

Chapter 3

International Trends of Assistance and Japan's Commitments

Section 1. Consolidation of the Result-Oriented Tendency in Aid

In recent years, the tendency on international development assistance has shifted to results-oriented. As providing development aid continuously for extensive period of time, developed countries had often succumbed to “aid fatigue,” stemming from the sense that tangible results of aid had not necessarily been achieved.

Based on these experiences, the international community has shifted towards emphasizing on performance and achievement in development assistance such as the introduction of the Poverty Reduction Strategy Papers (PRSP), agreed at the Annual Meeting of the World Bank and International Monetary Fund (IMF) in 1999, and the Millennium Development Goals (MDGs), compiled by the United Nations in 2001. The international community is accelerating efforts to establish common goals for development and to coordinate various aid entities to achieve the goals.

The PRSP is a concrete action plan formulated by the involved developing country itself, based on close dialogue with donor countries and international organizations, aiming at poverty reduction and premised on a certain amount of aid funds. The PRSP consists of actual targets, action guidelines, and methodology.

The MDGs, which are internationally common and quantitatively measurable, have contributed to enhancing the consciousness and motivation for development assistance, under the banner of poverty reduction as a theme that can be shared by each one of us. The MDGs have also helped spur on a results-oriented approach in development assistance. In the past, measures generally used as the targets of assistance were largely based on the discussion on “input”—the total amount of assistance or the percentage of Gross National Income (GNI). Such discussion often missed effects made by assistance, which were only made among few experts, such as how much the income of

developing countries have increased and how literacy rates have augmented.

In contrast, the MDGs focus on the effect and achievement of assistance as establishing eight comprehensive indicators and goals, such as “to halve, between 1990 and 2015, the proportion of people who suffer from hunger” and “to ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.” According to the latest Millennium Development Goals Report released by the UN in August 2008, the goal of halving extreme poverty by 2015 remains within reach in the world as a whole, while it is hardly achievable in Sub-Saharan Africa. In 2008, the UN held a high level MDGs meeting in September 2008 to review the progress of the MDGs and discuss future approaches. The international community including Japan makes various efforts to achieve the MDGs by 2015.

Section 2. Collaboration among Donor Countries

1. International Trends and Japan

Aid coordination in the past tended to emphasize on coordination and adjustment among donors on each single project. However, recent international trends of development aid emphasize the ownership of developing countries. A mainstream idea is that donor countries and organizations jointly support developing countries' own development plans and priority issues, with donors and recipients working together to achieve the development goals of the recipient countries.

In order to achieve common development challenges such as the MDGs and country-based PRSP, it is necessary not only to increase the amount of aid but also to provide more effective aid by improving the quality of assistance. The effective use of aid by recipient countries themselves, based on an awareness of their ownership, is the most

fundamental factor. Nonetheless, as the number of donors has increased, an excessive burden has been placed on recipient countries. To the greatest extent possible, donors need to provide aid in a coordinated manner in line with the priorities of recipient countries' development strategies and thereby reduce the burden on recipient countries. Awareness concerning the need to improve aid effectiveness has increased, and in Paris in 2005 the "Paris Declaration on Aid Effectiveness (Paris Declaration)" was adopted. The Paris Declaration is equipped with five principles necessary to enhance the quality of aid (1. ownership, 2. alignment, 3. harmonisation, 4. managing for results, and 5. mutual accountability), as well as monitoring indicators and 56 commitments to be adhered to/by donors and developing governments. In 2008, the international community held a meeting, the Third High Level Forum on Aid Effectiveness (HLF-3) in Accra, Ghana (Accra High Level Forum), as an interim evaluation of efforts based on the Paris Declaration. It also adopted an action plan through 2010 (AAA: Accra Agenda for Action). Japan contributes to the international commitment to enhancing aid effectiveness, responding to the new environment of aid and improving the methods of implementing assistance, although applying a single set of principles to all countries is difficult as different developing countries face different situations individually.

At local sites of developing countries, groups specialized in respective issues such as health and education have been often formulated to implement assistance in the form of programs in line with the developing strategies of respective fields and participated in by various entities. In response to these trends, Japan has participated in programs of 40 fields in 18 countries. The above effort includes program-based approaches for educational development in Bangladesh and for agricultural development in Tanzania.

While efforts for aid collaboration are being stepped up, Japan has been allocating coordinators for economic cooperation since FY2006 in African countries, where aid coordination is active: Uganda, Ethiopia, Ghana, Sudan, and Mozambique. The coordinators amass relevant information, exchange opinions, and present views on Japan's development assistance among foreign governments, implementing agencies, and NGOs. In FY2007, Japan began to dispatch the coordinators to Zambia, Madagascar, Senegal, and Kenya.

2. Collaboration with New Donor Countries

The international community in the past carried out aid generally on the initiative among members of the Development Assistance Committee (DAC) in the Organisation for Economic Cooperation and Development (OECD). Recent years have however seen remarkable trends by non-DAC member countries, such as countries in Eastern Europe, the Middle East, Russia, China, and Southeast Asian countries such as Singapore and Malaysia. These new donors have enhanced their presence in the international community, having shifted from aid recipients to aid providers. In order to enhance the development achievement of donors as a whole, it is very important for traditional donor countries including Japan to collaborate with new donors, sharing past aid experiences when necessary and cooperating with each other.

Japan finds it vital to enhance partnership with these new donors in various aspects such as (1) information exchange concerning aid policies and policy dialogue, (2) sharing of experiences in and support for implementing aid (for example, enhancing abilities to organize statistics; evaluate/monitor and consider the environment, society, and debt sustainability), and (3) strengthening of South-South Cooperation and Triangular Cooperation.

For example, with China, Japan held their first bilateral dialogue on third-country assistance in FY2007 with the theme of the sharing of information on aid policies and possibilities of cooperation between Japan and China for external aid. As a trend in FY2008, Japan and China confirmed, at the time of their bilateral summit held when President Hu Jintao visited Japan in May, that the two countries would continue working-level dialogue on third country assistance.

Regarding the Republic of Korea (ROK), the former Japan Bank for International Cooperation (JBIC) and the Economic Development Cooperation Fund (EDCF), in charge of the ROK's official loan aid, advanced the Joint Initiative by Development Banks for Sustainable Urban Development, the Joint Statement by Development Finance Institutions for Sustainable Debt Management, and other subjects. In FY2008, Japan and the ROK held the Aid Policy Consultation in June, in response to the agreement made at their bilateral summit in April to hold closer dialogue on the theme of development. At the consultation, the two countries discussed cooperation aimed at getting the viewpoints of Asia that emphasize growth reflected in the activities of DAC, on the premise that the ROK is to be admitted into the DAC in 2010. The two countries also

agreed to advance deliberations at local sites to realize collaboration projects in Asia and Africa.

As for relations with new donors in Europe, Japan held an aid cooperation workshop in February 2008, having invited bureau-chief level officials in charge of economic cooperation from the Czech Republic, Hungary, Poland, and Slovakia. The workshop took place at MOFA and JICA, as well as the Foundation for Advanced Studies on International Development (FASID) and the National Graduate Institute for Policy Studies (GRIPS). At these venues, participants received lectures on Japan's development cooperation, exchanged opinions, and monitored various related facilities.

Thus far, Japan has collaborated with 13 countries, including Singapore and Indonesia, as development partners. Under this partnership, Japan and its partners established frameworks to offer support for economic and social development to developing countries, especially those in Africa, ASEAN member countries, and the Southern Pacific. Japan and its partners thereby assist South-South cooperation. Specific measures to this end include third country training, dispatch of third country experts, and hosting of joint seminars, with costs shared by the governments of both sides.

Section 3. Trends in the United Nations and Other Organizations and Japan's Commitments

1. Trends in the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD-DAC)

The recent agenda of the Development Assistance Committee under the Organisation for Economic Cooperation and Development (OECD-DAC) include issues associated with the enhancement of aid efficiency, and creation of cooperative relations with donors of non-DAC members. In April 2007, OECD-DAC held a high level meeting for cabinet member class officials. The meeting focused on state governance (vulnerability, and corruption prevention), enhancement of aid effects, and use of ODA funds for security, among other issues. A day before the high-level meeting, a global forum on development was held to discuss on increase of principal players associated with development and how to respond to resultant complications. This forum included a session of opinion exchanges, participated in by invitees from countries such as BRICS.



(Source: EPA=Jiji)

The opinion exchanges provided a major roadmap for the progress of development cooperation between traditional donors and these new economies.

In 2007, the OECD-DAC continued the preparations started in the previous year for a new round of the High Level Forum on Aid Effectiveness (HLF-3) (Accra High Level Forum). Japan stands the position that the forum should exploit the opinions and experiences of not only traditional donors and developing countries but newly industrialized countries, whose volumes of aid have been increasing in recent years. Based on the above idea, Japan, together with Russia, a non-DAC member, served the co-chair of a private working group for dialogue with emerging economies during the preparations for the forum. Moreover, international joint surveys had been conducted on technical cooperation effective for aid effects in infrastructure fields, which Japan has traditionally emphasized, as well as capacity building of developing countries. The results of these surveys were introduced at the Accra High Level Forum.

2. Trends in the United Nations

(1) The United Nations General Assembly and Related Meetings

In 2007 the UN General Assembly promoted the Triennial Comprehensive Policy Review (TCPR) for the UN Development System. This time, evaluations and review were made on the adequacy and efficiency of aid offered for developing countries by UN development organizations. Specifically, themes of the discussions included development of financial functions and state capacities and development effects, and enhancement of the functions of the UN Development System. Moreover, in December 2007, it was decided to hold a meeting aimed at the confirmation of the state of progress in aid for African countries, identification of new issues, and clarification of the future roadmap. In response, the international community held a high-level meeting on Africa's development needs in September 2008. At this meeting, Japan presented to the international community the results of TICAD IV and the G8 Hokkaido Toyako Summit.

(2) The United Nations Economic and Social Council (ECOSOC) Development Cooperation Forum

ECOSOC enhances its functions as a major organization to implement international development goals agreed at UN meetings and G8 Summits. ECOSOC decided to hold the Development Cooperation Forum (DCF) every second year in response to the resolution to enhance ECOSOC functions at UN Summit in 2005 and the General Assembly in 2006. This forum is aimed at reviewing the development strategies, policies, and loan situations of respective countries. The forum's major goals are to enhance the consistency of activities by various development partners and strengthen the overall connections among operations of UN organizations. In July 2008, the forum was held for essentially the first time following preparatory meetings. Areas discussed in the forum include results-oriented development goals, such as the modality of assistance to achieve the MDGs, enhancement of aid efficiency, and in particular South-South cooperation and Triangular cooperation. Japan introduced to the international community its successful methods such as third country training and the South-South Cooperation Partnership Program. Japan also expressed its opinions concerning support for Africa, including the TICAD process, through third country training.

3. Trends in the World Bank

The World Bank and International Monetary Fund held their Joint Development Committee in October 2007. The committee presented a long-term strategy vision dubbed "An Inclusive & Sustainable Globalization" that takes into consideration impoverished groups. The committee furthermore presented six themes to achieve the vision: (1) Helping to overcome poverty and spur sustainable growth in the poorest countries, especially in Africa; (2) Addressing the special challenges of states coming out of conflict; (3) Developing a competitive menu of "development solutions" for middle income countries, involving customized services as well as finance; (4) Playing a more active role with regional and global "public goods" on issues crossing national borders, including climate change, HIV/AIDS, malaria, and aid for trade; (5) Supporting those advancing development and opportunity in the Arab world; and (6) Fostering a "knowledge and learning" agenda across the World Bank Group to support its role as a "brain trust" of applied experience.

The World Bank was credited as one of the co-promoters of the Fourth Tokyo International Conference on African Development (TICAD IV) held in Yokohama in May 2008. The Bank in this way cooperated at the conference in concentrating the wisdom and capitals of

the international community into aid for Africa. Moreover, Japan and the World Bank agreed to strengthen their cooperation in the African region, specifically in the fields of infrastructure, private investment, agriculture, education, and health.



World Bank Group President Robert B. Zoellick giving a press conference at the Fourth Tokyo International Conference on African Development (TICAD IV) (second from the left)
(Source: Jiji)