

Third Party Evaluation Report 2015  
Ministry of Foreign Affairs of Japan

**Evaluation of Japan's Contribution to the  
Achievement of the MDGs  
in Environmental Sector**

February 2016

Mizuho Information & Research Institute, Inc.



## Preface

This report, under the title “Evaluation of Japan’s Contribution to the Achievement of the MDGs in Environmental Sector” was undertaken by Mizuho Information & Research Institute, Inc., entrusted by the Ministry of Foreign Affairs of Japan (MOFA) in fiscal year 2015.

Since its commencement in 1954, Japan’s Official Development Assistance (ODA) has contributed to the development of partner countries, and has contributed to bringing solutions for international issues which vary over time. Recently, in both Japan and the international community, implementing ODA requires higher effectiveness and efficiency. MOFA has been conducting ODA evaluations every year, of which most are conducted 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 transparency and objectivity.

This evaluation study was conducted to make a comprehensive evaluation of Japan’s environmental-related assistance provided for achievement of the MDGs in environmental sector, taking into consideration the assistance trends in the target countries and the international community and the related organizations’ activities in the recipient regions. The evaluation study was also conducted from diplomatic viewpoints as well as the development viewpoints, with the aim of gaining lessons and recommendations for reference in policy planning and implementation of future assistance.

Jin Sato, a professor at the Institute for Advanced Studies on Asia at the University of Tokyo, served as a chief evaluator to supervise the entire evaluation process, and Kazuhiro Harada, a professor at the Graduate School of Bioagricultural Sciences at Nagoya University, served as an advisor to share his expertise on forestry and biodiversity. They have made enormous contributions from the beginning of the study to the completion of this report. In addition, in the course of this study both in Japan and in Indonesia and Cambodia, 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 Indonesia and Cambodia, donors and non-governmental organizations (NGOs). The evaluation team would like to take this opportunity to express our sincere gratitude to all those 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.

February 2016

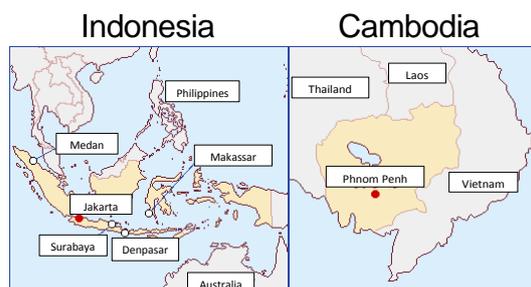
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Note: This English version of the Evaluation Report is a summary of the Japanese Evaluation Report of “Evaluation of Japan’s Contribution to the Achievement of the MDGs in Environmental Sector”.

## Evaluation of Japan's Contribution to the Achievement of the MDGs in Environmental Sector (Brief Summary)

### **Evaluators (Evaluation Team):**

- Chief Evaluator: Jin Sato, professor at the Institute for Advanced Studies on Asia at the University of Tokyo
- Adviser: Kazuhiro Harada, professor at the Graduate School of Bioagricultural Sciences at Nagoya University
- Consultant: Mizuho Information & Research Institute, Inc.



**Period of the Evaluation Study:** August 2015 to February 2016

**Field Survey Countries:** Indonesia and Cambodia

### **Background, Objectives and Scope of the Evaluation**

The Millennium Development Goals (MDGs) were established in 2000. Goal 7 of the MDGs is to "Ensure environmental sustainability". In order to contribute to achieve this goal, Japan has provided assistance in the environmental sector such as climate change, biodiversity, water in line with the ODA Charter, revised in 2003. Based on these backgrounds, this evaluation study made a comprehensive evaluation of Japan's overall efforts in the period from the establishment of the MDGs to 2014 to attain the MDGs in environmental sector.

### **Brief Summary of the Evaluation Results**

#### ● Development Viewpoints

##### (1) Relevance of Policies

Japan's development policies in environmental sector were basically consistent with environmental efforts by the international community, international trends in assistance, Japan's higher ODA policies, and the development policies of recipient countries. However, as for international trends in assistance, some challenges were seen such as budgetary appropriation policies and decreasing policy mention on the forestry field. As for consistency with Japan's higher ODA policies, some initiatives taken by Japan in recent years in the forestry field lacked concrete mention. The consistency with development policies of recipient countries was referred to case studies in Indonesia and Cambodia, and no significant problem has found. From the above results, the relevance of policies was "High" regarding Japan's efforts to achieve the MDGs in environmental sector.

##### (2) Effectiveness of Results

As for input, high marks should be given to Japan in view of the fact that its total ODA amount was larger than other donors. However, both the rate of grants against the total ODA by Japan and the rate of its ODA against GNI seemed to be unsatisfied levels. As for outcome, indexes regarding Goal 7 under the MDGs were improved in many countries that Japan has supported significantly. However, statistics analysis could not

clearly prove that the improvements resulted from Japan's assistance. The impact of Japan's ODA on the policies of the recipient countries was examined through questionnaire surveys and case studies. The examination found that some countries reformed their policies following Japan's assistances. However, the number of such countries was limited and effects were varied by country. Though Japan's assistance produced positive effects in some evaluation items, some reservations were given to many evaluation items. From the above reasons, Japan's ODA in terms of the effectiveness of its results was evaluated as "Moderate".

### (3) Appropriateness of Processes

The appropriateness of processes regarding Japan's ODA was evaluated from three angles. The first was the appropriateness of the processes of formulating and implementing ODA policies in the environmental sector. The second was efficiency in establishing an implementation structure in Japan and recipient countries. The third was collaboration with recipient countries and development partners. Japan has released ODA initiatives mainly on the occasion of international conferences. As a result, some initiatives overlapped with other initiatives both in content and implementation period, and making it difficult to understand that Japan has adopted an explicit policy of giving priority to the environment in its development assistance policy. As mentioned above, challenges remain in various evaluation items, and thus the appropriateness of processes regarding Japan's ODA is "Marginal".

#### ● Diplomatic Viewpoints

In bilateral relations, some diplomatically positive effects were mentioned in environmentally related sub-sectors of recipient countries recognized as important. In multilateral relations, diplomatically positive effects were also confirmed given the fact that Japan received some commendation from other countries following its clarification of its stance in the appropriate timing in the form of commitments made through international conferences. At the same time, however, it is necessary to note that the some conflict of two national interests, its pursuit of economic interest and its pursuit of international presence, occurs for Japan.

### **Recommendations**

#### **(1) Integration of the developmental perspective and the environmental perspective**

To eliminate the conflict between development and the environment, it is necessary for Japan to formulate and implement ODA projects while integrating development and environmental perspective.

#### **(2) Broader expansion of ODA in the environmental sector beyond frameworks**

It is necessary for Japan to implement measures aimed at spreading the effects of ODA projects not only individual projects effects but also regions or nationwide effects. Moreover, it is also necessary for Japan to reinforce activities to utilize obtained experience to ODA projects formulation in other countries.

**(3) Effective cooperation with local organizations such as universities and NGOs with capacity building support**

It is necessary for Japan to promote capacity building in recipient countries by making better cooperation with local universities and NGOs, both of which are connected deeply to local people, and are positive about addressing environmental issues and making social contribution. The effective cooperation seems to lead stronger impact on both ODA projects and recipient countries while supporting their autonomous post-ODA development.

**(4) To recognize the differences from other donors, including emerging donors, and demonstrate the strengths of Japan**

At a time when emerging donor countries such as China are increasing their presence in Southeast Asia and aid policies have been changing globally following the changing political situations in Europe, it is important for Japan to continue to provide ODA in the fields that Japan has competitiveness and to obtain understanding from other donors.

**(5) Strengthening the planning of country assistance policies for each recipient country in line with its development stage, and consideration of an exit strategy**

Issues regarding the future implementation were found in Indonesia and Cambodia, both of which are covered by case studies. At a time when discussion is under way over the selection and concentration of ODA, it is necessary for Japan to consider where the accumulated human and intellectual assets built up by the country are to be transferred and utilized, and strengthen the country assistance policy for each recipient country with an eye toward formulating a medium- and long-term ODA exit strategy.

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# Chapter 1 Evaluation Policy

## 1-1 Background of Evaluation and Objectives

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Goal 7 of the Millennium Development Goals (MDGs), established in 2000, is to "Ensure environmental sustainability". In order to contribute to achieve this goal, Japan has provided assistance in environmental sector such as climate change, biodiversity and water in line with the country's foreign policies, including the ODA Charter, revised in 2003, and the Medium-Term Policy on ODA, revised in 2005. Public concern about the international cooperation in environmental sector has been increasing year by year. Globally, the environmentally conscious Sustainable Development Goals (SDGs) were adopted in September 2015. And domestically, the Cabinet approved the Development Cooperation Charter in the same year, with Japan pledging to do more contribution to the international community in environmental sector.

Behind the increased interest in international cooperation is not only people's enhanced awareness of environmental issues but also not to adequately cope with ongoing environmental irregularities, including climate change such as abnormal weather conditions and the disappearance of biodiversity. Particularly challenging are the frailty of developing countries in their response to environmental issues and the higher risks of environmental destruction associated with economic development in these countries compared with developed countries. Under these circumstances, attaining sustainable development by making environmental preservation compatible with economic development has become an important topic in developing countries.

This evaluation study aim to gain lessons and recommendations for reference in ODA policy planning and implementation of future assistance by evaluating Japan's ODA activities in environmental sector from the development and diplomatic viewpoints based on clarifying the past ODA contribution and challenges.

## 1-2 Scope and Period of Evaluation

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### 1-2-1 Scope of Evaluation

The scope of this evaluation is Japan's assistance policies and concrete efforts in the environmental sector that were carried out after the adoption of the MDGs. The efforts in the environmental sector are actions listed in the Chart 1-1 as contributing to the achievement

of Goal 7 set under the MDGs. This evaluation was focused on aid activities that had been undertaken toward the achievement of goals set under Target 7.A and Target 7.B, and the improvement of the relevant indexes. Specifically, assistance extended in the fields of forestry and biodiversity was evaluated.

Chart 1-1 Goal 7 Set under MDGs, Its Targets and Indexes

Goal 7: Ensure environmental sustainability	
<b>Target 7.A:</b> Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources	Index 7.1 Proportion of land area covered by forest
	Index 7.2 CO <sub>2</sub> emissions, total, per capita and per \$1 (PPP)
	Index 7.3 Consumption of ozone-depleting substances
	Index 7.4 Proportion of fish stocks within safe biological limits
<b>Target 7.B:</b> Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss	Index 7.5 Proportion of total water resources used
	Index 7.6 Proportion of terrestrial and marine areas protected
	Index 7.7 Proportion of species threatened with extinction
<b>Target 7.C:</b> Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation	Index 7.8 Proportion of population using an improved drinking water
	Index 7.9 Proportion of population using an improved sanitation facility
<b>Target 7.D:</b> By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	Index 7.10 Proportion of urban population living in slums

Sources: Compiled by the Evaluation Team based on the Official List of MDG Indicators, United Nations

### 1-2-2 Period of Evaluation

This evaluation covers the period from the establishment of the MDGs to 2014.

However, the quantitative analysis of the “Effectiveness of Results” was based on data collected in 2002 or after, because access to an OECD Creditor Reporting System (CRS) database on the ODA was only possible during this period.

## 1-3 Evaluation Framework

This evaluation study was based on the “ODA Evaluation Guidelines (9th edition)” compiled by MOFA. The development viewpoints used for the study took into consideration “Relevance of Policies”, “Effectiveness of Results” and “Appropriateness of Processes” for comprehensive examination and evaluation. In addition to the development viewpoints, evaluation was conducted from the diplomatic viewpoints. When the evaluation was conducted from the development viewpoints, ratings were assigned based on the rating standards set under the “ODA Evaluation Guidelines (9th edition)” compiled by MOFA.

### 1-3-1 Relevance of Policies

“Relevance of Policies” was evaluated by examining if Japan's policies in the environmental sector (sector-based development initiatives and policies) were consistent with international priority issues, international trends of assistance, Japan's higher ODA policies, and the needs of the recipient countries.

The main evaluation items and their content are listed in the Chart 1-2.

Chart1-2 Evaluation Framework for “Relevance of Policies”

Evaluation Items	Content of Evaluation	Rating Scale
(1) Consistency with international efforts and international trends of assistance	<ul style="list-style-type: none"> <li>▪ Consistency with international priority issues and high-level frameworks in the general environmental field</li> <li>▪ Consistency with international priority issues and high-level frameworks regarding individual environmental issues</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>(Very high)</b> Evaluated very highly in all evaluation items and recognized as strategic and original ODA policies.</li> <li>▪ <b>(High)</b> Evaluated highly in almost all evaluation items.</li> </ul>
(2) Consistency with Japan's higher ODA policies	<ul style="list-style-type: none"> <li>▪ Consistency with Japan's ODA Charter and Medium-Term Policy on ODA</li> <li>▪ Consistency with the Country Assistance Policy (case studies)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>(Moderate)</b> Evaluated highly in many evaluation items.</li> </ul>
(3) Consistency with needs of recipient countries	<ul style="list-style-type: none"> <li>▪ Consistency with the needs of recipient countries</li> <li>▪ Consistency with the national development policies of the recipient countries (case studies)</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>(Marginal)</b> Low evaluation given in many evaluation items.</li> </ul>

Sources: Compiled by Evaluation Team

## 1-3-2 Effectiveness of Results

“Effectiveness of Results” was evaluated by examining if there were any effects on the recipient countries and aid trends in the international community from Japan's ODA activities in the environmental sector.

The main evaluation items and their content are listed in the Chart 1-3.

Chart 1-3 Evaluation Framework for “Effectiveness of Results”

Evaluation Items	Content of Evaluation	Rating Scale
(1) Evaluation of Inputs	<ul style="list-style-type: none"> <li>▪What kinds of aid projects have been undertaken by Japan in the environmental ODA field, how these projects have been categorized, and how their expenditures have been accumulated.</li> <li>▪Sector-by-sector (limited to sectors distinguishable from other donors) and recipient-by-recipient disbursement under Japan's ODA in the environmental sector.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>(Very high)</b> Very significant effects confirmed in all evaluation items.</li> <li>▪ <b>(High)</b> Significant effects confirmed in almost all evaluation items.</li> <li>▪ <b>(Moderate)</b> Effects confirmed in many evaluation items.</li> <li>▪ <b>(Marginal)</b> No effects confirmed in many evaluation items.</li> </ul>
(2) Evaluation of Outcomes	<ul style="list-style-type: none"> <li>▪Whether or not improvement was seen in official monitoring indexes introduced to evaluate the progress in recipient countries of Goal 7 set under environment-related MDGs following Japan's environmental ODA activities.</li> <li>▪What results have been obtained through the analysis of various output indexes, treated as response variables, and the analysis of various outcome indexes and other relevant indexes, both treated as explanatory variables.</li> </ul>	
(3) Evaluation of Impact	<ul style="list-style-type: none"> <li>▪How policy measures taken by the recipient countries and their project-level measures have changed as a result of policy-level and program-level assistance extended by Japan in the environmental field. (questionnaire surveys and case studies)</li> </ul>	

Sources: Compiled by the Evaluation Team

### 1-3-3 Appropriateness of Processes

“Appropriateness of Processes” was evaluated by grasping the needs of the recipient countries, recognizing implementation situations periodically, and examining situations regarding collaboration with other donors, international organizations, private sectors and NGOs.

The main evaluation items and their content are listed in the Chart 1-4.

Chart 1-4 Evaluation Framework for “Appropriateness of Processes”

Evaluation Items	Content of Evaluation	Rating Scale
(1) Whether Japan’s ODA policies in the environmental sector have been formulated and implemented under the appropriate process for the achievement of Goal 7 set under the MDGs	<ul style="list-style-type: none"> <li>▪ Appropriateness of the processes of formulating initiative and Country Assistance Policies</li> <li>▪ Appropriateness of the process of forming individual aid projects</li> <li>▪ Appropriateness of the process of taking measures aimed at making the environment mainstreaming</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>(Very high)</b> Found to have been implemented quite appropriately in all evaluation items, with good practices regarded as useful for the aid policy-formulating process and the aid implementation process having been confirmed.</li> </ul>
(2) Whether implementation systems have been locally (embassies and JICA offices) and domestically established, and whether such systems have been operated effectively	<ul style="list-style-type: none"> <li>▪ Appropriateness of a role-sharing system and a collaborative system at the headquarters in Japan</li> <li>▪ Appropriateness of operational systems of local offices</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>(High)</b> Found to have been implemented appropriately in almost all evaluation items.</li> </ul>
(3) Whether there was appropriate collaboration with governments of recipient countries and other donors	<ul style="list-style-type: none"> <li>▪ Whether policy dialogue and coordination with recipient countries have been made appropriately.</li> <li>▪ Whether consultation and coordination with other donor have been made appropriately.</li> <li>▪ Whether collaboration with development partners such as emerging donors, private sectors and NGOs has been made appropriately.</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>(Moderate)</b> Found to have been implemented appropriately in many evaluation items.</li> <li>▪ <b>(Marginal)</b> Found to have been implemented inappropriately in many evaluation items.</li> </ul>

Sources: Compiled by the Evaluation Team

### 1-3-4 Evaluation from Diplomatic Viewpoints

Evaluation from diplomatic viewpoints was conducted by examining the diplomatic importance and the spillover effects of the assistance in the environmental sector. Under this evaluation study, qualitative evaluation was made based on opinions expressed in a free-description column of a questionnaire survey sheet, literature investigations, and the results of hearing surveys.

The main evaluation items and their content are listed in the Chart 1-5.

Chart 1-5 Framework for Evaluation from Diplomatic Viewpoints

Evaluation Items	Content of Evaluation
(1) Diplomatic spillover effects in bilateral relationship	<ul style="list-style-type: none"><li>•Whether understanding about Japan's position has been deepened.</li><li>•Whether local people's sense of affinity toward Japan has been enhanced.</li><li>•Whether public-private collaboration and technological transfer have contributed to the Japanese economy.</li></ul>
(2) Diplomatic spillover effects in multilateral relationship	<ul style="list-style-type: none"><li>•Whether Japan's presence in the international society has enhanced.</li></ul>

Sources: Compiled by the Evaluation Team

## 1-4 Procedure of Evaluation

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For conducting the evaluation study, documentary searches, interviews with relevant organizations in Japan, questionnaire surveys for Japan's overseas establishments, and interviews with relevant organizations in Indonesia and Cambodia as the case studies were held.

With the relevant sections of MOFA and JICA, the Evaluation Team held the first consultation meeting under the leadership of the Chief Evaluator. Participants at the meeting confirmed the objectives, scope, methods and schedule of the evaluation, and formulated an implementation plan of the evaluation.

The Evaluation Team launched a research in Japan, looking into relevant literature and documentary records (policy documents, reports on past aid projects, fundamental statistical records, academic papers and relevant documents). From these documents, the team collected and sorted out data related to the objectives of the ODA projects subject to evaluation, past aid activities, and their results and implementation processes. In addition, interviews with relevant organizations and experts in Japan were conducted.

Mainly to recognize the cause-and-effect relationship between the value of the country's ODA provision and the results of aid activities, outputs and outcome (i.e., the degree of Japan's contribution), questionnaire surveys to the Japan's overseas establishments in the recipient countries were conducted because it is difficult to prove the relationship between them through literature information and statistical data. Questionnaire sheets were sent to Japan's overseas establishments located in the top 100 recipient countries of Japan's ODA in the fields of forestry, biodiversity and the general environment sector. Of the 100 countries, chosen as the top 100 recipients based on a CRS database provided by the Development Assistance Committee (DAC) of the OECD, 74 countries replied to the questionnaire.

Based on the literature surveys and interviews in Japan, field studies were conducted in Indonesia and Cambodia as the case studies. In these countries, interviews with the organizations related to the Japanese Government, government agencies of the two countries, international organizations, aid organizations, and aid beneficiaries, and on-site surveys were conducted. Both interviews and on-site surveys were intended to assess the overall effects on the two countries of Japan's ODA activities in the environmental sector, and clarify the involvement of local organizations in the assistance process. Indonesia was chosen as a case study country because it was a major ODA recipient in the fields of forestry and biodiversity during the period of the evaluation study. For comparison with Indonesia, Cambodia, a least developed country (LDC) where environmental issues are expected to emerge in the course of its economic development, was also chosen as a case study country.

# Chapter 2 Efforts by Japan and the World to Achieve the MDGs in Environmental Sector

## 2-1 Outline of the MDGs in Environmental Sector

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In September 2000, the Millennium Summit of the United Nations was held with leaders of the 189 UN member countries attending. Following the summit, the United Nations Millennium Declaration<sup>1</sup> was adopted. The declaration has seven themes as the key objectives, including peace, security and disarmament, development and poverty eradication, and the environment, as the goals of the international community in the twenty-first century. The Millennium Development Goals (MDGs) were set by integrating the Millennium Declaration and the international development goals that were adopted at major international conferences held during the 1990s. The MDGs are objectives to be shared by the international community in the twenty-first century and to serve as guidelines for all development policies.

The MDGs consist of eight outcome goals. Each goal has one to six specific targets. One to twelve indexes are set under each target or multiple targets. 2015 was the year that the MDGs targeted for completion. The United Nations compiles a progress report on MDGs by region every year, presenting as a progress chart. The final version of the UN progress chart for 2015 is shown in Chart 2-1. The Chart indicated that improvement was seen in many goals and targets set for East Asia, but issues related to MDGs remained in many other regions.

Of the eight MDGs, Goal 7 is related to the environment. Goal 7 is composed of four targets and 10 indexes introduced to measure the progress of achievement of the targets, shown in Chart 1-1.

Concerning the MDGs in environmental sector, worldwide progress was measured on several indexes under Target 7.A and Target 7.B, which focused in this evaluation study, based on reports compiled by the United Nations, and are outlined<sup>2</sup> below. Because no numerical targets, such as reducing in half by a certain period, have been set for Target 7.A and Target 7.B, each country is asked to judge their achievements by themselves. Globally, many indexes have deteriorated. In the entire environmental sector, little progress has been

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<sup>1</sup> The seven key objectives of the United Nations Millennium Declaration are (1) Peace, security and disarmament; (2) Development and poverty eradication; (3) Protecting the world's common environment; (4) Human rights, democracy and good governance; (5) Protecting the vulnerable; (6) Meeting the special needs of Africa; and (7) Strengthening the United Nations.

<sup>2</sup> Index progress is described in p.52–61 of the United Nations "The Millennium Development Goals Report 2015".

seen during the period of the MDGs.

Chart 2-1 MDGs Progress Chart 2015

Goals	Targets	Africa		Asia				Oceania	Latin America and the Caribbean	Caucasus and Central Asia
		North	Sub-Saharan	East	South-East	South	West			
Goal 1: Eradicate extreme poverty and hunger	Reduce extreme poverty by half	Green	Yellow	Green	Green	Green	Green	White	Green	Green
	Productive and decent employment	Yellow	Green	Green	Green	Green	Red	Yellow	Yellow	Red
	Reduce hunger by half	Green	Yellow	Green	Green	Green	Red	Red	Green	Green
Goal 2: Achieve universal primary education	Universal primary schooling	Green	Yellow	Green	Green	Green	Green	Green	Yellow	Yellow
Goal 3: Promote gender equality and empower women	Equal girls' enrollment in primary school	Green	Green	Green	Green	Green	Green	Yellow	Green	Green
	Women's share of paid employment	Red	Green	Green	Yellow	Green	Yellow	Yellow	Green	Green
	Women's equal representation in national parliaments	Green	Green	Red	Yellow	Green	Green	Red	Green	Green
Goal 4: Reduce child mortality	Reduce mortality of under-five-year-olds by two-thirds	Green	Green	Green	Green	Green	Green	Yellow	Green	Green
Goal 5: Improve maternal health	Reduce maternal mortality by three-quarters	Green	Green	Green	Green	Green	Green	Yellow	Green	Green
	Access to reproductive health	Green	Yellow	Green	Green	Green	Green	Yellow	Green	Yellow
Goal 6: Combat HIV/AIDS, malaria and other diseases	Halt and begin to reverse the spread of HIV/AIDS	Red	Green	Red	Green	Green	Red	Green	Green	Green
	Halt and reverse the spread of tuberculosis	Yellow	Green	Green	Green	Green	Green	Red	Green	Yellow
Goal 7: Ensure environmental sustainability	Halve the proportion of the population without improved drinking water	Green	Green	Green	Green	Green	Green	Red	Green	Red
	Halve the proportion of the population without sanitation	Green	Red	Green	Green	Yellow	Green	Red	Green	Green
	Improve the lives of slum-dwellers	Green	Yellow	Green	Green	Green	Red	White	Green	White
Goal 8: Develop a global partnership of development	Internet users	Green	Green	Green	Green	Green	Green	Green	Green	Green



Sources: Compiled by the Evaluation Team based on the Millennium Development Goals: 2015 Progress Chart, United Nations

### (1) Forest Area

The Forest area decreased at an annual rate of 8.3 million hectares in the world during the 1990s. The forested area has been falling at a slower pace in recent years, by an average annual decrease of 5.2 million hectares between 2000 and 2010. Despite the downtrend, the forested area has continued to fall globally, posing a major challenge to many countries. In Asia, the forest area increased by about 2.2 million hectares between 2000 and 2010. The increase was mainly attributable to large-scale afforestation in China, and this does not mean that forested area increased evenly across the entire region of Asia.

## (2) Species Threatened with Extinction

The number of species and the area of their distribution have been decreasing globally. The proportion of species threatened with extinction has also been increasing. Of the 5,500 species of mammals living in the world, 26% of them are on the brink of extinction. As for birds, 13% of the 10,400 species are endangered, while 41% of the 6,000 species of amphibian animals are close to extinction. As these statistics show, many species are facing extinction. It is said to be difficult to quantify the risk of extinction for many species, but it is clear about them that the overall situation has been deteriorating, not improving, and the proportion of species threatened with extinction has been increasing.

## 2-2 Japan's Efforts in the Environmental Sector

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Japan's ODA policy structure is divided into two levels. Constituting higher ODA policies are the ODA Charter and a Medium-Term Policy on ODA. Under them are the Country Assistance Policies, which represent cross-sector assistance for an individual country, and the sectoral initiatives (a sectoral development policy), which represents cross-country assistance for an individual sector. These policies and initiatives are intertwined vertically and horizontally.

A number of sectoral initiatives and development policies that involve mutually related sub-sectors in the environmental sector have been released. Among such sub-sectors are countermeasures for climate change, the preservation of biodiversity, environmental management, and water and sanitation. The seven sectoral initiatives, divided into three categories according to the types of measures being taken: measures related to the Earth Summit, measures related to climate change, and measures related to biodiversity. The initiatives are listed below:

- Measures related to the Earth Summit
  - Environmental Conservation Initiative for Sustainable Development (2002)
  - Green Future Initiative (2012)
- Measures related to climate change
  - Cool Earth Partnership (2008)
  - Support for developing countries under the "Hatoyama Initiative" (2009)
  - Action for Cool Earth: Proactive Diplomatic Strategy for Countering Global Warming (2013)
  - Japan's Adaptation Initiative to Support Adaptation Action (2014)
- Measures related to biodiversity
  - Life in Harmony Initiative (2010)

Among the support efforts launched by Japan in the environment sector before 2000 were the “ISD Kyoto Initiative” undertaken in connection with the Kyoto Protocol, the “3R Initiative” launched for waste management, and the “Clean Asia Initiative”.

# Chapter 3 Summary of Evaluation Results and Recommendations

## 3-1 Summary of Evaluation Results

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### 3-1-1 Summary of Evaluation of the "Relevance of Policies"

Japan's development policies for the environmental sector, including various initiatives taken since 2000, were consistent from the viewpoint of "Relevance of Policies" with (1) environmental efforts by the international community and international trends in assistance (2) Japan's higher ODA policies, and (3) the development policies of the recipient countries.

However, some inconsistencies with (1) environmental efforts by the international community and international trends in assistance were seen upon looking into the breakdown of financial commitments made under the initiatives. Some of these commitments were found to be inconsistent with the areas where budgetary allocations for combating climate change are usually made under international norms. Also decreased reference to the forestry field under the initiatives undertaken in recent years was found (Chart 3-1).

As for consistency with (2) Japan's higher ODA policies, it was found that forestry protection was referred to by the "Development Cooperation Charter" and approved by the Cabinet in 2015, but was not mentioned in the initiatives taken in recent years.

As for (3) the development policies of the recipient countries, Japan has been committed to providing technological and financial support to developing countries through various initiatives, and contributed to settling international negotiations. Those Japan's contribution is consistent with the policy by developing countries of promoting development while receiving support from developed countries. In addition, no problems were found in terms of consistency with the development policies of the recipient countries following the case studies of Indonesia and Cambodia.

Consistency was confirmed in many evaluation items concerning Japan's efforts to achieve the MDGs in environmental sector. However, it cannot be said that the evaluation was extremely high in all evaluation items. Given this finding, the overall evaluation was "high".

Chart 3-1 Indexes of Environment-Related MDGs and Reference in Japan's Development Policies in the Environmental Sector

	Goal 7, indexes under Target 7.A, 7B							Reference to other specific items related to Goal 7
	7.1 Land area covered by forest	7.2 GHG emissions	7.3 Consumption of ozone-depleting substances	7.4 Fish stocks within safe biological limits	7.5 Amount of renewable water resources	7.6 Terrestrial and marine areas protected	7.7 Species threatened with extinction	
Environmental Conservation Initiative for Sustainable Development (2002)	Referred	Referred			Referred	Referred	Referred	Development of human resources, consideration of environmental factors, policy dialogue
Cool Earth Partnership (2008)	Referred	Referred						Financial support
Hatoyama Initiative concerning support of developing countries (2009)	Referred	Referred					Referred	Financial support, development of human resources
Life in Harmony Initiative (2010)	Referred			Referred	Referred	Referred	Referred	Development of human resources, support in policy formulation, financial support
Green Future Initiative(2012)		Referred					Referred	Development of human resources
Proactive Diplomatic Strategy for Countering Global Warming (2013)		Referred						Financial support
Adaptation Initiative (2014)							Referred	Support in formulation of adaptation plans, mainstreaming adaptation plans

Sources: Compiled by the Evaluation Team based on various data

### 3-1-2 Summary of Evaluation of the "Effectiveness of Results"

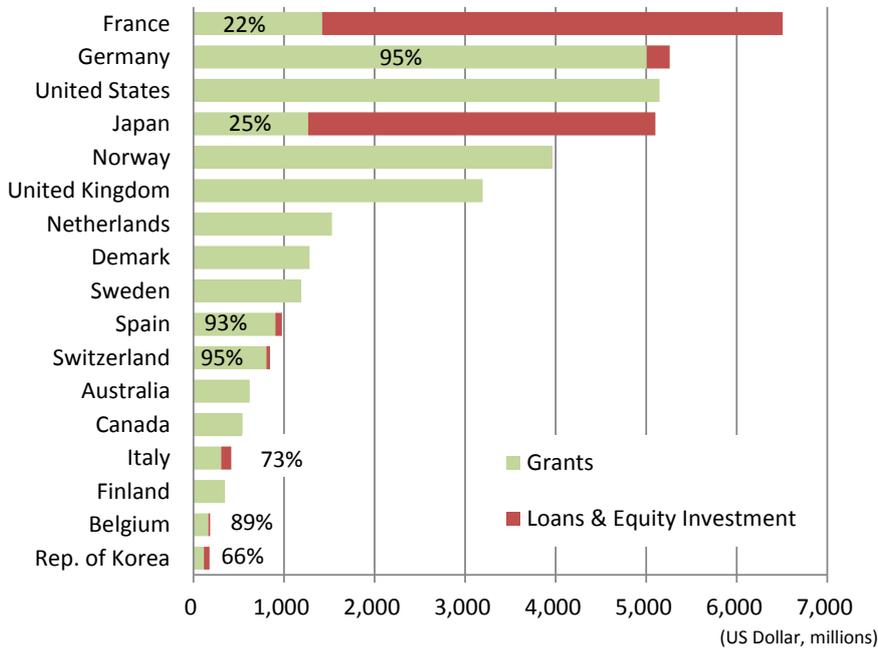
The "Effectiveness of Results" was evaluated from the viewpoints of inputs, outcomes and impacts.

#### (1) Evaluation of Inputs

Japan's total ODA inputs in the environment-related categories were mostly larger than those of other donors, which was highly evaluated. However, the absolute volume of grants, which comprise a major part of ODA along with loans, and the ODA-GNI (gross national

income) ratio seemed to be insufficient (Chart 3-2). Asian countries are major recipients of Japan’s ODA in the environment-related sectors as well as in other sectors, and ODA to unspecified recipients, which are provided via not only the public sector but also multilateral organizations and civil society, are far less than those of the other major donors (Chart 3-3). This allocation characteristic indicates that Japan’s environmental ODA is in a subordinate position to bilateral diplomacy, and less autonomous in making projects under its own policy.

Chart 3-2 Grants and Loans from Major DAC Member Countries in the “General Environmental Protection” Category (Commitments, 2002-2014 totals)



Note: Data for the 17 countries that have committed more than USD 100 million in total ODA amount since 2002. The percentage figures are grant rates and are only shown when being less than 100% in the chart.

Source: Compiled by the Evaluation Team based on the Creditor Reporting System of the OECD.

Chart 3-3 Top 10 Destinations and Their Shares of the Major Donors' ODA in the "General Environmental Protection" Category (Commitments, 2002-2014 totals)

France		Germany		United States		Japan		Norway		United Kingdom	
Indonesia	15.4%	Brazil	8.0%	Indonesia	4.4%	Indonesia	25.8%	Brazil	24.1%	Bangladesh	8.2%
China	12.9%	China	6.3%	Philippines	3.7%	China	20.3%	Guyana	8.8%	India	2.2%
Turkey	11.7%	Peru	3.2%	Mexico	2.8%	Viet Nam	12.9%	Indonesia	3.0%	Indonesia	1.5%
Mexico	11.6%	Ecuador	3.2%	Peru	2.5%	Philippines	9.2%	Tanzania	2.5%	China	1.5%
Viet Nam	4.1%	DR Congo	2.8%	Egypt	2.3%	India	6.4%	China	2.3%	South Africa	1.3%
India	2.7%	India	2.8%	Indonesia	2.2%	Tunisia	3.3%	Ethiopia	1.6%	Sudan	1.1%
Mauritius	2.6%	Indonesia	2.4%	Brazil	2.1%	Peru	2.7%	Viet Nam	1.0%	Kenya	1.1%
Tunisia	2.5%	Viet Nam	2.1%	Viet Nam	1.8%	Cambodia	2.3%	Zambia	0.9%	Nepal	1.0%
South Africa	2.5%	Mexico	2.0%	Kenya	1.8%	Egypt	1.1%	Indonesia	0.7%	Uganda	0.9%
Kenya	2.5%	Philippines	1.6%	Bangladesh	1.7%	Sri Lanka	1.1%	Malawi	0.5%	Ethiopia	0.8%
<i>Subtotal</i>	<i>68.6%</i>	<i>Subtotal</i>	<i>34.5%</i>	<i>Subtotal</i>	<i>25.2%</i>	<i>Subtotal</i>	<i>84.9%</i>	<i>Subtotal</i>	<i>45.4%</i>	<i>Subtotal</i>	<i>19.7%</i>
Unspecified	14.1%	Unspecified	42.5%	Unspecified	41.0%	Unspecified	3.4%	Unspecified	47.7%	Unspecified	76.8%
(Volume)	916	(Volume)	2,236	(Volume)	2,113	(Volume)	172	(Volume)	1,885	(Volume)	2,452
Public Sector	375	Public Sector	1,250	Public Sector	509	Public Sector	32	Public Sector	77	Public Sector	273
NGOs/Civil Soc.	23	NGOs/Civil Soc.	148	NGOs/Civil Soc.	273	NGOs/Civil Soc.	5	NGOs/Civil Soc.	253	NGOs/Civil Soc.	101
Multilateral Org.	272	Multilateral Org.	541	Multilateral Org.	372	Multilateral Org.	110	Multilateral Org.	1,301	Multilateral Org.	1,745
Others	246	Others	298	Others	959	Others	25	Others	255	Others	333

Note: Data for the 6 countries that have committed more than USD 3 billion. "Unspecified" destination's shares and volumes (Unit: USD million) are added with breakdown of volumes by the assistance channels.

Source: Compiled by the Evaluation Team based on the Creditor Reporting System of the OECD.

## (2) Evaluation of Outcomes

The trend in the environment-related MDG indicators in recipient countries to which Japan gives a relatively large amount of environmental ODA is generally favorable, when compared to the average of developing countries and that of the world. This offers favorable circumstantial evidence to support the effectiveness of the ODA provided by Japan, but does not prove it.

It is difficult to comparatively verify the effectiveness of the ODA of each donor country, particularly in the environmental sector where indicators are not necessarily well organized. The multiple linear regression analysis on the forestry sector did not provide any significant evidences for the contribution of ODA from each donor country. This is probably because the forest area rates used as the objective variable are national-level data, whereas ODA projects only contribute to the conservation of limited parts of the forests in a whole recipient country. Another possible reason is that assistance to the government's forest policy making can contribute to nation-wide forest conservation in an only indirect manner.

It should be noted, however, that the regression analysis showed significant influence of the GDP growth to the forest area rates, while the ODA inputs were not significant. This result gives an important insight: macroscopically, economic growth affects the forest area much more strongly than ODA does, and negatively, and the ODA projects to conserve forests would probably have little effect when being conducted without consideration for, connection to, and coordination with recipient countries' economic development. Therefore, whether an environmental perspective is integrated in a development project (so-called "environmental mainstreaming") or a developmental perspective is integrated in the

environmental sector, it is necessary to deal with both environment and development issues in a unified manner in order to make ODA for environmental protection work effectively and that, otherwise, its effects to conserve the environment could be dispelled by the dynamism of economic development.

### (3) Evaluation of Impacts

ODA impacts were evaluated based on the results from a questionnaire survey and case studies on how Japan's assistance has contributed on a policy level. The results from the questionnaire survey included good practices in which Japan has helped change the environmental policies of the recipient country, but the number of such practices found in the all answers is small. In Indonesia, one of the major recipient countries of ODA from Japan in the environmental sector, the Forest Fire Management Project in Peat Lands, which has been conducted over some 15 years, has achieved a certain levels of results at a project level. However, due to the limited regions covered by the project, there have only been a small number of cases where a new policy was developed as a result of assistance provided by Japan or where the achievements were shared as good practices. In Cambodia, on the other hand, Japan's contribution to the REDD+ strategy was highly appreciated, showing the significant impact of the assistance. As shown in these two case studies, there were significant differences in environmental ODA impacts among recipient countries. It is considered that these differences are associated with the level of recipients' dependence on ODA.

### (4) Summary of the Effectiveness of Results

As stated above, although some aspects and practices in Japan's environmental ODA are highly evaluated, there are many evaluation items judged with a certain degree of reservation. In addition, it is difficult to explicitly establish the causal relationship between the Japanese contribution and specific outcomes. For these reasons, it is considered appropriate to evaluate the Effectiveness of Results as "Moderate".

## 3-1-3 Summary of Evaluation of the "Appropriateness of Processes"

The "Appropriateness of Processes" was evaluated from the following three viewpoints: (1) the appropriateness of the process of planning and implementing ODA policies in the environmental sector; (2) efficient implementation structures in the recipient country and in Japan; and (3) coordination with the government of the recipient country and other donors.

With regard to (1), in developing ODA policies in the environmental sector, initiatives and other higher policies have been prepared in line with the position of Japan in the international community and the diplomatic objectives on each occasion, and there is little intention to position the environmental sector as part of the Japan's development assistance

policy or to provide a consistent direction for projects in the environmental sector. As a result, the structure has become complex and difficult to understand because there is redundancy in the contents and implementation periods of the initiatives for MDGs indicator. As for financial targets, Japan makes commitments to achieve them on various occasions, such as at international conferences. However, because the targets are set based on past achievements, it is difficult to consider that policy-based intention has been reflected. Although there have been some good practices in efforts aimed at environmental mainstreaming (Chart 3-4), there is challenges to expand these efforts in implementing projects in many countries.

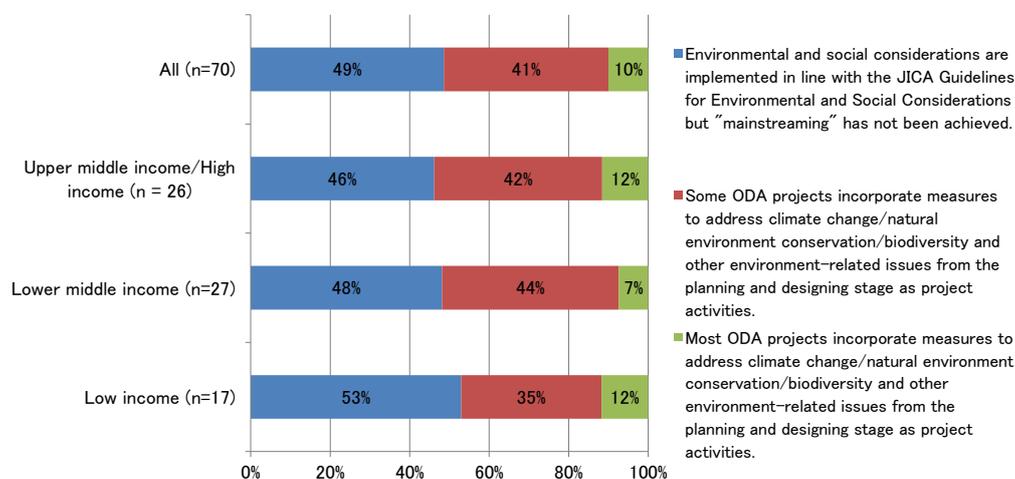
With regard to (2), the domestic system for assistance in the environmental sector plays the role of coordinating assistance for each subsector, and does not take specific actions to promote efforts to achieve Goal 7 of the MDGs. As pointed out in the past ODA evaluation, there have been no efforts to encourage recipient countries to identify and develop projects for assistance in the environmental sector, and Improvement should be made to reflect the issues raised in the past.

With regard to (3), while assistance that respects ownership has been provided, efforts to actively develop projects in the environmental sector have not been sufficient. As for cooperation with other donors, although information is shared with them, efforts to promote cooperation and maximize the effects have not been made. In the cooperation with emerging donors, private organizations and NGOs, there have been no particularly serious issues during the evaluation period. In the future, because these donors and organizations will become more important roles as development partners, it is considered necessary to constantly review ways to cooperate with them and make effective use of their resources.

The evaluation results of all of these three items show that there are issues that have been achieved insufficiently and need to be addressed, based on which the Appropriateness of Processes can be evaluated as "Marginal".

Chart 3-4 Level of Environmental Mainstreaming

(Source: Results of a questionnaire survey for Japan's overseas establishments)



Source: Prepared by the evaluation team based on the questionnaire survey results

### 3-1-4 Summary of Evaluation from the Diplomatic Viewpoints

Evaluation from the diplomatic viewpoints was made based on the diplomatic impact on bilateral relations and multilateral relations.

With regard to bilateral relations, while the diplomatic impact in the environmental sector is considered to be limited compared to the case in other development projects, practices that had a diplomatic impact at the subsector level that were given a high priority in the environmental sector in the recipient country were identified as good practices. Good practices identified in a questionnaire survey included practices that helped deepen understanding about Japan among the government of the recipient country and other donors, and those that are considered to have the effect of increasing the affinity of local residents toward Japan and contributing to the economic activities of Japanese companies and the spread of Japanese technology.

With regard to multilateral relationships, initiatives, which are developmental policies in the environmental sector in Japan, have not only been positioned as assistance policies for different sectors in Japan but have also been regarded as important international commitments. Japan has expressed, in its initiatives and other documents, its commitment to cooperation in terms of financial and human resources in line with global trends, which has been favorably accepted by other countries at relevant meetings. This is also considered to have contributed to the development of agreements. The contribution made by Japan through ODA in international settings is recognized by other countries, which can be highly regarded as a favorable diplomatic impact. On the other hand, it is necessary to take note that there has been a conflict between the pursuit of national economic interests

and the global presence of Japan such as support to the coal fired power generation.

In the biodiversity sector, Japan demonstrated its global presence at the CBD's COP10 meeting held in Nagoya in 2010. At the meeting, protocols and targets whose names include Japanese placenames and words were agreed, such as the "Nagoya Protocol," the "Aichi Targets" and the "Satoyama initiative". Japan played a major role in the meeting as the host country. Its efforts in the past, including assistance to developing countries through ODA, and the commitments made at the COP10 were highly appreciated, indicating a favorable diplomatic impact.

## 3-2 Recommendations

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### ■ Recommendation 1:

#### **Integration of the developmental perspective and the environmental perspective**

"Sustainable development" is included in the title of "the Sustainable Development Goals (SDGs)" for the post-MDGs period, indicating the important theme in discussing development and environmental conservation in the world in the future. The UN's MDGs Report 2015 states that, as an issue emerging from discussion on MDGs, "True integration of the environment into developmental ambitions" is important, and "Environmental sustainability is a core pillar of post-2015 agenda"<sup>3</sup>. It has also been discussed that the mainstreaming of the environmental viewpoint is important in the field of climate change and biodiversity. The mainstreaming of biodiversity is included in strategic goals in the "Aichi Targets" under the Convention on Biological Diversity (CBD).

Above mentioned international trend is shared at the policy level in Japan. Initiatives and policy documents explicitly state that Japan aims to promote sustainable development and development that harmoniously integrates with the environment. On the other hand, as shown in the "Appropriateness of Processes", initiatives and policy documents are seldom taken into account in developing a country assistance policy for each recipient country and in planning individual projects. To actively promote the mainstreaming of the environmental viewpoint, which is included in initiatives and other relevant documents, not only in projects in the environmental sector but also in projects for economic social development, it is necessary to refer to relevant initiatives in developing a country assistance policy for each recipient country and planning individual projects and reflect their contents.

In the environmental sector, it is also necessary to mainstream the developmental viewpoint into projects. It includes collaboration with other projects such as poverty reduction by directly providing benefits to local residents, and the inclusion of the viewpoints

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<sup>3</sup> United Nations, "The Millennium Development Goals Report 2015," 2015, p.61.

of those involved in the development such as mined resources and the construction of infrastructure, which tend to conflict with the viewpoint of environmental conservation, in planning the projects. Specifically, in planning projects in the natural environment conservation sector in regions where resources with high economic value exist and the development of infrastructure is expected, it is necessary to create opportunities to seek opinions from the government and donor countries that are in charge of resource development, land development and so on.

It is considered that, through these efforts, it would be possible to be free from the belief that environmental preservation hampers development and to integrate the environment into a larger theme, i.e., sustainable development. We recommend not only incorporating the viewpoint that projects in the development sector will reduce environmental impact but also to integrate efforts in the environmental sector into those in the development sector and to promote efforts to eliminate the conflict between "Development" and "Environment".

## ■Recommendation 2:

### **Broader expansion of ODA in the environmental sector beyond frameworks**

In this evaluation, the evaluation team conducted a case study in Indonesia, one of the countries on which Japan has placed the highest emphasis on assistance in the natural environment conservation sector. In Indonesia, predetermined targets for each project were mostly achieved, and better understanding was gained from local residents in most projects. However, according to the interviews, most projects were not highly appreciated by the staff in charge of the central government that served as the counterpart of the Japan's ODA projects.<sup>4</sup> It was concluded that the policy impact that contributes to the achievement of Goal 7 of the MDGs was small. We found that JICA's experts and others involved in implementing each project demonstrated high expertise and gained trust from local residents through close contact with local communities. However, no broader expansion of their efforts was observed due to the lack of human resource networks and publicity that are necessary to reflect locally gained knowledge and information at a policy level, and to further expand their efforts from the village to the regional level, and to the national level. A possible reason is that, while experts and project coordinators are successful in building relations at the local level over a long period of time, the staffs of Japanese embassy and

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<sup>4</sup> According to interviews to the Environmental Services Bureau, which is in charge of IJ-REDD project, and the Forest and Land Fire Control Bureau, which is in charge of fire control in peat land area project, of the Indonesian Environment and Forestry Ministry, they pointed Japan's ODA projects have some problems. For example, Japan's ODA projects have low impact on Indonesian environmental policy. On the other hand, the Environment and Forestry Minister Sity Nurbaya expressed his appreciation to the Japanese Ambassador, who visited the minister in July 2015, for Japan's cooperation in addressing climate change issues and improving the urban environment. He gave specific examples and expressed his high appreciation for the efforts made by Japan, and expressed his wish for Japan's continued cooperation.

JICA are routinely replaced every two to three years due to personnel reshuffling. Therefore, they could not reflect the knowledge and information gained by experts and other members on activities at a policy level, and also could not to use them in planning new projects. Based on what the results of the case study indicate, the evaluation team recommends building relations that help maintain a human resources network regardless the personnel reshuffling, and to enhance publicity activities to continuously communicate efforts of Japan's ODA to the government of the recipient countries and to help them appropriately understand the characteristics and effects of Japan's efforts.

Furthermore, it is also necessary to enhance efforts not only to achieve broader expansion beyond frameworks in terms of the strengthening of policy impact by individual projects, but also to make effective use of gained knowledge and information in assisting other countries. For example, even if the policy impact in one country is small, if the Japanese side gains knowledge and information about tropical forest conservation and sets a goal to use them effectively in assisting other countries in the context of triangular cooperation, this can be a new type of selection and concentration. While Japan has knowledge and information about pollution control measures in the environmental sector through its own experience in the past, it does not have knowledge and information about such disasters as tropical forest fires; it has gained the latter in the process of its development projects. It is considered that, in order for Japan to contribute in this sector in the future, its knowledge and information about forest management that it has accumulated in Indonesia and other countries to which Japan has provided assistance over many years would prove useful. It is also considered necessary to have a strong awareness of the importance of the effective use of such knowledge and information for assistance to developing countries with tropical forests, or in other words, a broader expansion beyond frameworks, from the goal-setting stage.

### ■Recommendation 3:

#### **Effective cooperation with local organizations such as universities and NGOs with capacity building support**

It is considered that the use of universities and NGOs that have close relationships with local residents and strong awareness of environmental issues and social contribution can contribute to the achievement of improved results of assistance. The evaluation team recommends promoting cooperation with these organizations and concurrently helping the capacity building of these private mediating organizations.

In West Kalimantan, a province of Indonesia that the evaluation team visited for the case study, Japan has been conducting the Forest Fire Management Project in Peat Lands over many years. In this project, Japan commissioned a university in the province to conduct a socioeconomic survey to identify the causes of forest fires. The university is familiar with regional circumstances and has been actively engaged in social contribution activities

beyond research activities, such as the development of sales channels for farmers who practice highly productive organic farming without controlled burning. The university was therefore a suitable partner for the project.<sup>5</sup> However, according to their presentation, survey and analysis methods they used in the survey seemed lack of maturity, and the survey results they presented were not evidence-based and did not meet the appropriate standards. If Japan had assisted capacity building to improve their survey skills in advance, it would have been possible for the university to achieve greater effects than by merely conducting a commissioned survey, and for Japan to increase the impact of the project.

In Cambodia, the field survey revealed that NGOs and other private organizations were actively engaged in assistance activities in areas that were not covered by projects of the government in the environmental sector.

If Japan can effectively use universities and NGOs that have close relationships with local residents and strong awareness of environmental issues and social contribution while helping them build their capacities, it is considered that the impact of the entire project will increase and sustainability after the completion of assistance from Japan will also increase. JICA should actively explore the possibility of collaboration with private mediating organizations, beyond the government.

#### ■Recommendation 4:

##### **To Recognize the differences from other donors, including emerging donors, and demonstrate the strengths of Japan**

In the evaluation of the Appropriateness of Processes, the results from case studies, documentary and questionnaire surveys revealed issues that need to be addressed regarding cooperation with other donors in the environmental sector. It was also revealed that there has been increasing influence from emerging donors, such as China, which have difficulty in communicating within the existing framework. Within Japan, the selection and concentration of assistance recipients have been strongly required due to increased financial constraints. Under these circumstances, it is necessary to enhance cooperation with other donors in selecting and concentrating on assistance projects where Japan can demonstrate its strengths in the assistance community.

To promote selection and concentration effectively, Japan should be aware of its strengths and differences from other donors. The results from the case studies indicate that the strength of Japan in the natural environment conservation sector is that its experts are more engaged in projects at the onsite level than those of other donors. With regard to other donors, the presence of China has been increasing in development projects in developing countries. However, there are no projects for forest conservation assisted by China, and most their projects comprise the development of infrastructure. The field survey in

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<sup>5</sup> Based on interviews to the Environment and Forestry Ministry, Tanjungpura University and local farmers.

Cambodia shows that European donors have started to withdraw from assistance in the forestry sector affected situation in the Middle East. In Cambodia, therefore, Japan was able to demonstrate its significant presence in the forestry sector merely by maintaining the present condition of assistance. In recent years, Japan's assistance in the forestry sector has become less important in terms of its policy objectives, and the number of projects has been decreasing. However, the importance at the international level has not diminished. Therefore, if Japan can select the right country and region and the right method for assistance, it can maintain its presence at a certain level in this sector in comparison to other donors.

As stated above, understanding of the trends and contents of other donors' assistance programs will help understanding of Japan's strengths. It would also be possible, however, that, unless efforts are made to increase the understanding of the strengths of Japan through communication with other donors, even if Japan makes the right selection and concentration, there could be redundancy between Japan and other donors in the future. It is considered that the impact of assistance provided to Japan can be increased if other donors can complement it in sectors that Japan has not selected. Japan should correctly understand the trends of other donors, including emerging donors, and, based on such understanding, aim to maximize the effects of development and increase its presence by emphasizing its strengths through communication with other donors.

#### ■Recommendation 5:

##### **Strengthening the planning of country assistance policies for each recipient country in line with its development stage, and consideration of an exit strategy**

The case studies conducted in Indonesia and Cambodia revealed that the impact of assistance differed significantly between the two countries. Evaluations from those two countries on Japanese ODA in environmental sector are also different. It is considered that possible reasons for these differences are the differences in the developmental stages and population and economy sizes of the two countries. Japan has developed a Country Assistance Policy and Rolling Plan for each recipient country and provides assistance in line with them. It is necessary for Japan to pay more attention to the developmental stage of the recipient country and develop a plan in such a way as to help the country become independent.

Japan has placed priority on providing assistance to Indonesia in the natural environmental sector, and has implemented various kinds of projects. However, when considering the strength of its ownership and the development level, which was indicated in the results from the field survey, it is necessary to discuss how long Japan should continue its assistance. Indonesia, at present, belongs to the lower middle income category according to the World Bank classification by income, and has not yet reached a stage where it can develop independently without support from ODA. Furthermore, when

considering the situation of forest fires and the decreased forest area in Indonesia, it is still highly necessary for Japan, in corporation with the international community, to continue to promote natural environment conservation. It is also true, however, that in countries such as Indonesia, where the economy is rapidly developing and the population and economy are large, the necessity of assistance from developed country has become relatively low. It is considered that this trend will become more pronounced in the future. In these countries, therefore, we recommend considering a withdrawal from assistance in the near future and reviewing the current Country Assistance Policies and Rolling Plans to modify them in such a way as to help each country become more independently engaged in natural environmental conservation.

In Cambodia, on the other hand, it was revealed that the relevance and effectiveness of the current assistance were very high. The necessity of assistance for Cambodia is higher than that for Indonesia because Cambodia is in the low income category. However, we cannot predict how long this situation will continue, considering the recent remarkable economic development of the country. At an interview held at the JICA Cambodia Office, some pointed out that there is no party to which JICA's assistance projects can be handed over. According to JICA, even if the transparency of the investment environment were improved by assistance for environmental impact assessment and even if Japanese companies showed interest, the Cambodia Office of the Japan External Trade Organization (JETRO), which should be responsible for providing business assistance, is still small in scale. At present, JICA is the organization that is playing the leading role in strengthening cooperation with private companies.<sup>6</sup> As stated above, even if it is not possible for low-income countries to withdraw from assistance near future, it has become necessary to consider exit strategies, such as cooperation with other agencies and private sectors.

In both countries where the case studies were conducted, it was revealed that there were issues that needed to be addressed regarding how to develop operations in the future. Particularly in the natural environment conservation sector, partly because the priority of this sector is lower than those of the infrastructure development and health sectors in the policy of the current Japanese government, it is important to allocate resources for natural environment conservation to countries with higher needs. In development assistance, selection and concentration are expected to be taken into account. It is necessary in the forestry sector, which is in the "not selected" category, to consider where human resources and intelligent assets that have been accumulated should be handed over to be used effectively, and to develop Country Assistance Policies more precisely with global interest in the environment taken into consideration.

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<sup>6</sup> Source: Interview at the JICA Cambodia Office

## ■ Conclusion

As reported above, it is difficult to evaluate ODA and achieve its impact in the environmental sector. A fundamental reason may lie in the frequent conflicts between the environment and development: the achievement of environmental conservation is offset by the impact of development, and efforts to conserve the environment are limited or hampered from expansion due to higher priority on development.

Precisely for this reason, it is believed that more creative planning is necessary for ODA in the environmental sector. What is necessary for such planning is a perspective that overcomes the conflict between the environment and development. In other words, it is necessary to position the environment as a component inseparable from economic development, instead of regarding it as a separate "assistance area" or "sector". Contribution by Japan in international cooperation in the environmental sector in the future will depend on whether Japan can develop ODA policies and projects from the aforementioned perspective.

Chart 3-5 Scope of Recommendations

Level of recommendation	Recommendations	Responsible organizations				Time frame
		Headquarters-level		Onsite level		
		MOFA	JICA Head Office	Japanese embassy	JICA office	
Level of directions of policies/strategies	1. Integrate the developmental perspective and the environmental perspective	○	○	○	○	Short term
	2. Broader expansion of ODA in the environmental sector beyond frameworks	○	○			Short term
	5. Strengthening the planning of country assistance policies for each recipient country in line with its development stage, and consideration of an exit strategy	○	○			Medium term
Level of methods/procedures of assistance	3. Effective use of local organizations such as universities and NGOs with capacity building support		○	○	○	Short term
	4. To Recognize the differences from other donors, including emerging donors, and demonstrate the strengths of Japan	○	○	○	○	Short term

Source: Prepared by the Evaluation Team