“Informing the Future of Japan’s ODA”

Key Messages from Phase One

The report prepared for Phase One of this research project explores the history and evolution of the Japanese development assistance model, which is distinct and deeply rooted in the country’s own history and developmental transformation. Over the years, Japan’s ODA has been subject to considerable criticism by OECD-DAC donors and others in the development community because it diverges from the “standard” model of aid effectiveness in considerable respects. This has resulted in a tendency among the donor peer community to view the quality of Japanese ODA as poor (while other stakeholders, especially recipient governments tend to be less critical). Among other things, there are concerns that Japanese ODA lacks a sufficiently strong focus on poverty; is too focused on the “hardware” of development (i.e. infrastructure and the productive sector) without due concern about its “software” (i.e. underlying governance issues); is not programmatic enough; is poorly coordinated and harmonised; and is not sufficiently transparent. On the other hand, the report also finds that, while the Japanese model has weaknesses, it also has important strengths. In particular, the analysis suggests that Japan’s ODA is well placed to provide distinctive value within the international aid system through several different roles:

❖ A MAJOR PLAYER:

In terms of the total value of its ODA contribution, Japan has been one of the largest donors for a long time, and is recognised as bringing important resources to the table, even if its ODA remains considerably below the target of 0.7 percent of GDP.

❖ AN EMPATHIC PARTNER:

Japan’s own history as an aid recipient, and its remarkable transformation into an advanced developed country, have given Japan a particular sensitivity, humility and understanding in its engagement with other recipient countries that is based on first-hand experience.

❖ A TRUSTED INTERMEDIARY:

Japan is an established member of the international donor community, yet to some degree also has the quality of being an ‘outsider’ given it is one of the few non-Western OECD-DAC members with a markedly different history and culture, and a unique perspective on multiple issues concerning the development agenda. This status positions Japan particularly well to act as a bridge between the more traditional DAC donors and ‘emerging’ or newer donors.

❖ A DISTINCTIVE VOICE:

Over the years, Japan has maintained a voice of difference within the DAC, providing alternative perspectives on particular issues while also ‘standing its ground’ in line with its own opinions. The fact that Japan does not always do things in the same way as other DAC donors is positive, in that it helps to highlight that there is no single “right” way to approach development and the value of offering developing countries a wider set of options from which to choose. However, there is also a perception that Japan has not used its dissenting voice as effectively as it could within the DAC, and that it could exert greater leadership in showing how and why a difference of development approaches can prove essential in the promotion of development.
A STEADY SUPPORTER:

In terms of its sectoral focus and its relationships with recipient countries, Japan’s ODA has shown remarkable steadiness and continuity over the years that has withstood the tendency of other donors to chase particular trends within the development agenda. In particular, the long-term investment Japan has made in infrastructure and the productive sectors (the ‘hardware’ of development) is unique among donors and has proven crucial in preventing these important issues from falling off the radar screen of international development assistance. The determination to maintain its ODA commitments despite the unprecedented recovery costs associated with the March 2011 earthquake and tsunami has also attracted great respect. Equally, Japan’s focus on Middle Income Countries (MICs) has ensured that such countries are not disadvantaged by the tendency of most other DAC donors to focus their ODA on poorer countries as part of their commitment to poverty alleviation.

AN INNOVATIVE LEADER:

Japan has been at the forefront of South-South and triangular cooperation, which has recently become a key topic of interest within the DAC agenda. The OECD has referred to Japan’s efforts in this area as ‘pioneering’ in that they go well beyond the actions stipulated in the Accra Agenda for Action.

Japan has for a long time also been engaged in “beyond aid” efforts, especially in (East) Asia, where it has for decades emphasised other tools and policies aside from aid to promote development, closely linking its ODA with its trade and investment strategies. Again, this has historically attracted criticism from other DAC donors who see this as taking a commercialised approach to ODA, but the merits of looking beyond aid and making some of these linkages in domestic policymaking have been increasingly recognised, and others in the DAC are now beginning to focus their strategies in a similar way.

Japan is recognised as a leader in the field of global and regional efforts on disaster risk reduction and management, drawing from its own knowledge and expertise as a country that is itself greatly exposed to natural disasters.

Japan has also been a pioneer of the “Human Security” agenda spearheaded by the United Nations, especially under the guidance and leadership of JICA’s President Madame Ogata. However, there is still considerable room for Japan to improve its leadership of this agenda, which remains widely misunderstood among many key players in the international assistance community.

These ‘value-added’ characteristics will continue to evolve as Phases Two and Three of the project are undertaken.

The Phase One report will be available to download soon from the JICA UK website: www.jica.go.jp/uk/english

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