Summary

While international aid efforts have become increasingly focused on Africa, 2005 is widely seen as a pivotal year. The focus on the region is part of a wider momentum that includes the G8 meetings in Gleneagles for the G8 Summit in July (of which Africa has been identified as one of the two priorities); The WTO Ministerial Meeting in Hong Kong in November; and the Millennium Development Summit which will take place in September in New York, where the first five-year review of progress towards the Millennium Development Goals will be discussed.

The UK has a particular role here. The Commission for Africa, chaired by Tony Blair, published its findings in early 2005. The UK has made African development the primary focus of its G8 Presidency. As Chair of the European Union in the second half of 2005, the UK is keen to make development, and Africa in particular, a priority focus. The UK’s agenda for 2005 is therefore likely to have a significant impact on other stakeholders (Japan, other G8 countries, the EU and countries in Africa). But, what is the UK government trying to promote and why? What do other stakeholders think?

The Japan International Cooperation Agency (JICA) is currently funding research coordinated by the ODI to provide an overview of debates in the UK, France, Germany and the European Union concerning aid policy to Africa and the implications for Japan. The project is intended to help stakeholders in Japan to better understand the UK’s ‘2005 Agenda’ on Africa and to start to outline the potential implications for Japan – and JICA in particular.

In addition to a general literature review, this project is preparing seven background papers:

- Overview of historical changes in UK approach to Africa – Tony Killick
- Debates occurring within the CFA consultation process – David Sunderland
- Current UK Policy positions regarding Africa – David Sunderland
- Current positions of France regarding the UK agenda on Africa – Vincent Géronimi
- Current positions of Germany regarding the UK agenda on Africa – Sven Grimm
- Current positions of the EU regarding the UK agenda on Africa – Sven Grimm
- The latest situation on the IFF – Andrew Rogerson

A synthesis paper was prepared ahead of the workshop.

The preliminary findings of the research were discussed in a one-day workshop with senior Japanese researchers, Japanese aid officials and other UK stakeholders on African development. The workshop discussed the following sets of questions:

- What are the big issues for the UK in relation to African development? What are the current policy positions and findings of the Commission for Africa (CFA) report that will inform the UK’s dual Presidency of the G8 and EU in 2005?
• What is the view of France, Germany and the EU to these big policy issues? What are the other main issues in relation to African development that they are likely to emphasize at the G8?

• What are the implications for Japan on these issues? What are the key decisions concerning African development that Japan is likely to face? More generally, how can Japan best approach aid policy towards Africa?

In particular the workshop discussed 13 key issues relating to the CFA report and the UK’s 2005 Agenda – discussing what was likely to happen and what the implications were for Japan. These were: (1) A Focus on Poverty; (2) Governance and Capacity-Building; (3) Peace and Security; (4) Health; (5) Education; (6) Growth; (7) More Trade and Fairer Trade; (8) Increase aid; (9) Improve the quality of aid; (10) Front-load aid; (11) Cancel Debt; (12) Region-wide Initiatives; and (13) Mutual Accountability.

In terms of many of the substantive issues, there is little disagreement about what is important. Perhaps one particularly challenging area relates to how Japan responds to the new emphasis given to governance issues. This is an area where some other donors have invested heavily in building up their own capabilities. Japan is much more likely to be able to respond on sector governance and technical areas for capacity building, to fully utilise its field-based knowledge where Japan appears to have comparative advantages. The challenges are much more around the modalities.

Japanese stakeholders feel that they are facing many challenges – and some opportunities – in coping with the New Aid Agenda. In terms of opportunities there is a new emphasis on economic growth, infrastructure and the productive sector (areas where Japan is seen as stronger). The key to successful infrastructure is also dealing with institutions. There is increasing interest for Japan to better understand and share the lessons of its aid and development experience in Asia. There is also interest in knowing more about Japan’s Human Security approach. The emphasis on regional institutions sits well with Japan as long as parallel systems are not set up.

In terms of challenges: How can Japan focus more on Africa given the new emphasis? How to deal institutionally with Direct Budget Support? How to improve effectiveness (institutional reform, decentralization and untying)? Of particular significance in 2005 is the proposal for an International Finance Facility aimed at doubling aid volume to achieve the Millennium Development Goals. This initiative has received a lukewarm response. There is also very little fiscal scope for Japan to increase its aid budget, but reallocation (from Asia) would help Japan increase its aid to Africa. Like some other G8 donors, Japan also prefers debt sustainability initiatives to 100% debt relief. Similar to other donors, Japan is not inspired by the proposed approach to mutual accountability.
### Participants List

<table>
<thead>
<tr>
<th>Name</th>
<th>Organization</th>
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<tbody>
<tr>
<td>Tim Armstrong</td>
<td>Crown Agents</td>
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<tr>
<td>Kobi Bentley</td>
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<td>Karin Christiansen</td>
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<td>DFID Africa Team 2005 Unit</td>
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<td>Alina Rocha Menocal</td>
<td>Research Officer, ODI</td>
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<tr>
<td>Izumi Ohno</td>
<td>Professor, GRIPS</td>
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<tr>
<td>Takeshi Sakamoto</td>
<td>JBIC</td>
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<tr>
<td>David Sunderland</td>
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<tr>
<td>Motoki Takahashi</td>
<td>Professor, University of Kobe</td>
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<tr>
<td>Yvonne Thomas</td>
<td>RAPID Programme, ODI</td>
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<tr>
<td>Aiichiro Yamamoto</td>
<td>Resident Representative, JICA</td>
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Agenda

09.00 - 09:30  Gathering & Coffee

09.30 - 9.45  Welcome – Aiichiro Yamamoto
Introduction to the Day and by Participants

9.45 - 10.15  Japan’s Aid to Africa: Context, Trends and Issues
Presentations by Izumi Ohno and Motoki Takahashi
Discussion

10.15 - 10.45  UK Aid to Africa: Context, Trends and 2005 Agenda Issues
Presentations by Tony Killick and David Sunderland / Julius Court
Discussion

10.45 - 11.15  Coffee / Tea

11.15 - 11.45  European Aid to Africa: Context, Trends and Issues
Presentations by Vincent Géronimi (France) and Sven Grimm (German and EU)
Discussion

11.45 - 13.00  Specific Development Issues in UK Agenda and Implications for Japan
(including Poverty, Governance, Health, etc)
Brainstorming / Discussion

13.00 - 14.00  Lunch

14.00 - 15.30  Aid Policy Issues in UK Agenda & Implications for Japan
(including Aid quantity & quality, Debt, plus particular focus on the IFF)
Brainstorming / Discussion

15.30 - 16.00  Coffee / Tea

16.00 - 17.15  Opportunities and Challenges for Japan’s Aid to Africa
(including key issues for JICA in particular)
Brainstorming / Discussion

17.15  Wrap up and Close
Narrative Report of the Workshop Discussions

Aiichiro Yamamoto opened the workshop and thanked ODI for organising the event: a rare and valuable opportunity for Japanese and UK aid academics and practitioners to discuss Africa in the run-up to the G8 session in July. He had been approached by Julius Court and Debbie Warrener of ODI last year regarding this initiative: a study of UK and other EU countries approaches to Africa in the run up to the G8. Simon Maxwell and Tony Killick of ODI were also involved, as were other ODI researchers. Professors Takahashi and Ohno, both prominent aid academics of GRIPS are also involved.

Donors tend to focus primarily on aid when discussing African development, but aid is only part of development, which includes aid, trade, governance issues, peace and security etc. The Commission for Africa (CFA) report has highlighted all of these issues and it is therefore important to follow this agenda. Mr Yamamoto hoped all discussion and debate at this workshop will be taken to a set of Tokyo events before the G8 summit.

Julius Court welcomed participants. In his previous work with UN University in Tokyo, he had been struck by lack of conversation between UK and Japan on development issues. Therefore the goal is to bring these players together to have a deeper conversation about African development issues. The meeting provides an opportunity for policy makers, practitioners and academics to meet.

Presentation by Julius Court

Aid to Africa and the UK’s 2005 Agenda: Perspectives of European Donors and Implications for Japan

The Background

(a) Africa as the development challenge
(b) 2005 is a big year
(c) The UK is in a pivotal position
(d) The UK’s 2005 agenda affects others

Objectives

To provide a forum to:
(a) Provide insights to Japan on:
   i. What is the UK 2005 agenda
   ii. How are major European actors responding
   iii. What are the likely implications for Japan
(b) Further conversations between Japan and UK (& European researchers and policymakers).

Slide 1

Project Inputs
- Background of UK aid to Africa – Tony Killick
- CFA process & current Policy – David Sundenfield
- Position of France – Vincent Geronomi
- Current positions of Germany – Sven Grimm
- Current positions of the EU – Sven Grimm
- Latest on the IFF – Andrew Regerson
- Japan’s Aid O&A – Izumi Ohno
- Japan’s Aid to Africa – Motoki Takahashi

Slide 3

Slide 4
Outline of the Workshop

Registration
- Objectives and Introductions
- Japan Context & Trends
- UK Context & Trends
- Coffee
- Europe Context & Trends
- 2003 Agenda Issues & Implications for Japan
- Lunch
- Aid Policy Issues & Implications for Japan
- Tea
- Key Decisions for Japan
- Close

Slide 5

Japan’s Aid to Africa
How to Cope with the New Aid Agenda
- The IFF – potential marginalization of Japan?
- ODA – issues and implications?
- Effectiveness of Japan’s Grants and TA: Institutional reform?
- Uniting?

Slide 6

Key Questions for Japan

Presentation by Izumi Ohno

Aid to Africa:
New Opportunities and Challenges for Japan’s ODA

Izumi Ohno
GRIPS Development Forum
ODI London Workshop/March 31, 2005

Slide 1

Africa and Japan’s ODA Policy
- Historically, “reactive” aid policy to Africa (esp. until the 1980s) [handout 1]
- In the 1990s, increased global commitment as key donor—initiating the TICAD process (1993, 98, 2003)
- In the 2000s, mounting difficulties under the ODA budget cut (for six years since FY2000)
- Despite many challenges, the Year 2005 gives new opportunities for Japan’s aid to Africa

Slide 3

1. Africa and Japan’s ODA Policy

- Current ODA policy, based on two pillars (new ODA Charter 2003)
  - Asia (“priority” region); ODA as a means to promote economic integration
  - The rest of the world: ODA to address global causes
- The 2003 ODA Charter newly introduced agenda, relevant to Africa
  - “Peace building” and “human security”
- But, Japan’s vision for aid to Africa remains unclear... Why?

Slide 4

2. Challenges

- Accountability to tax payers:
  - Why Africa (among many competing priorities)?
  - What are prospects for success? How can growth be generated and sustained?
- Relevance of Japan’s aid model in the African context? (although it appears to have worked in East Asia)
  - Japan’s current aid model is built on its experiences in East Asia [Ishikawa 2005]
Main features of this model include:

1. *Request-based* approach and respect for country ownership (+ weak involvement in policy conditionality)
2. Projects as dominant aid modality (+ where institutional and policy coherence is provided by recipient Govt.) (handout 4)
3. Active use of *loans* to support productive sectors, esp. through *infrastructure development* (+loans are repayable as the recipient economy has grown)

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**Challenges**

- Emergence of ‘new aid agenda’: urging Japan to change its aid behavior
  - Active involvement in policy & institutions, as well as governance agenda
  - Participation in new aid modalities, alignment & harmonization
  - Emphasis on social sectors (esp. early childhood, etc.)
  - Institutional fragmentation of Japan’s ODA adding difficulty to coherent and country-focused approach
  - Policy: MOFA (overall), plus MOF and METI
  - Execution: MOFA (prate), JICA (TA), JBIC (loans), and other agencies

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**Impact of the Enhanced HIP Initiative on the mix of Japan’s ODA tools in Africa**

- Loan aid (JBIC) is suspended to those countries applying for the initiative, with grant aid (MOFA) & TA (JICA) becoming the main tools (handout 4)
- Implications: reduced aid volume to Africa (esp. infrastructure), limiting the operational scope of JICA, which was principal cofinancier of SADs during the 1980-90s

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**New Opportunities**

- Emerging institutional response to African agenda
  - JICA: reorganization & field delegation, increased TA budget for Africa, peace building & human security
  - JBIC: proposal for channeling ODA loans through AFD8 (i.e., new window for PSD support)
  - Grant aid: peace building & human security (through further efforts for policy alignment & harmonization are necessary)

---

4. Towards Japan’s Renewed Engagement in Africa

- Create a success model(s), focusing on selected countries (*‘demonstration effects’*)
- Flexibly mix bilateral & multilateral resources, and work with development partners (including Asian partners)
- Reassess which elements of Japan’s aid model are relevant and which are not in Africa, and focus on its strengths
  - (Example)
  - Promoting productive sector and “real-sector” concerns
  - Reinterpreting ownership in the African context

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**Example: Ghana**

- Japan faced drastic changes in the aid environment in Ghana
  - Suspension of JICA loans and the reduction, major reduction in aid volume (handout 4)
  - New CAS (underway) attempt to:
    - Enhance policy predictability & alignment to GPE
    - Focus on productive sectors by supporting rural & agricultural dept. SME, and governance agenda
    - Build up the experience gained through projects and contribute to the content of policy & institutional reforms... building on the initiative by the field-based ODA Task Force, and on broad partnership
Accompanying handouts from Izumi Ohno

Evolution of Japan’s Aid to Africa: Five Phases

<table>
<thead>
<tr>
<th>Phases</th>
<th>Japan’s Aid Policy</th>
<th>Aid Policy to Africa</th>
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<tbody>
<tr>
<td>1st Phase: 1954 (participation in the Colombo Plan) - 1972</td>
<td>• Pursuit of short-term economic interests • Establishment of “request-based” approach</td>
<td>• Concentration of aid in Asia • Absence of aid policy to Africa</td>
</tr>
<tr>
<td>2nd Phase: 1973 (1st oil shock) -1980</td>
<td>• Expansion of aid linked to economic security</td>
<td>• Growing interest in Africa to secure natural resources and increased aid to Africa • Aid policy to Africa linked to build support for Japan’s role in UN</td>
</tr>
<tr>
<td>3rd Phase 1981 (5-year Doubling Plan of ODA) - 1988</td>
<td>• Using aid as a means to recycle Japan’s economic surplus and increase its global contribution</td>
<td>• Increased aid to Africa and co-financing of SAL • Supporting hunger relief and food security</td>
</tr>
<tr>
<td>4th Phase: 1989 (top donor) - 2000</td>
<td>• Becoming top donor and using aid for broad policy initiatives as part of global contribution</td>
<td>• Becoming a major donor in Africa • Engagement in political sphere, including the dispatch of SDF • Hosting TICAD and exploring new aid initiative in Africa</td>
</tr>
<tr>
<td>5th Phase 2001 (US replacing Japan as top donor) - Present</td>
<td>• ODA budget cut and policy changes</td>
<td>• Debt forgiveness to HIPCs • Linking aid to peace building • Development partnerships • Supporting NEPAD/AU</td>
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Trends in Japan’s Bilateral ODA by Region

Notes: (1) In 1970, net disbursement to Latin America was negative (-0.4%); (2) ODA to Europe since 1990 includes aid to Eastern Europe.

Figure: Development Priority Matrix (DPM)

- Critical assessment of parallel systems
- Transaction costs

<Upstream> Policy & Institutions

1. Macroeconomic stability
   - Inter-sectoral budget allocation (e.g., consistency with PRSP priority)
   - Establishment of core government functions & systems (e.g., budget)

2. Establishment of (sector-specific) policy and institutional framework

3. Improvement of public service delivery (quantity & quality)
   - Strengthening of implementation capacity - managerial & technical aspects

4. Strengthening of implementation capacity - e.g., public financial management, monitoring & evaluation

<Downstream> Implementation

Figure: Two Types of Governments

[Case 1: Government with complete functions]

Capacity of the public sector

[Case 2: Government with severely restricted functions]
Japan's Bilateral ODA to Sub-Saharan Africa by Type

![Bar chart showing Japan's ODA to Africa by type and year (1996, 1999, 2003).]

Note: The ODA amount is calculated on a net disbursement base.

Geographical Distribution of Japan's Bilateral ODA (2003) (%)

![Pie chart showing geographical distribution of Japan's ODA (2003).]

Composition by Type (2003)
- ODA loans: 59.9%
- Technical cooperation: 39.5%
- Grant aid: 9.6%

China is the 3rd largest recipient of ODA loans (26.3% of the total net disbursement and 18.9% of the total commitment in FY 2003).

Note: The ODA volume is calculated on a net disbursement base.
Japan’s ODA to Ghana

Notes: (1) Net disbursement is used for grants, while gross disbursement is used for loans; (2) The World Bank is the largest donor in Ghana.

Presentation by Motoki Takahashi

Slide 1

Understanding of the new mainstream of aid: its implication for country activities

1) Coordination under government development programmes,

2) Alignment with recipient government budget and fiscal frameworks in the medium term,

3) Sector-selective allocation of resources: basic education, primary healthcare

Slide 2

Issues to be discussed here:

Why is Japan largely indifferent?

But Japan is slowly and partially joining the mainstream. Then, how?

How to still appear to be hurdles and stumbling blocks. What are they?

Slide 3

Slide 4

Understanding of the new mainstream of aid (continued)

4) Harmonization of procedures and procurement

5) Necessities for accountability and transparency, and improvement of them in government financial and procurement systems
Slide 5

Traditional Japan: discrepancies with the new mainstream

- 1) Project-based, self-contained, isolated
- 2) Aid in not cash but in kind: construction of facilities, donation of equipment, training of invited people

Slide 6

Traditional Japan: discrepancies with the new mainstream (continued)

- 3) No direct support for recurrent expenditures
- 4) Strictly based on the single-year budgeting principle: less predictability
- 5) Tied to Japanese contractors

Slide 7

Backdrops of the new mainstream

- Rise of Post-Neoclassics: New Public Management thinking way
- Politeo-economic integration in Europe
- Enlarged HIPCs: heavy debt crises and its forgiveness in poor countries
- Democratization in Africa
- Failures of aid

Slide 8

Japan’s different backgrounds

- Reciprocal nature inherited:
  - Started with war reparations
  - Psychological debts to recipients = conservative in policy interventions
- Fragmented decision-making:
  - Pre-war legacy of “ministries without government”
  - Nvidia-wise administration of aid
  - Little of region- or country-specific concerns

Slide 9

Japan’s different backgrounds (continued)

- Vested interest structure:
  - A large role of the private sector in aid
- No failures of aid: “Aid euphoria”
  - Main recipients: East Asians
  - Higher socio-economic performance
  - Less aid-dependency
  - In the same region: similar natural conditions

Slide 10

Japan’s different backgrounds (continued)

- The above factors led to lack of imagination over internal conditions of recipients:
  - Supply-driven aid
  - Aid as an instrument of diplomacy
  - Visibility phobia (or paranoia): “rid with Japanese face”

Slide 11

Japan’s new actions:

- The New ODA Charter 2003: stressing collaboration with other actors in the international community
- Heralding commitment in Human Security
- Country Assistance Programmes required
  - Reforming modality-wise, fragmented aid (?)

Slide 12

Japan’s new actions (continued):

- Initiatives in poor recipient countries:
  - Trial on direct budgetary support in Tanzania
  - Co-financing PRSC in Vietnam
  - Involvement in PRS/SHAPs in various countries as the lead donor of Agricultural Sector Development Programme in Tanzania
Slide 13

Japan's new actions (continued):

- Agreeing to the Paris Declaration of Aid Harmonization in March 2005

- Starting formulation of Country Assistance Programmes in Africa: toward alignment with PRS
  - Ghana
  - Ethiopia...

Slide 14

Hurdles ahead

- Numerous perception gaps inside:
  - elders vs. Young Turks
  - fields vs. the headquarters
  - (What a Ogata-ism bringing about?)
  - rich Asians vs. poor Africans
  - ministries vs. ministries
  - ministries vs. implementation agencies

Slide 15

Hurdles ahead (continued)

- Lack of consensus in the Japanese civil society
  - Aid effectiveness is not political agenda in Japan
  - The public is not informed
  - Politicians/mass-media/ministeries are ignorant

- Harmonisation/alignment are not necessarily perceived as linked with imperative of modality reforms

Slide 16

Toward Renewal of Japan's ODA

- Building broad consensus on renewal:
  - to convince means about larger possibility of self-reliant development

- Making ODA as a national concern:
  - to assume political responsibility for global poverty

Slide 17

Thank you for your listening.
Questions and Discussion

Agree that there is a supply-driven bias to Japanese aid, but this is a problem for many donors. To address this Madame Ogata has developed an initiative to shift resources, especially personnel, to the field: relocated 200 out of a total of 1,200. Also moving delegated authority to the field from Tokyo. The structural problem of aid administration – is only recently addressed. Creation of DFID was a ‘breakthrough’ which divorced aid policy from foreign policy.

There is a need to unite aid. Where Japanese aid to Africa is concerned, grant aid (tied) is used.

It was surprising to find that Japanese aid to Africa has halved since 1996, although Japan’s overall aid volume also declined particularly after 2000. This points to the importance of improving the quality of aid to Africa.

Big evaluations in the late 1980s on aid modalities in World Bank and others created critiques – this didn’t happen in Japan and therefore the ideology that Japan ‘caused’ the Asian miracle has not been challenged. Need assessment on issues such as the degree of transaction costs of Japan’s aid in Asia, recipient’s absorptive capacity and ownership, rolling budget years.

Need to be careful about overstating what is ‘mainstream’ – what is often seen as the mainstream because of language used is actually a very specific vision which is not in existence anywhere. Not sure that Japanese aid is that different from Swiss and German aid etc, and many aid issues are still under discussion in the UK. Therefore it is important not to overstate the differences.

People in UK have an objective view as to what is going on, but in JICA African offices there is a different view and some feel marginalised.

Mutual accountability issue: Ministry of Foreign Affairs understands concept of accountability to tax payers but not necessarily accountability to recipient governments. This has contributed to making Japan cautious about Direct Budget Support.

Accountability issue: seems to be a fear about things ‘going wrong’, leading to a scandal, leading to loss of jobs. This has become a bit ‘hysterical’.

Outcome is being seen as more important but not yet full understanding, especially amongst parliamentarians. Japanese flag issue: part of value of aid is that if you can create good will for your country you will get a benefit back. This value can be achieved without undermining the benefit to the recipient.
Presentation by David Sunderland
(See background paper for details)

The Commission for Africa
Background

David Sunderland

Slide 1

Process
- 3 meetings of the Commissioners
- London-based secretariat, 30-35 staff
- 2 rounds of open consultations
- > 500 formal submissions
- Criticisms - anglophone, opaque, short timeframe

Slide 2

Key themes in consultations
- Build more effective states
- The investment climate for growth
- Increase transparency and reduce corruption

Slide 3

Final report: areas for action
- Getting systems right: Governance and Capacity Building
- The Need for Peace and Security
- Leaving No-one Out: Investing in People
- Going for Growth and Poverty Reduction
- More Trade and Fairer Trade
- Where Will the Money Come From: Resources

Slide 4

Vision
- Launched by Tony Blair in February 2004
- "to support and generate ideas and actions for a strong and prominent Africa"
- 17 Commissioners (9 of which African)
- "action by the international community ... with Africa leading the way"
- "common objectives ... partnership"
Questions and Discussion

There is not 100% parallel between CFA and DFID priorities, but they are similar (see list of key issues). CFA and DFID links – 50% of secretariat were externally recruited. Relationship is more circular and dynamic. Issues such as aid for infrastructure development caused some concern at DFID which shows that CFA is not completely linked to DFID.

Key issues from the 11 points list:
- Focus this year on supporting through Pan African institutions;
- New mechanisms for future accountability monitoring of donors;
- Harmonisation;
- Scaling-up.

Concept of ‘policy autonomy’ – idea become prominent in trying to explain success of Asian miracle countries. It appears that UK ODA has more policy autonomy that the Japanese equivalent.

Idea of policy autonomy is useful. Early history of PRSP work showed that the relationship between Gordon Brown and Claire Short in the UK was key to increasing policy autonomy – quite a unique relationship.

Fear generated in DFID when Claire Short left and a Foreign Office official (Valerie Amos) appointed as the new head. This has now calmed.

Shift from productive to social sectors within UK ODA – why is this? In earlier periods, much aid went to agriculture and got poor results and this acted as a negative push factor.

Rise of poverty agenda: linking of poverty reduction with spending on health and education, therefore downplay in 1990s of economic growth agenda (which is now being better addressed).

Attitudes towards aid – UK appears to be more flexible to change. Was there a change in people’s attitude to aid? Steady support for idea of aid programme to reduce poverty and increase wellbeing. You don’t get good public awareness of the how aid should be deployed but the big campaigns such as Band Aid have brought development issues into public focus.

Populist solutions rather than technical. Aid is not a major electoral factor, therefore any Minister can disregard public opinion on this.

Japan is considerably isolated in the donor community and lacks interaction with other donors. Critiques from DAC have not filtered back to Japan, whereas the European donors are acutely aware of the international discussion.

DFID has produced a large amount of policy over the last year, but ability to implement this may be lacking. Dynamic and innovative but ability to implement is low. Japanese situation may be the opposite?

At cultural/psychological level, Japan is a country which helps many others around the world, but there is a different cultural sense about ‘charity’: Japanese pleased to give when it has a good result even if they get nothing back themselves, rather than just giving to make themselves feel better.
Self-help ideology. Japan built its own economy, therefore not willing to give ‘hand-outs’ to others. Ministry of Finance emphasises this culture. But it is dangerous to label UK people as charitable and Japanese people as less so.

None of the recommendations on the final presentation slide can be addressed by a single ministry, therefore the issue is how to coordinate.

**Presentation by Sven Grimm: German ODA**
*(See background paper for details)*

- German ODA was linked to World War Two.
- Africa policy – Africa has been the arena rather than addressee.
- Aid given to keep East Germany out of international arena.
- Autonomy issue: Germany has had an independent ODA Ministry since 1960s and its strength has increased, although this has not translated into policy autonomy.
- Party politics in Germany: internal coalition dynamic has prevented Ministry from gaining autonomy and from focusing on aid agenda (more of a ‘parallel Foreign Ministry’).
- High fragmentation of implementation agencies: GTZ separate from Ministry for example.
- High degree of expertise in technical cooperation but that doesn’t translate into political dynamic.
- Three pillars of technical delivery and fourth pillar looks at triggering changes in partner countries (ideological focus).
- Development Ministry not strong in German policy arena but is still leading Ministry on African development, which shows the lack of profile of African development in German politics.
- Focus on poverty: German government emphasises this but understanding is different to UK. Not focus on poorest countries but on poorest people, including those in Brazil, India, Eastern Europe etc (includes emerging markets).
- Governance and capacity building: technical cooperation has been emphasised.
- Peace and security: has come on agenda only after reunification. Some military experience in Africa now. Broader interaction than just development assistance.
- Health and education: not high profile in German cooperation and doesn’t materialise in heavy funding.
- Growth: depends on who you talk to in Germany. The Development Ministry would not criticise growth approach but is more hesitant than the UK. Addressing weak points in globalisation.
- Trade and Fair Trade: Development Ministry has different position to Economic Ministry, although actually the decision is taken in Brussels anyway.
- Increasing Aid: Development Ministry pushing but the economic situation has not been favourable.
- Debt: hardly any position despite strong NGO involvement.
- IFF: interesting concept to German government, but you have European Stability Pact which may hinder this.
Presentation by Vincent Geronimi  
(See background paper for details)

The French perspective

The French Perspective
- France and Africa: the end of the « relations spéciales »?
- France and UK initiatives: areas of convergence and divergence

Slide 1

France and Africa: the end of the « relations spéciales »?
- From History a special importance of Sub-Saharan Africa in French cooperation and diplomacy.
- Weakening of these peculiar relationships during the 90s.
- A renewed emphasis on Africa with Cárac presidency.

Slide 2

The end of the « relations spéciales »?
- Share of Sub-Saharan Africa in French bilateral ODA in 1991: 55,4%
- The « Zone Franc », grouping 15 countries with a fixed exchange rate
- The role of the « cellulose africaine », directly linked to the presidency

Slide 3

The end of the « relations spéciales »?
- New dynamics of the 90s:
  - A decreasing share of Sub-Saharan Africa in total French ODA (from 55,4% in 1991 to 26,8% in 2002);
  - An increasing integration of French cooperation into the multilateral system; the democratic conditionality set up at « la Dame » (1990), the « decline Bagadour » (Nikié 1992) and the devolution of the CIA franc in 1994.
  - The institutional reform of 1999, with the merging of the ministry of cooperation within the ministry of foreign affairs.

Slide 4

French Cooperation simplified organigram

Slide 5

Slide 6
EU is highly fragmented and there are very different visions of what EU policy is.

Development policy is only mandate of EC since 1993, although Africa was an exception to this as some member states had African colonies. There is a development fund outside the main body, therefore no-one touched the issue of development policy until 1990s: aid had been technical issue only until then.

Now foreign policy is high on agenda. Trying to get discussion on coherence within the Union.

Overall amount of aid to Africa has increased over the decades, rather stable over last 10 years, but it has decreased in percentage terms.

Focus on poverty: EU will emphasise that they have a policy focusing on poverty, but they implicitly include Middle Income Countries (MICs) in this.

Governance and Capacity building: spending on governance in late 1980s at 0.8%, 15% in 2001 but this is not just Africa. High priority within Cotonou agreement.

Peace and Security: high on agenda and a dynamic situation.

Health and Education: not high on agenda. More engaged with instruments such as budget support which may be health/education related.

Growth: on policy level, EY is more proactive than Germany.

Trade: increasing erosion of preferences due to liberalisation, so preferences to Africa are worth less now than they were.

Increasing Aid: European budget constraints – budgetisation of EDF and getting this into procedure would have implications for partner countries (may not happen).
Quality of aid: Focus had been on internal issues, but now more focus on outcome related issues. 25% African aid as budget support in 9th EDF. Commissioner has emphasised that he wants to increase this.

Questions and discussion

This is an interesting example of EU accession as a model of success for development project: What can we learn from this? What was the incentive structure? EU enlargement process as a positive example: Surprising that this has only recently been ‘discovered’ by the development community as structural funds have been around for a long time.

How will EU behave in future on issues coming from outside? Interest in Africa has been diluted by 10 member states that have no real Africa connection. Also complicated in that we have 25 member states plus EC, and the flag waving issue often comes up. Many states are implementing bilateral programmes.

Untying issues in France – what are these? Aid effectiveness debate in France – is there a definite meaning of this debate in France? Aid effectiveness includes question of untying aid. During 1990s much progress as the statistics show. France takes a normative approach focusing on what is the main goal to be attained? Shift to MDGs sees poverty focus.

Regarding France and the decreasing role of Cellule Africaine, why? Due to political internal reasons, but also due to weakening political power of presidency (Prime Minister of different political party to the President).

KFW and AFB will provide loans: do you also provide grants and if so are there different procedures? JBIC is trying to get closer relationship with KFW and AFB, but is there interest from Germany and France? KFW does give loans and grants (under same procedures). Tricky issue is budget support where GTZ and KFW are involved. KFW doesn't have many country offices. GTZ is more involved in technical issues with regard to SWAPs etc. There is a competition at times. GTZ will usually contribute something to have the right to participate, but amount is relatively low.

In terms of France’s aid structure, AFD – loans only as a bank. MAE – grants only (Ministry of Foreign Affairs). MINEFI – involved in cancellation of debt (form of grant). CDD (CD2) arrangement – cancellation of debt, special institutional arrangement between Ministry of Finance and MAE. France has changed the geographical distribution of its aid in Latin American and Asia. Note that France talks of the fight against poverty and inequality. But, France is moving towards loans for countries that can repay.

Ministry of Finance in Japan was an ‘enemy’ to Jubilee 2000, but these kinds of issues are not discussed in parliament. Are these things discussed in Germany? African policy is low-key, therefore if it is discussed in parliament few people will be there to discuss it. BMZ will discuss such issues. German Finance Ministry would be against it. Relatively incoherent position in government as different positions are taken by different ministries.

No parliamentary debates in France except perhaps once every two years parliamentary commission states amounts and tools for cooperation. Debt relief is not a ‘hot’ issue on French agenda.

German government will be hosting summit next year – will they follow up on the African agenda in that summit? Open question as there is no position yet. Africa not high on German agenda, although the Security Council discussion is important: may need to increase aid to
African countries to get a seat on the council. There is pressure to increase aid but there are also large constraints.

EU aid policy: is it an aggregate of member state policy or making up its own policy which it then tries to integrate into member state policy? Long debate on this. More than just the sum of member state policies. Consensus rather than ‘out-voting’ a particular member state. Commission is driving its own agenda, but not necessarily influencing member states. Commission cannot impose anything on bilateral programmes. Denmark, for example, has a bilateral programme and also contributes to multilateral. EU target to reach 0.5% GDP aid, but small increments, including 0.33% by 2006/

Do the Germans, the EU and Japan share a political sense of what is at stake, particularly this year? On the African agenda, limited public reporting in Germany, but on the government side there has been some hostility to the ‘Blair Commission’ as it is seen: questions have been raised as to what happened to the G8 Action Plan (has the CFA replaced this? Concern that CFA would take the focus away from NEPAD. Has the UK acted unilaterally?). NGOs are pushing the agenda in relation to 2005, but the CFA is not a rallying point for Germany which has not yet formulated its own position. CFA credibility is quite low in public mass media in France. French institutions see the CFA proposal as not technical enough and an ‘amateurish’ position. Although, recent newspaper article in France praised the UK government on taking a lead on a large initiative. Need a position on precise technical points.

Big difference between UK and others is focus on ‘poorest countries’ rather than ‘poor areas’ (including those in MICs). Important to keep focus on MICs which are diverse populations that do need aid, therefore why has UK focused on poor countries as a whole and not just ‘poor areas’?

Working through PRSP countries that have identified themselves as poor and identified their own poverty problems. DFID doesn’t take a unilateral approach to countries. Rhetoric versus reality issue. Is aid always the solution to address poverty issues in MICs? British position is actually looking at where aid can best be applied. Separate out problem from what aid can actually do.

Japan has long been criticised by DAC about supporting rich Asian countries. With German budget support, have legal issues and fundability been key constraints to support? For IFF this is seen as the major constraint to adoption.

UK is not constrained by a written constitution, but no government can commit a future government which raises questions about UK’s role in the IFF which would involve committing a future government.

Is the nature of German aid linked to former colonies at all? In general no, but Namibia is an exception. It became independent on re-unification but was also a site of genocide. German aid to Namibia is substantial for Namibia, but this is not relatively large in percentage terms to Germany.
11 Key Issues and Implications for Japan

The background paper and matrix identifies 11 key issues regarding the UK agenda for 2004, what other donors think and what the implications are for Japan. The key questions for this session are:

1. What is likely to happen around the 11 key issues?
2. What does this mean for Japan:
   a. What does Japan need to think about pre-G8?
   b. What does Japan need to think about in the longer term?

1. Focus on Poverty

UK push in terms of the poorest countries. The push is the double aid to halve poverty agenda. Also comprehensive approach: not just aid but a range of policies. France, Germany, the EU and Japan don’t have same degree of push and have more focus on MICs.

Japan has no problem with the MDGs etc. Many in Japanese government don’t believe we can achieve the targets in Africa by 2015 and therefore there is some detachment. Signing up to doubling contribution in aid may be controversial but the conception may be acceptable.

Poverty reduction accepted, but the mechanisms are under debate. Japan also emphasises poverty reduction through growth. Can budget be directed to the beneficiary? Japanese mechanisms could be diversified.

On selectivity side, there is a huge issue: select countries, select areas or some other criteria?

If poverty is the criteria for programming, what should the outputs be? In practice a focus on poverty can mean very different things. A possible lesson for Japan: don’t go into health and education as infrastructure is what you know best. What can be adapted from the Asian growth model?

DFID will focus on Africa, although a lot of implications of this. Also scaling-up issue on aid allocation important to DFID, increasing aid to fragile states (see increased DFID support to DRC, Ethiopia etc). Key question of how to support vulnerable/fragile states.

Selectivity could be discussed in terms of which countries to choose. In Asia, the choice may be limited. China – may be supporting other countries therefore question as to why they should be supported now.

All donors know investing in productive sectors is difficult as it requires aid plus private sector investment plus markets. Japanese aid effective in Asia as private sector investment was involved at the same time. Trinity worked in Asia (aid, private sector, market) but not necessarily in Africa.

But, Japan has not conducted a thorough analysis of African countries with the possible exception of Tanzania. Vietnam and Laos etc in Asia have had long-term assistance of policy+aid+market which would not be the same in Africa. Need to work with selected countries in Africa, making a serious amount of money available.
Serious decision as to selectivity across the board or each individual donor being selective. Maybe Japan should choose only countries in Africa that have been ‘missed out’ or some other criteria? Using poverty as a criteria is not necessarily its comparative advantage whereas it has experience in selected Asian countries: should it move focus to Africa?

Tony Blair will still want Africa focus and will push for this. Every donor can pick their own comparative advantage. Japan might want to focus on its own comparative advantage.

Africa is already receiving a large percentage of aid so should Japan focus on Africa as well? Japan still needs to get a seat on Security Council: Africa has many countries with many potential votes. Comparative advantage in Asian region, but Nepal for instance is not well known to Japan whereas some countries in Africa are well known. Therefore Japan should not count itself out of Africa.

Is it formally accepted that Japan uses aid to get diplomatic leverage? No country formally accepts this with possible exception of U.S. The Japan Constitution talks about commitment to peace, stability and prosperity of the world. Implicit reality: have to be concerned about the internal needs of recipient countries and not just national needs.

2. Governance and Capacity Building

CFA has said that governance is behind all African development problems in some way. Some things are also orientated towards donors in the CFA report.

Key issues for DFID
- Progress on EITI.
- Ratification of UN Convention on Corruption
- Support for African institutions on peace and security including African Union (AU)

EU perception is a bit narrower, but will not make much resistance. Germans would agree but have some issues with how to get technical assistance into governance.

Issue for all donors is premise that aid agencies can do anything on this issue: they can help on margins and provide technical assistance, but change needs to come from within.

Since 1960s huge percentage of aid has been in technical assistance but there are still very fragile capabilities. There is an opportunity regarding the specific issue of technical assistance: Japan could support institutional development.

We have to acknowledge the ability of external actors to influence governments, but negative consequences of many donors getting involved could reduce impact: therefore can Japan go in with its current modalities without the risk of negative impacts? Could we pool funding with the government in control? All funds would then go to one place. But the ability for Japan to supply into working procedures is limited.

Governance and capacity building is very broad topic. Advice to Japanese government and JICA should be different. Good governance and effective government are different issues. JICA has capacity building experience. Differentiate different levels and concepts.

Capacity building is a vague terminology. Japan is strong at providing training at the field level (doctors, agricultural extensionists etc) therefore likely to be pushing towards the local level. JICA has few experts on legal issues / macroeconomics.
Japanese approach to capacity building is to respect the existing government administration structure. DFID also does not want to divert attention away from the government. U.S. tries to bypass government. Capacity building and bypassing government issue – don’t want new vertical / sectoral initiatives (i.e. a certain number of new health workers for Africa).

Is there a similar system in Japan engaged with political governance or has Japan stayed out of issue? There has been hesitation, for instance, to force the government in Myanmar to change the situation. Japan has tried to have a dialogue with the government instead.

Issue between bilateral donors: to what extent is there expertise in governance in Japan? DFID has made large intellectual investment to understand governance. JICA now has a governance team. Japan struggles to differentiate between government and governance.

3. Peace and Security

The push from CFA and DFID will be for Africa stand-by forces; support for regional constitutions; UN Peace Building Commission.

There will be increased funding from EU. UK does have quite a leverage in EU but nothing specific to G8.

Peace building is important to the Japanese. JICA is trying to engage. Constitution prohibits sending military power abroad to resolve conflict except under UN. Non-militaristic way to prevent / rebuild after conflict: advice on this would be useful.

4. Health and 5. Education Sectors

One of the key areas regarding building arguments for doubling aid. Resources are a big issue here. Recurrent costs will have to be addressed as a key issue. Brain drain also a big issue in CFA report.

ODA machinery – growing JICA expertise in education and growing quest for increase to education pool. There is already support, but how to deliver has not been addressed. Discussion about how to decrease unit costs.

There is an opportunity that Japan can add its own experience of rebuilding: link between recurrent costs and growth. How to stage the process in the right way?

6. Growth

Japan can add to debate through its history of infrastructure work, including in Africa. Huge amount of naivety at present in international debate and Japan could take the lead here.

There was a discussion in JBIC with World Bank (and possibly AFDB) on launching an infrastructure study for Africa. Could throw up an interesting approach. Can the learning be shared? Currently there is no clear answer.

A proposal is currently on the table – to effectively manage resources there should be a consortium arrangement including World Bank, EU etc.

Issue of grants versus loans and also recurrent costs are questions for JICA.
Percentage of capital to labour for infrastructure. South Africa has had a high quality but labour intensive model of road building for example. Japan is going to have to untie to contribute to Africa significantly.

UK lost the ATP (Aid and Trade?) provision in 1988. Fact that Japan still has this may be useful – may be able to link private sector to ODA.

Africa needs to be able to repair the infrastructure work already done through aid. Need to put institutional component in place to do infrastructure work.

Agriculture in Africa: will DFID push on this issue? Coming more through NEPAD in their Agriculture Plan. No-one knows what to push for in agriculture.

Path of East Asian high growth: green revolution and industrial development. In terms of agriculture this looked at both food security and productivity. Japan has tried to ‘forget’ the productive sector but not agriculture. Adrian Wood recommended that Japan should not choose a specific sector (agriculture, mining etc) but should just pick across the board. Japanese point is different to the UK here.

Japan needs to address following: if growth means export orientated growth, where are the markets (which becomes a political issue)? Need to have a market before you can rely on export orientated growth.

7. Trade

Crucial issue but are there specific issues the UK will put forward? Not likely as the EU will put these issues forward. Conflicting interests of EU member states may floor these issues.

Challenge is about Doha development round. All G8 members will want to discuss in July. UK will try to make progress, although Japan may decide it is not politically feasible.

Peter Mandelson – suggests it is not just market access but capacity in export promotion. The business climate also ties in here. Supply issues also important and who will have comparative advantage.

8. Increase Aid

Other EU countries have much less scope than UK. Less fiscal space in Germany therefore unlikely to get leap in development assistance.

Increased aid to Africa: what is the percentage of overall Japanese aid to Africa? If Japan reallocated some of the money that goes to China it could have a huge impact on Africa. ‘China dividend’: Japan loans to China therefore JBIC will face a challenge.

Loan aid has a different accounting system from grant aid etc. It could be possible to reallocate through AFDB and may be possible to go through international institutions. Although Japanese government doesn’t give loans to HIPCs countries, some have reached saturation and question is whether they should now qualify?

Has DFID also increased the number of staff to deal with the increased aid budget? Staff numbers at DFID have decreased. There is now pressure for DFID staff to spend. DFID have got around reduction in staff numbers through use of consultants. Tendency at DFID is to look for opportunities to spend bigger amounts of money in one go. Hilary Benn’s push on
Humanitarian situation: Japan could get involved here. If Japan wants to contribute more to Africa there are openings, but still a question over loans versus grants.

Other option (follow up to Sachs et al) to go through country by country and come up with a list of African countries where Japan can increase aid without the negative impacts.

Loan versus grant issue is a touchy one as power relations are involved. Need to think of different institutional arrangement if you want to increase grants.

It is right time to discuss both absorptive and spending capacities of donors. Proposal received last month regarding Southern Sudan: donors to have a shared office / chain of command. It would be expensive / risky to have a Japanese office whereas a shared office would be more cost effective.

Proposal of debt reduction in relation to HIPC: some countries could have a softer path to utilise a loan. Japan would be in agreement with a lower threshold.

JBIC AFDB initiative sounds good. If Japanese could get AFDB to function properly that would be really useful. Therefore a risky approach at present but it could be useful: any means by which the AFDB can be made to function better would be welcome. Don’t just stop with the AFDB, go on to World Bank, etc.

9. Aid Quality

Untying comes back to what was agreed at Paris. More movement could happen on this in September than July. Did Paris produce a timetable? Yes, harmonisation alignment plan.

The two Prime Ministers (Japan and UK) have to discuss and understand that harmonisation of aid will mean the need to restructure aid itself. Also underpins all other issues. If Japan is unable to increase aid contribution through trust funds etc then this may have a limited effect.

Given little fiscal scope for Japan to increase its aid budget, improving aid quality and effectiveness should receive more serious attention. It is hoped that the New Aid Agenda would raise awareness of the Japanese stakeholders on this matter.

10. IFF

Chirac went to Japan and was supposed to discuss this issue. Japan is doubtful about why the IFF is needed. Japan and U.S. are not on board. UK will be pushing so Japan will need a position.

IFF is not a new mechanism but a new source of funds. Pilot IFF though GAVI and the main fund will go through existing organizations.

EU standards (Eurostats) – what are implications? Any expenditure made would show up on budgets and would therefore show up as government spend. Germany would have a problem with this.
11. Debt Relief

CFA pushing for 100% debt forgiveness. France and Japan more sceptical. Technical issues but also political given that UK will push when other G8 countries might not support. Also push expected on heavily indebted non-HIPC countries.

Japanese position is similar to that of France. Japanese approach for case by case basis: is it possible to have a list by July? There is already a set of criteria from World Bank.

12. Region-wide initiatives

Region-wide centres of excellent issue is one area Japan could contribute.

UK is supporting NEPAD in principle. Investment climate facility etc. Agree in principle with idea of strengthening Africa regional capacity.

Sensitivities in providing funding for regional institutions. Support for implementation of Africa Peer Review. Not clear what mechanisms will be used. Need to support priorities of African leadership. Regional institutions of excellence not expected to be a big push by UK.

EU would second this agenda. Regional integration is one of priorities. Areas of tension:
- identify the right partners; who do you work with?
- AU, especially on security side: EU does have a problem with their programming. Not really a problem with the UK agenda.

Peace-keeping: Japan is supporting AU with funds in Darfur for example.

Good idea to have pan-Africa system but we should not build new / parallel structures, but rather ‘beef-up’ existing structures such as ICAD and ACBF.

Question of funding for AU itself outside of peacekeeping role. Would Japan be able to contribute to this? Yes if they had a good programme.

13. Mutual Accountability

UK Prime Minister will put forward the view that international community needs to put in place mechanisms for ensuring delivery. Mechanisms through OECD dialogue, but none of these mechanisms have sufficient political ‘oomph’ to get results. Need better means to make donors live up to their promises. Prime Minister will contend 1 representative from G8 and 1 representative from Africa would be advocates who go the Heads of State and demand that they live up to their promises. Also strengthen African partners forum; more political clout required for mutual accountability. One or other mechanisms will be discussed in July. This is a new idea and will include aid, trade etc. Idea is that donors can sign up to a range of issues in July.

Mutual accountability included in the debate since 1975. Trying to get Lome and Cotonou agreement ideas one step further, therefore there may be issues to learn from these 25+ years of experience.

German response: principle would be welcome but detail difficulties around financial procedures.
France should be favourable but would need to check this.

Is this operating on a ‘go-public’ basis or is it purely a bilateral ‘behind closed doors’ approach? Not sure but may be public approach: ‘embarrassment mechanism’.

Important symbolic implications for Japan. If they support this, it indicates they are supportive of reform, but this may open the door to more criticism of your current ODA approach.

How would Japan see this approach? I would support but the government may not: already have the DAC, WTO etc therefore question as to need for another system. Also Japan has to face recipients in Asia so it needs to include these.

Would this initiative be Africa specific? Not sure.

Germany may also make critique that we already have DAC etc. May be useful to propose that it would be useful to include an African representative in the DAC. OECD still lacks clout: currently senior official level rather than top level.

**Hot Topics for Japan’s ODA**

What are the ‘hot button’ issues?

- Focus on ‘human security’ as Mrs Ogata has prioritised this.
- Also Asia – Africa debate (both cash and lessons).

**(i) Human security (HS)**

How and where does HS issue fit on the ODI matrix (11 issues). Mrs Ogata strongly pushes this and it is included in the ODA charter. Is it an accepted concept or is it new?

2 sides to HS:

- freedom from fear
- freedom from want (JICA focus here)

More effort on Africa in terms of HS will be pushed for by JICA.

Both Germany and EU see HS as important, especially Germany which has agreement from different departments. If it starts to cost money then it may be less favourable. On EU side, conflict prevention has been high on agenda, partly as EU doesn't have military capability. Part of European security strategy. Therefore both Germany and EU good ‘targets’ for HS.

Have not seen references to this point in official or grey literature in relation to France, but it is likely that they would also support. On poverty side, social protection is becoming more of an issue.

Recent ‘Security and Development’ paper from DFID, but concept of HS as such won’t necessarily spark much excitement. But strongly resonant with poverty reduction. Theoretically similar. State avoidance: providing support when the state is unable to provide this may be problematic. UN developed HS as a concept to counteract the World Bank concepts of poverty reduction. Japanese approach of Madame Ogata: substitution for state rather than enabling state to deal with conflict.
(ii) Asia and Africa

Two sets of issues:

- Will there be a dividend from Asia to Africa?
- Japan has a successful experience in Asia – How did aid contribute to the development process in Asia? Should it take this to Africa or no?

Always talk about taking Japanese experience in Asia to Africa, but we are not always sure why it did work: there is a vision of government, private sector involvement etc but no concrete analysis. All these elements might not exist in Africa. May need long-term research agenda. Need to evaluate Japanese aid to both Asia and Africa. See Ishikawa’s paper:

- how do we see ownership / policy dialogue (but Japan had been cautious about using conditionality until recently)
- what is the role of government in promoting private sector etc?

Discussions I had in Japan were at hypothesis level. In the counties where it worked there was a framework / vision into which it fitted. Thai experience – how did they decide how to accept / reject aid? Compare to Cambodia.

Relationship with Africa has been different: less discussion on a year-by-year basis and long-term interaction.

Big hypothesis when I visited Japan was that club membership approach may have been useful: if you can make a set of reforms thereby enabling membership to the club, you will see real benefits.

Mutual accountability: G8 could pressure Japan to divert aid across the whole region. But difficult to reallocate budget in short term but might be something to consider for long term.

What will happen next?

- Meeting report and wider report for project.
- Event in Tokyo in May/June.
- We want this to be part of a process that continues.

Thanks to those who wrote background papers, the participants at the workshop today and ODI colleagues who have shared their knowledge.