

Japanese thinking on aid alignment and harmonisation

Key texts on aid modalities:

Yamada, K (2002) 'Issues and Prospects of Aid Modalities in Africa Discussion Paper' IDCJ http://www.grips.ac.jp/forum-e/pdf_e01/Yamada_paper.pdf

Yamada first lays out the key advantages and disadvantages of SWAPs and budgetary support as aid modalities in Africa, and then asks: "Do SWAPs and Budgetary Support really enhance local ownership?". He argues that SWAPs and Budgetary Support incur a significant risk of actually undermining local ownership because host governments are often too weak to develop suitable frameworks for aid transfer, and hence the responsibility falls to the donors. In this context, he points out that the much-maligned project aid does at least have the advantage of not interfering with local government ownership at such an integral level. Drawing on observations from Tanzania's experience with the transition to SWAPs and DBS, Yamada identifies a gap between the rhetoric of "participation" or "ownership", and the reality of a donor-led situation. The paper makes several recommendations, including the overarching argument that: "Each aid modality has its own strengths and weaknesses ... therefore the issue is not which aid modality to choose, but how to combine various modalities to minimize risks and to maximize total impact of aid on the sector level." (p.16)

MOFA (2002) 'Report on Evaluation Study of ODA Implementation System Case of Tanzania' MOFA <http://www.mofa.go.jp/policy/oda/evaluation/2001/tanzania.html>

The tone of this paper is embodied in the following recommendation, taken from section 4.2 – *Recommendations regarding Japanese ODA implementation systems*:

"Some major donors assert that new assistance modalities such as the common basket and budget support should be [the] mainstream of development aid in Tanzania. On the other hand, Japan is putting emphasis on the effectiveness of project type assistance, which Japan has been conducting in bilateral assistance. At the same time, Japan also points out the necessity of [a] combination of project type assistance and new modalities as occasion demands.

It is not appropriate to put uniform approaches of new modalities on development assistance, because each donor has its own development assistance policies and procedures. The methods that make full use of strong points existing in each modality are desirable in Tanzanian development assistance. At a stage of formulating development programs, it is important to avoid overlapping and confusion among donor and partner countries by clearly showing their basic policy on development assistance. At a stage of implementing development assistance, it would be better to have various modalities, so that all donors mobilize their own knowledge and experience. Significant impact of economic cooperation is precisely created when each donor provides and utilizes its own assistance modalities with their strong point."

Takahashi, M (2003) ‘Sector Programs in Africa: Development Partnership for Poverty Reduction’ *Technology and Development* no.16 Jan. 2003
<http://www.jica.go.jp/english/publication/studyreport/technology/pdf/16.pdf>

Professor Takahashi is a key authority on African development issues in Japan. In this paper, he argues that Japan must adapt to accommodate current trends regarding sector programmes in Africa. He notes that sector-level approaches have developed in Africa in response to problems of aid absorption by weak states. It is possible to avert the scenario of “aid bombardment” (where weak states lack the capacity to absorb aid) by focusing on donor coordination and capacity-building. However, Japan’s approach is informed by its bilateral experiences in Asia, where the risk of aid bombardment is not the same – hence, Japan has been reluctant to participate in donor coordination frameworks (which include pooling funds for direct budget support). However, Japan’s input would be useful in the African context: in particular, the Japanese expertise on “self-help” would help to counteract the risk of a sector programme becoming too strong and undermining national government ownership. Therefore, it is important for Japan to adapt its approach and participate in coordination frameworks – so as to bring its voice into this ongoing dialogue.

Japanese thinking on aid harmonisation

Note: As testimony to the Japanese government’s interest in harmonisation, Japan is a founder member of the Country Analytic Work (CAW) network: “The partners who maintain the CAW website are committed to expanding inter-agency cooperation on country analytic work in various areas. We believe that our active participation in this knowledge sharing exercise will improve our capacity to serve client's needs for technical assistance and policy reform as well as provide the general public with insight as to how we perform our work”. The website archive includes several of JICA’s Country and Regional Study Reports (which are listed in full on the JICA website) <http://www.countryanalyticwork.net/>
Also, for basic information on the *Japan-Canada cooperation on ODA* programme, see: <http://www.mofa.go.jp/region/n-america/canada/oda.html>

MOFA (2003) ‘Report of the Regional Workshop of Aid effectiveness in Asia’ Hanoi, 20/10/03
<http://www.mofa.go.jp/policy/oda/category/coordinate/workshop0310.html>

In October 2003, following the February 2003 Rome High Level Forum on aid harmonization, Japan’s MOFA joined together with British and Vietnamese government Ministries to co-host an international workshop on “aid effectiveness in Asia”. This report (posted on the MOFA website) presents a summary of the workshop proceedings, which centred on the theme of enhancing aid harmonisation with a view to reducing transaction costs.

Yoshikawa, M (2003) ‘Statement of Mr. Motohide YOSHIKAWA Deputy Director-General, Economic Cooperation Bureau, Ministry of Foreign Affairs of Japan at the High-Level Forum on Harmonization Rome’ 25/02/03
<http://www.mofa.go.jp/policy/oda/category/coordinate/state0302.html>

JICA (*Both of these country reports mention the importance of harmonisation with other international donor agencies.*)

- **(2000)** 'The Study on Japan's Official Development Assistance to Southern African Countries' JICA (available from JICA website)

- **(2003)** 'Country Study for Japan's Official Development Assistance to the Kingdom of Nepal - Beyond Poverty and Conflicts' JICA (available from JICA website)

Shimomura, Y (2003) 'Reconstructing Development Cooperation and the Role of Japan'. Presentation at the UNU Global Seminar 4th Shimane Session, 3rd-5th August, 2003. (see final section)

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