Chapter 3
Japan's ODA: Outlook for the Future

Volunteers dispatched under the JOCV system, teaching how to cook Japanese cuisine in Indonesia

Key Points
• Based on the accomplishments and progress in the past, the government is determined to continue persistently to make efforts for improvement of ODA implementation in line with the revised ODA Charter.
• In order to implement assistance more effectively, the government places emphasis on the clarification of accomplishments, the strengthening of policy consultations with recipient governments, the results-oriented approach, the further collaboration with other aid bodies and the enhancement of evaluation.
• In order to improve the procedures for assistance, further strengthening of the functions of the Country-based ODA Task Force, collaboration among related government ministries and agencies and NGOs, and disclosure of information, as well as expansion of public participation are pressing.
• In order to develop the implementation systems for assistance, enhancement of collaboration with implementing agencies, human resources development and cooperation with universities and research institutions are necessary.

As mentioned, in the past 50 years, Japan's ODA has undergone changes in accordance with the circumstances at given times, while also yielding considerable accomplishments.

More than 1.1 billion people, mainly in developing countries, are still living in absolute poverty on less than a dollar a day. In addition, almost 0.8 billion people are suffering from famine. Moreover, amid the advances of globalization after the end of Cold War, a number of problems, including the gap between the rich and the poor, ethnic and religious conflicts, armed conflicts, terrorism, suppression of freedom, human rights and democracy, environmental issues, infectious diseases and the gender gap, are intertwining, and development-related issues have come to assume new aspects. In such circumstances, the revised ODA Charter of 2003 comprehensively presents the objectives, priority issues and regions of Japan's ODA. In line with the revised ODA Charter, based on the accomplishments and progress of Japan's ODA accumulated over the past 50 years, Japan is willing to tackle the issues, such as poverty reduction, sustainable growth, addressing global issues and peace-building.

Japan's ODA has certainly faced many challenges, when looking back over the progress to date. Over the 50 years, Japan has endeavored to solve those problems and modified some procedures for implementing ODA. For example, in the past, Japan's assistance was closely connected with the promotion of exports, but it has gradually changed its features along with the increase of Japan's economic power. At present, assistance and export promotion are no longer interconnected in terms of either philosophy or implementation.

On the other hand, problems from various viewpoints are still pointed out regarding Japan's assistance such as questions about the effectiveness and efficiency of assistance, criticisms over the insufficient collaboration among related ministries and agencies. The revised ODA Charter of August 2003 indicates how the government should address these issues. In addition, the revised ODA Charter sets the basic policies, such as emphasis on the perspective of human security, as well as the issues on which Japan should place priority in the future, including peace-building. For the future, Japan has to implement ODA in a more strategic, effective and transparent way in line with the revised ODA Charter.

This chapter summarizes and explains the issues remaining when implementing ODA more effectively in the future and how to address them from a medium to long-term perspective. These issues will be discussed in three parts - accomplishments of assistance, procedures for assistance and systems for implementation of assistance.
Accomplishments of Assistance: For More Effective Implementation

In the present circumstances, it is difficult to increase the total aid volume significantly. Therefore, it is increasingly important to enhance the effectiveness and efficiency of assistance and improve the quality thereof. If Japan can increase the effectiveness of assistance and provide assistance that could further contribute to the development of developing countries, Japan will be more highly appreciated, which will turn to be in its own interest.

To increase the effectiveness of assistance, wide consideration of various methods is necessary. First, it is important to clarify the objectives and the expected achievements of assistance. The revised ODA Charter clearly indicates the objectives and priority issues and regions of Japanese assistance, but it is also necessary to reflect them in subordinate policies such as the Medium-Term Policy on ODA, Country Assistance Programs and sector-specific initiatives, as well as individual assistance projects, in line with the ideas of the revised ODA Charter.

Second, when implementing these policies through individual projects and programs, it is important to identify properly the needs of recipient countries through close policy consultations with their governments. In addition, it is necessary to make a comprehensive decision, taking into account the priority issues indicated in the revised ODA Charter and the international issues at the time as well as the question of whether Japan can use its experience and knowledge to implement assistance. In order to use the limited resources as effectively as possible, it is also necessary to allocate resources selectively based on the principle of selection and concentration and to advance assistance while promoting collaboration among ODA and non-ODA funds (other official flows and private funds). As a matter of course, Japan's assistance is based on support for the self-help efforts of developing countries, and it is thus necessary to consider so as not to impose assistance, while demonstrating full respect for the independence and ownership of recipient countries. For this purpose, before implementing development, it is very important to share the basic recognition and procedures of assistance through close policy consultations with recipient governments. In order to strengthen these policy consultations, country-based ODA Task Forces, which will be discussed later, play an important role.

The third method of increasing aid effectiveness is to adopt a results-oriented approach. When talking about assistance by each country, many have tended to be interested just in the size of the aid volume in the past. However, some developing countries have made the criticism that assistance by foreign governments has mostly been inefficient and ineffective but costly. As typically indicated in the MDGs, the results-oriented approach has been increasingly emphasized in recent international trends of assistance. Thus, in the future, Japan has to promote more an approach focused on the accomplishments and achievements of assistance. In various policy papers, it is required to indicate not only an immediate aid input goal but also goals to be achieved through implementation of ODA as clearly as possible. In implementing assistance, it is also necessary to monitor the effects of assistance in the process and to verify it, including the accomplishments of each project, after the completion of projects through sufficient ex-post evaluation. In addition, for monitoring and evaluation, it is important to study the means and establish a system for evaluation (evaluation will be discussed later).

Fourth, in order to increase the effects of assistance, it is also necessary to strengthen further the collaboration with other aid implementing bodies, such as other donors and NGOs. Resources for the development of developing countries are limited, and thus, aid coordination, including harmonization of procedures for assistance, has been one of the recent international issues from the viewpoint of efficient aid implementation. As typically indicated in the idea of the Three Ones relating to measures against HIV/AIDS, it is impossible to assist effectively without coordination of support by each country. In recent discussions aiming to improve the effect of assistance, some even hold the opinion that donors should cooperatively provide funds (direct financial support, etc.) and implement "assistance without any national flags" because assisting them separately imposes a heavy burden on recipient countries. Although it is impossible to accept all of such extreme ideas, Japan has responded actively to the coordination of assistance, including harmonization of procedures for assistance, while claiming (1) respect for ownership, (2) country-specific approach, and (3) respect for diversity. Since Japan implements assistance in severe economic and financial conditions, its aid has to attain

37. This is an initiative of UNAIDS, which means that assistance to measures against AIDS from the international community must be coordinated in recipient countries under one action framework by one national coordinating authority and be covered by one monitoring and evaluation system. If the Three Ones functions, assistance by donors can be coordinated well.
visible accomplishments to win the understanding of taxpayers. However, it is a major issue for Japan how to strike a balance between such domestic requirements and the necessity of aid coordination. Japan should not merely follow the international trend but clearly demonstrate its own aid strategy and ideas and also participate and lead actively in setting international goals and improving methods of assistance. In addition, the promotion of South-South cooperation, to which Japan has actively contributed, can be cited as another example of collaboration with the international community. The revised ODA Charter also states, “Japan will actively promote South-South cooperation in partnership with more advanced developing countries in Asia and other regions.” South-South cooperation, conducted by more advanced developing countries for other developing countries using their own human resources and experience in development, enables those advanced developing countries in relatively similar conditions in terms of their social, cultural and economic situations as well as development stages to assist other developing countries effectively and efficiently. Since 1975, Japan has implemented assistance through South-South cooperation and thus leads the world in this field.

Fifth, there is an issue of assurance of fairness of assistance by using the guidelines for environmental and social considerations. In formulating and implementing ODA policy, it is necessary to give consideration so that the benefits of ODA can be spread fairly to the people of recipient countries, including local residents. For this purpose, in implementing assistance, it is also necessary to pay sufficient attention to the impact of Japan’s ODA projects on the local environment and communities, taking into account the conditions of the socially vulnerable, such as children, the disabled and the elderly, as well as the gap between rich and poor and the regional gap in recipient countries. Moreover, the perspective of gender equality in development is important to achieve balanced and sustainable development in developing countries. Therefore, it is essential to promote equal participation of men and women and their equal benefit from development. The revised ODA Charter positions these ideas as one of the “Basic Policies,” which are critical for implementing assistance effectively.

Until now, Japan has checked in advance the measures taken by developing countries in line with various guidelines for environmental and social considerations, and has to continue and strengthen the consideration given to environmental and social impacts in line with the guidelines.

In order to implement the assistance effectively, it is also necessary to give sufficient consideration to the perspective of gender equality in ODA. In line with the revised ODA Charter, Japan continues to work further on improving the status of women as well as aiming at fair and effective economic cooperation with emphasis on the perspective of gender equality, while strengthening collaboration among persons concerned in Japan and abroad. In addition, Japan also pays attention to the point that the social and economic development would be promoted through empowerment (capacity-building) of women including girls.

Finally, it is also necessary to mention the importance of ODA evaluation again. The Japanese government believes that evaluation is essential for effective and efficient implementation of ODA. The importance of the evaluation was also pointed out in discussions on ODA reforms within Japan as well as at international conferences concerning development assistance, and the Government of Japan has made efforts to enhance it. The revised ODA Charter also advocates further enhancement of evaluation. At present, ODA evaluation is conducted through collaboration between related government ministries and agencies and implementing agencies such as JICA and JBIC. Moreover, intellectuals or other third parties widely conduct third-party evaluation on request and the government itself also conducts policy evaluation. Furthermore, joint evaluation has recently been carried out in cooperation with international organizations, other donors and recipient governments. It is, as a matter of course, necessary to conduct evaluation in collaboration with other donors and international organizations as assistance itself started to be implemented in collaboration with them, and such a trend is expected to expand in the future. Japan should continue to promote such joint evaluation actively and focus on the establishment of systems thereof and the study of evaluation methods.

The results of evaluation can only be significant when utilized fully in planning and implementing ODA. Though they are now fed back not only to the Japanese side but also to the persons concerned in recipient countries, it is necessary to
establish and improve further the entire process to ensure the positive functioning of three cycles—policymaking, implementation and evaluation. Furthermore, in order to enhance ODA evaluation on a global level, it is necessary to participate actively in evaluation networking by the OECD/DAC and support the efforts of recipient countries to improve their evaluation capacity. The "Tokyo Workshop on ODA Evaluation," conducted by the Japanese Government had the participation of people from developing countries in Asia who involved themselves in development assistance and staff of international organizations and was highly evaluated by the international community. Japan is requested to continue such efforts in the future.

Procedures for Assistance: For Flexible, Efficient and More Transparent Implementation of Assistance

For aid procedures, it is necessary to seek constant improvements such as increasing flexibility, efficiency and transparency.

First, there is the issue of strengthening country-specific approach, including that of Country-based ODA Task Forces. In order to promote the improvement of strategy, transparency and efficiency of ODA and the fulfillment of accountability, it is necessary to strengthen the role of local Task Forces in establishing aid strategies for respective countries. Based on this idea, the revised ODA Charter sets out the policy of "strengthening the field mission functions." It states, "the functions of field missions (primarily overseas diplomatic field missions and offices of implementing agencies) will be strengthened, so that they could be able to play a leading role in an integrated manner in the policy-making process and implementation of aid policies." It has become increasingly important to appoint experts with knowledge and experience in relevant countries, at overseas diplomatic missions or offices of implementing agencies for the purpose of comprehensively and precisely understanding of the priority issues in the recipient countries and especially appropriate contribution Japan should make. And it has also come to be more important to sufficiently understand the economic and social conditions of recipient countries with the cooperation of local persons and to create a mechanism for such purpose. In addition, the strengthening of the functions of field missions has a positive impact on coordination of assistance on a local basis. In recent years, the formulation and implementation of Poverty Reduction Strategy Papers (PRSP) has been promoted under the ownership of recipient governments through cooperation among aid agencies and other related organizations. In order to participate actively in the movement, it is necessary to strengthen functions of Country-based ODA Task Forces, which have been established in 64 countries.

Second, it is essential to further strengthen collaboration with persons concerned in Japan (related ministries and agencies, NGOs, intellectuals, persons concerned in the private sector, etc.) as a measure to improve efficiency of assistance. Collaboration and communication among ODA-related ministries and agencies have been improved dramatically in recent years. From the outset, the Japanese Government has adopted a consensus method in principle for decision-making, and thus, consultation among ministries and agencies is not insufficient compared to other donor countries. However, as for the vertical administrative structure, its inefficiency and incoherence are still criticized. At present, one office and 12 ministries/agencies have ODA budgets. In order to ensure the Japanese ODA projects to be consistent, effective and efficient as a whole, it is essential to strengthen collaboration and coordination by using techniques and knowledge of each ministry and agency. In addition, it is important that the ODA projects are implemented in a coordinated manner. For this purpose, it is necessary for the entire government to share the same policies and goals and maintain the uniformity.

The revised ODA Charter states, "under the auspices of the Council of Overseas Economic Cooperation-Related Ministers, the Ministry of Foreign Affairs will play the central coordinating role in strengthening broad collaboration between the ODA-related government ministries and agencies, including by means of personnel exchanges, by utilizing the expertise of those related ministries and agencies" in order to ensure that the government in its entirety formulates and implements policies in a unified and coherent manner. Under the Council of Overseas Economic Cooperation-Related Ministers at the ministerial level, various councils are in place, such as the Inter-Ministerial Meeting on ODA, the Board Meeting of the Inter-Ministerial Meeting on ODA, the Experts...
Meeting of Financial Cooperation, the Experts Meeting of Technical Cooperation, and the Experts Meeting of ODA Evaluation. It is necessary to promote further to strengthen the collaboration among related offices, ministries and agencies on various levels, aiming at more effective and efficient implementation of ODA. For example, in the health sector, the Ministry of Foreign Affairs, the Ministry of Health, Labour and Welfare and the Ministry of Education, Culture, Sports, Science and Technology, and implementing agencies hold consultations on a regular basis. Another issue to be considered is the establishment of a mechanism by which related offices, ministries and agencies gather as needed to strengthen collaboration among their ODA projects for each specific sector. Incidentally, this is an issue not only in the scope of ODA but also of the coherency of overall government policy. In the short-term, assuring policy coherency between ODA and other policies, such as in trade and agriculture is also an equally important issue.

In light of the roles fulfilled by various aid bodies in development, the revised ODA Charter states, "Collaboration with Japanese NGOs, universities, local governments, economic organizations, labor organizations, and other related stakeholders will be strengthened to facilitate their participation in ODA and to utilize their technologies and expertise." In addition, Japanese private companies have excellent technologies in various sectors, including environmental conservation. Using them in light of local assistance needs contributes to effective implementation of ODA, while bringing more direct participation of Japanese nationals in assistance activities, and thereby leads to increased public understanding of assistance. Strengthening collaboration with NGOs, universities and industries advances not only in the form of exchange of opinions between the government and those concerned but also of participation in actual assistance. It is thus needed to further promote ODA reforms, including enhanced collaboration with persons concerned.

Third, in order to increase transparency, there are the measures to strengthen information disclosure and promote public participation. To promote development assistance for developing countries by using ODA, which plays a considerable role in Japan’s diplomacy, it is essential to achieve the understanding and support of the public at large. As mentioned in the revised ODA Charter, it is increasingly important to disclose information on the policy, implementation, and evaluation of ODA widely and promptly and to ensure sufficient transparency as well as to publicize the information actively. A pressing task is to promote active disclosure and publication of information in Japan by expanding activities which have already been conducted, such as the publication of the ODA E-mail Magazine, the holding of ODA Town Meetings, and the dispatch of public monitors of ODA.

Meanwhile, in addition to the publication as described above, it is also crucial for the active international contribution of Japan through ODA to be accurately recognized and supported abroad. In the ODA reforms, it is required to make publicity efforts to show Japan’s ODA disbursement, etc. in an easily understandable way in recipient countries. Japan has already cooperated with the local press at signing and delivery ceremonies and attached stickers of the Japanese flag or of the ODA symbol to Japan's aid supplies, while also putting up signboards etc., in order to ensure the Japan’s assistance is accurately evaluated by the public in recipient countries. Japan has also been conducting various activities, such as producing and broadcasting TV programs for recipient countries to publicize ODA, providing local press with opportunities to inspect Japan’s assistance sites, preparing the brochures at the initiative of Japanese overseas embassies in cooperation with local JICA/BIDC staff etc., providing lectures by the ambassador, etc. and transmitting information through websites. Also for the future, Japan has to intensify its efforts in this aspect considerably.

Implementation System

In promoting such efforts as mentioned above, strengthening the ODA implementation system should not be forgotten. When Japan’s ODA budget increased rapidly by large amounts in the 1990s, the number of staff did not increase at the same rate as the budget. Since it is not easy to increase the number of persons implementing ODA significantly under the current circumstances, it is necessary to strengthen the system
Safeguarding of the Angkor Monuments

The monuments of Angkor are a symbol of the traditional culture of Cambodia and the unity of its people. They are also an important cultural heritage worthy of being called one of the great treasures of Asia. The monuments were registered with the "List of the World Heritage in Danger" by the United Nations Educational, Scientific and Cultural Organization (UNESCO), at the same time as designated as a World Heritage Site in 1992 after the establishment of peace in Cambodia. In the world, there are many ancient monuments and historic buildings faced with the danger of collapse without sufficient measures for their safeguarding. Such cultural heritages extend beyond being assets of the people of the countries where they exist, but are also invaluable common assets shared by humankind. It is the duty of all people living today to pass this heritage on safely to the next generations.

In order to make an international contribution in this sector, Japan decided to provide support for the preservation of the Angkor monuments as part of the assistance for reconstruction in Cambodia, and held the "Intergovernmental Conference on the Safeguarding and Development of the Historic Site of Angkor" in Tokyo in October 1993. In the next year, 1994, Japan formed the "Japanese Government Team for Safeguarding Angkor" (JSA) and has dispatched so far more than 680 Japanese experts in total to the site through the UNESCO/Japan Trust Fund for the Preservation of World Cultural Heritage, and conducted preservation and restoration activities. Japan aims to "realize a situation whereby preservation and restoration are achieved by the Cambodian people themselves," and efforts to transfer the technology to Cambodian experts through on-site preservation and restoration activities in cooperation with them. The personnel who will take charge in the future have been steadily developed in the last 10 years.

As a result of such support from the international community, including Japan, the 28th World Heritage Committee decided in July 2004 to remove the Angkor monuments from the "List of the World Heritage in Danger." This achievement in Cambodia has been highly praised as an example of a successful solution that could be applied now to the task of post-conflict protection of cultural heritage, such as in Afghanistan and Iraq.

Note: Fund established by Japan in August 1989 within UNESCO to preserve world cultural heritage. Through the fund, Japan provided cooperation for a total of 30 preservation and restoration projects in 24 countries, such as the project to preserve the monuments of Bamiyan (Afghanistan).
through various measures. Specifically, the following measures have to be considered.

The first is to strengthen collaboration between the government and implementing agencies. In order to provide assistance efficiently and effectively, it is important to enhance collaboration while keeping coherence between the government and the aid implementing agencies as well as among related offices, ministries and agencies. The revised ODA Charter also confirms the importance of such collaboration and asserts the importance of ensuring "organic linkage between the government and the implementing agencies" while making clear their roles and the apportionment of responsibilities among them. In addition, to promote such linkage, it is important to strengthen not merely collaboration between the government and the implementing agencies, but also mutual collaboration among the latter, including by means of personnel exchanges.

The government plans and draws up policies while the implementing agencies implement projects in line with the policies. JICA, which became an independent administrative institution in October 2003, has come to have more discretion in implementing projects adopted by the government, and it is thus expected to implement operations more efficiently and effectively. JICA and JBIC, as agencies specializing in assistance, have ample personnel involved in assistance and the government is thus required to make sufficient use of the promising personnel in those agencies. In Country-based ODA Task Forces, the embassies and the local offices of JICA and JBIC operate concertedly. This kind of cooperation must be strengthened further. In addition, collaboration and cooperation between JICA and JBIC have already been promoted not only through the regular exchanges of information and opinions but also in formulating and implementing specific projects. It is also important for JICA and JBIC to share furthermore the knowledge and experience under the framework of Country-based ODA Task Forces and coordinate project implementation plans and other drawn by the two agencies under Country Assistance Programs. Promotion of personnel exchange is also expected.

Second, it is an urgent task to develop human resources for supporting ODA implementation. The assistance is implemented by human beings, and the securing of excellent human resources in the field of development is essential to promote assistance efficiently. In particular, the training of experts with a high degree of knowledge and expertise in each sector and issue as well as sufficient world awareness is strongly required. The identification and training of such human resources is also a key element in promoting public participation and increasing the efficiency, which are important pillars of ODA reforms. The revised ODA Charter also calls for the "fostering of aid personnel with the necessary expertise." At the same time, for such personnel to be active both within Japan and overseas, it is important to make efforts to increase the opportunities and to widely seek high-quality personnel with considerable overseas experience and extensive knowledge, etc., in order to encourage them to participate in ODA activities. The government already established the "Human Resources Information Center for International Cooperation" within JICA as a part of ODA reforms, and started the provision of external services through its website from October 2003. The website provides information on international cooperation-related recruitment, registers personnel with the International Cooperation Personnel Registration System of JICA and others, and provides information on training and seminars, in order to ensure effective utilization of wide-ranging human resources for international cooperation.

Third, collaboration with the universities and research institute is also important. Japanese universities play an important role in human resources development for international cooperation by, for example, establishing international cooperation-related departments and graduate courses in the 1990s. In addition, conducting area studies and development policy studies concerning developing countries is also an important role of universities and research institutions. It is necessary to encourage such studies by university and research institution and promote accumulation of intellectual assets in Japan pertaining to development. JICA and JBIC conduct research on development assistance issues, development policies, methods of assistance, etc., in cooperation with researchers within and outside the organizations. Moreover, in July 2003, the "Support and Coordination Project for University Cooperation in International Development" was started with the aim of utilizing intellectual resources possessed by Japanese universities for wide-ranging development cooperation, and has promoted enhancement of the environment for the participation of universities, etc., in development cooperation. By further accumulating such efforts, Japan is expected to develop the human resources who support Japan's assistance.

Summary

As mentioned above, there are still plenty of tasks remaining regarding Japan's ODA. For Japan to exercise its leadership in providing assistance to developing countries as a leading donor, it is essential to continue to make persistent efforts without being trapped by complacency because of past achievements.