

Japan's Role in the New Aid Architecture

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Fundamental Changes are ongoing

- From the MDGs to the SDGs
- 10 times as much money is needed
- ODAs share of all official and private flows are shrinking
- Private Development Assistance has reached the same level as ODA
- DAC encourage strategic assistance to get private business involved
- New donors
- Japanese development cooperation is very much in the forefront

Historic development of Japanese Assistance

- More than 60 years history
- Joined DAC in 1961
- The concept of economic cooperation (aid, FDI and other official flows)
- Motivation by the end of 1970s to contribute to peace and stability and to secure natural resources
- Heavy emphasize on infrastructure and Asia
- An export of the Japanese model for development
- 1989 Japan became the worlds largest donor

The first ODA Charter in 1992

- Environmental conservation and development should be pursued in tandem
- Any use of ODA for military purposes or for aggravation of international conflicts should be avoided
- Full attention should be given to recipient countries' military expenditures, their development and production of mass destruction weapons and missiles, their export and import of arms
- Full attention should be given to efforts for promoting democratization and the introduction of a market oriented economy, and the situation regarding the securing of basic human rights and freedoms in the recipient countries

The 2003 ODA Charter

”The objective of Japan’s ODA is to contribute to the peace and development of the international community and thereby to help ensure Japan’s own security and prosperity

- Afghanistan US\$ 5 billion during a 5 year period
- four priority issues were set out; poverty reduction, sustainable growth, addressing global issues and peace building

The Third Development Cooperation Charter

- Announced in February 2015 – the term ODA is gone and development cooperation refers to

international cooperation activities that are conducted by the government and its affiliated agencies for the main purpose of development in the developing regions

- An objective of development cooperation is to

ensure Japan's national interests (both economic and security)

- Basic policy is summarized in three points

1. Contributing to peace and prosperity through cooperation for non-military purposes
2. Promoting human security
3. Cooperation aimed at a self-reliant development as well as dialogue and collaboration based on Japan's experience

The Third Development Cooperation Charter

- Japan should take leadership in *Proactive Contribution to Peace*
- development assistance should be implemented bearing in mind the countries new national security strategy adopted in 2013

According to the Security Strategy Japan should step up its activities and in the future make 'proactive contribution to peace' which stipulates 'strategic utilization of ODA'. A New National Security Council directly under the Prime Minister's Office has been inaugurated with a new secretariat in charge of planning and coordinating security issues. This will also include utilization of some of the ODA funds.

The Third Development Cooperation Charter

- A new whole of government approach
- Promotion of private led growth – aid as part of Japan's economic revitalization plan
- Stronger focus on ASEAN although their income level do not qualify them

Concluding remarks

- The new whole of government approach is likely to increase cooperation between defense, diplomacy and development
- At the implementation stage backtracking to the old days when the concept of economic cooperation was used – development cooperation is becoming part of Japan's economic revitalization strategy
- Quality growth is a priority area and poverty alleviation is mainly seen as a result of that but the economic theory of trickling down has been heavily criticized.... and to have quality growth that is sustainable, inclusive and resilient might actually be easier said than done.

Concluding remarks

- Japan that used to be the odd man out within the OECD DAC now seems to be ahead of others
- Chinese development cooperation has assisted the Japanese model
- Japan will enhance synergies between ODA and non-ODA finance/cooperation to achieve as much effectiveness as possible in its development assistance something DAC now also suggest for achieving the SDGs
- Japan taking a new leadership role?