase of Japan's presence in the international community by the dissemination of the concept of human security, which Japan has been promoting. This suggests that the AMV assistance has indeed created a diplomatic impact.

As for the Japanese assistance to the AMV via Contributions to International Organizations (Multilateral Aid), diplomatic impacts for Japan were expected from the relevant countries that were the AMV targets under the pretext of assistance to the African countries. In this regard, however, the degree of contribution from Japan was not well recognized at the local level. This was because assistance to the AMV (ODA) was offered through international organizations.

The Embassies of Japan and Offices of JICA were not mandated to continuously follow up on the AMV assistance, nor did they have much interest in doing so. However, Japan may have gained some diplomatic impacts subsequently, if the Japanese local organizations had proactively approached the local communities by creating opportunities to show Japan's presence in the AMV demonstration project and by adding Japanese aspects to the projects as a consequence of increased involvement in the AMV.

2 – 2 Recommendations

2 – 2 – 1 Monitoring and Evaluating the “*Big Push* Effect for Self-Sustained Growth”

Assistance to the AMV was fruitful for both the UN and Japan, in the sense that Japan contributed to a meaningful “project with trial elements,” since the MVs showed certain improvements in individual sectors, corresponding to input. These sectors included agriculture, health, water and sanitation, and the development of infrastructure. However, according to the project results, it is difficult to claim that the aid modality used in the AMV and MVP provided “special effects” that “compensate” for the major issue of “aid maldistribution.” Note, the issue of “aid maldistribution” can be addressed by the intensive injection of ODA that amounts to three to four times of more funds per person than that of the amount of ODA invested in that region. In particular, the “*Big Push* Effect,” which enables economies to grow self-reliantly and sustainably at an early stage as a result of a large-scale injection of aid, had not been examined at the AMV. Essentially, satisfactory evidence to validate the appearance of such “*Big Push* Effect” was not shared with Japan, even once the AMV project had ended.

Meanwhile, the “Synergy Effect between Sectors,” which is to be achieved by investing in multiple sectors, had shown some positive results that can be utilized as reference material. Nevertheless, if the effects “added” by the synergy reaction of different sectors do not ultimately lead to the “*Big Push* Effect for Self-Sustained Growth,” the examinations will be nothing more than just a “synergy reaction occurring between sectors.” Hence, such effects “added” by the synergy reaction cannot “compensate” for the large amount of input that was inevitable for aid in various sectors, i.e. “aid maldistribution.”

On the other hand, the “Spillover Effect to Outside,” generated by inputting an intensive amount of aid, had been examined in the AMV. This was due to the fact that the activities of the MVs were actively publicized to the international community, and induced more private organizations to aid the project. In turn, this had an impact on the formation process of the national development plans. Nonetheless, it must be noted that the implementation of the AMV/MVP (either the MP or the MDG Centre) largely focuses on the demonstration of a “quick impact,” without sufficiently verifying the project’s original and primary purpose, the “*Big Push* Effect.” In some ways, it is quite natural to examine the effects of massive input for a certain period in the said regions, although it will be rather problematic from the standpoint of “self-sustaining development” and “ownership of the local residents,” if it promotes the risk

of facilitating external/ aid dependence due to the “favorable results obtained from the large amount of (external) inputs.”

Put another way, the “special effects” desired for the AMV/MVP are dubious in general, for the reason that the core special effect, the “*Big Push Effect*,” has not yet been confirmed. Furthermore, efforts to review the occurrence of this Effect are still insufficient, a problem that existed from the start of the AMV. Therefore, it is essential to carefully examine the “*Big Push Effect*,” which is the fundamental purpose of the AMV implementation. Regarding this, it is necessary to clarify the monitoring and evaluation indicators in order to measure this Effect. Next, it will be necessary to conduct a sophisticated analysis of the data derived from the MVs. Japan should request the implementers of the AMV to engage in this verification work.

2 – 2 – 2 Need for the Verification of Long-Term Impacts

Skepticism (and excessive optimism) loomed large from the start of the AMV, that the “*Big Push Effect*” would appear in a short period of five years. After the AMV was launched, however, the AMV implementers who designed the MVP started emphasizing the following points. For the first five-year phase (2006-2011), the MVP predominantly aimed at producing outcomes in non-income related MDGs, such as in the sectors of health and education. As a result, business development of agriculture and the establishment of institutions and systems to support such businesses (including cooperative associations and micro-finance) were the focuses of the latter five-year phase (2011-2016)¹⁰. In regards to the “*Big Push Effect*,” the Effect can be examined after modifying the AMV aid approaches in the following ways: 1) investing for longer terms, 2) investing on larger scales, and 3) switching target regions to areas where economies are more advanced than the extreme poverty areas on which the MV is currently focused.

It is essential to constantly follow up on the “*Big Push Effect*,” which is difficult to validate in the five-year period, but also to continuously examine the conditions of the areas that were improved by AMV activities. Follow-up is applicable not only for the agriculture sector, in which crop yields are easily influenced by the weather conditions and availability of chemical fertilizers, but also for non-productive sectors, including the health sector, where quick impacts from intervention were revealed.

¹⁰ Kent Buse, Eva Judi and Marcella Vigneri, *Beyond the Villages: The Transition from Rural Investments to National Plans to Reach the MDGs*, Overseas Development Institute, 2008, pp. viii & 6.

2 – 2 – 3 Considering Continued Assistance to the MVP

As mentioned earlier, the AMV has not created the “*Big Push Effect*” that was originally expected. However, it is considered that the Effect should be verified for a term that is longer than five years (the original AMV implementation period). In addition, a certain amount of “positive side effects” were observed. These included the “demonstration effect” seen in the “Synergy Effect between Sectors” (a result of aid input for various sectors) and the “Spillover Effect” (a result of intensive input).

The reality is that poverty reduction in Sub-Saharan Africa has been progressing extremely slowly. In light of this, and considering the points mentioned above, questions still remain on whether it would be right to halt all assistance to the MVP without making any particular counter proposals or alternative measures, since the MVP is a huge research development project for the formulation of poverty reduction approaches. It would be difficult for Japan to conduct “a Japanese version of the MVP” on its own, especially when considering Japan’s institutional and financial reasons, as well as the expertise required to execute the program. Meanwhile, the MVP has the following advantages. Firstly, it already has a given history and has built some degree of MVP reputation. Secondly, it is a project founded on the pretext of being launched by the UN and specialized agencies. Thirdly, it has a system that excels at collecting data that is indispensable for research and development. This is because there is an established policy framework for implementing projects in many countries across Africa. And, fourthly, it has a good track record and expertise required for the involvement of private companies and organizations. Due to the limitation of Japanese aid resources, it will be difficult to keep assisting the target regions in the AMV for longer periods or on a larger scale. However, if Japan examines the original purpose of the AMV assistance, which is to identify the occurrence of the “*Big Push Effect*,” it may be possible to continue the AMV assistance after reviewing the aid recipient regions.

It is worth noting that the MVP may provide some benefit for Japanese aid diplomacy. Japan’s conventional aid approach, where projects are implemented based on requests from developing countries, is favorable from the standpoint of the first principle of “Ownership” and the second principle of “Alignment” of the OECD’s *Paris Declaration on Aid Effectiveness*. However, it is undeniable that the conventional aid approach has an aspect that deters the formation of a subjective and strategic project under the initiative of Japan. Japan has so far been forced to adopt a passive aid policy in Africa (especially in South-East Africa), whereas strong aid coordination is increasingly being led by donors in the EU (lasting in a General Budget Support), and the mounting presence of other emerging donors such as China. If Japan can research and develop a new assistance model that can be utilized in future

international discussions in order to rise above this passive situation, while effectively using the MVP “brand” and “pretext,” such action has the potential to contribute to a more proactive strategic aid policy for Japan.

2 – 2 – 4 Strengthening the Implementation and Administrative Structure

If assistance for the MVP is to be continued, as discussed in Section 2-2-1, it is essential to examine the quantitative data necessary to verify the “*Big Push Effect*,” which was the primary purpose of Japan’s funding to the AMV. Also, there is a need for the AMV to have interventions by Japan as a “project with trial elements.” The AMV had an important task of fully assessing and analyzing the data that was derived through the MVP research, in accordance with the project’s purpose. However, the implementers of the AMV project did not provide sufficient data, not even in the project reports. As a result, the evaluation team had no choice but to conclude that the project implementation and administration of supervisory organizations were insufficient. In the context of this situation, Japanese aid to the AMV went through several international organizations, which included the UNTFHS and the UNDP. Moreover, Japan largely entrusted the project execution to these organizations, thus there is an opinion that the scheme may have created a complicated process for the monitoring and assessment of the “research and development” results. This type of aid delivery is not desirable from the standpoint of accountability, which the Government of Japan owes to its citizens. However, as discussed in Section 2-1-1, Japan’s choice to fund the AMV through the UNTFHS and the UNDP was essentially considered to be appropriate (relevant) at the time. Moreover, in terms of the diplomatic impact, Japan’s assistance to the AMV provided the country with the diplomatic significance that allowed it to appeal at the time to the international community for contributions to reach the MDGs. This was done by adopting the processes that were involved with the UNTFHS and UNDP.

Reflecting on the findings, if Japan is to continue support to the MVP in the near future, responsibilities among the relevant organizations need to be clarified. This includes the organizations that design and implement the projects, the organizations that mediate aid (such as the international organizations), and the organizations that analyze the project outcomes (such as the research institutions). In addition, Japan, as a major donor, should request that project-implementing organizations establish proper administrative structures and rigorous reporting mechanisms. These adjustments are necessary in order to put into practice a management and supervisory system where Japan can monitor the progress and outcomes of the AMV projects definitively and continuously. Based on these changes, Japan

has the option of devising a much simpler assistance mechanism, in its search for a more efficient aid modality, which would be an aid modality where Japan will be able to directly fund the organizations, which in turn practically implements the AMV projects directly. This would be achieved by reducing the number of organizations that the funds channel through as much as possible.

Furthermore, if Japan is willing to continue aid to the MVP, another possibility is to set a mandate for the project-implementing organizations to ensure that they share the monitoring and evaluation results of the AMV project. They would also be required to perform joint research of the assistance models with research institutions in Japan. Using this approach, Japan can proactively take initiative in developing a new aid approach, by receiving data obtained through information-sharing with the project-implementing organizations and providing space for Japan to administer the AMV projects.