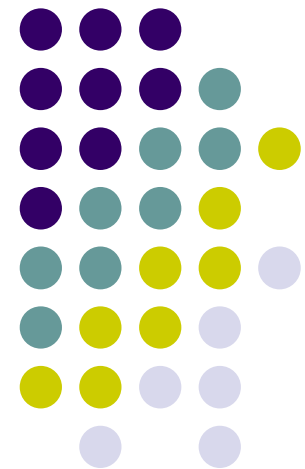


Sharing East Asian Experiences with Africa

Japan's Policy Dialogue and Korea's Knowledge Sharing

Izumi Ohno, National Graduate Institute for
Policy Studies (GRIPS), August, 2012



Background



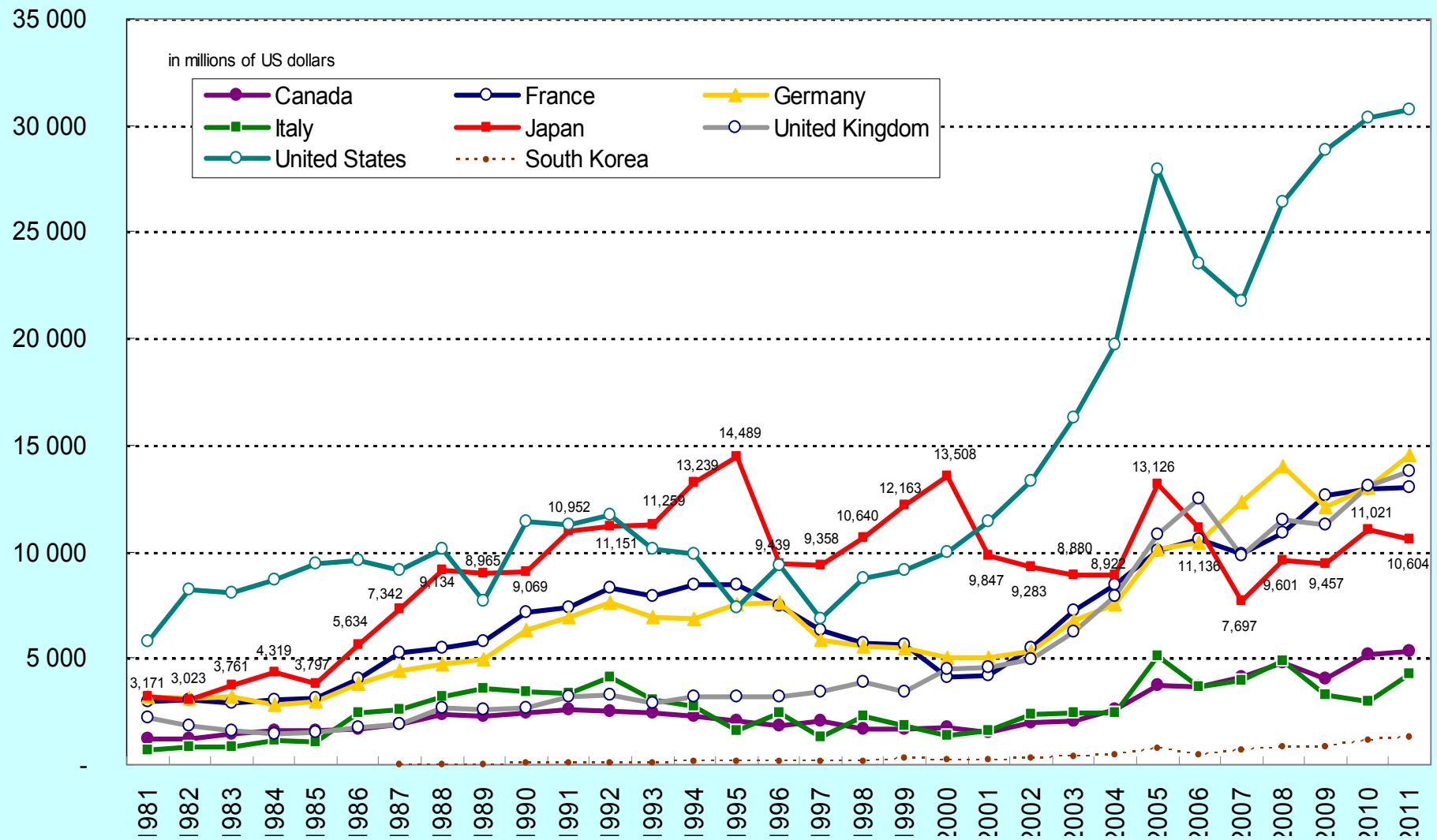
- JICA is implementing the 2nd-phase program of industrial cooperation in Ethiopia—(i) institutionalization of Kaizen and (ii) **industrial policy dialogue (II)**—to support the implementation of the five-year development plan, i.e., the Growth and Transformation Plan.
- An important new factor is South Korea's engagement in **sharing Korea's development experiences**—following President Lee Myung-bak's visit to Ethiopia in July 2011.
- Japan welcomes the Korean initiative—because this will greatly contribute to projecting the East Asian perspectives into Africa's development efforts.

Features of ODA: UK, UK, Japan and South Korea

	US	UK	Japan	S. Korea
Volume (ODA/GNI) (2010: net disbursement)	\$30,353 mn (0.21%)	\$13,053mn (0.57%)	\$12,958 mn (0.20%)	\$1,174 mn (0.12%)
Regional distribution (2009-10: % of total gross disbursement)	1.Su-Saharan Africa (37.0%) 2.South & Central Asia (24.7%)	1.Sub-Saharan Africa (53.0%) 2.South & Central Asia (31.7%)	1.East Asia & Oceania (43.6%) 2.South & Central Asia (25.2%)	1.East Asia & Oceania (29.7%) 2.South & Central Asia (28.3%)
Major aid use (2009-10: % of total bilateral commitments)	1.Social & admin. infrastructure (50.7%) 2.Humanitarian assistance (16.3%)	1.Social & admin. Infrastructure (44.5%) 2.Economic infrastructure (10.6%)	1.Economic infrastructure (41.3%) 2.Social & admin. Infrastructure (25.8%)	1.Economic infrastructure (45.6%) 2.Social & admin. Infrastructure (40.1%)
Grant share (2009-10: % of total ODA commitments)	100%	95.1%	52.3%	45.7%

Source: OECD Development Assistance Committee (Statistical Annex of the 2011 Development Cooperation Report)

Trends of Net ODA from G7 Countries + Korea: 1981-2011 (net disbursement basis)



出所: OECD開発援助委員会 (Statistical Annex of the 2011 Development Co-operation Report, CRS)online database (2012.05.08)

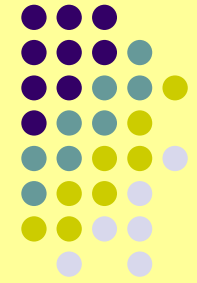
East Asian Perspectives of Aid and Development

Shared by Japan and Korea



- Non-Western donors, having “dual experiences” of aid and development (recipients and donors)
- Latecomer perspectives, based on their own catch-up experiences
 - Growth strategy with “real-sector concern” (e.g., trade, investment, industries, technology, human resources)
 - Respect for the uniqueness of each country
 - Long-term perspective; development is a long-term undertaking and path-dependant in nature
 - Realistic and pragmatic approach in aid delivery

→ ***Dynamic Capacity Development***



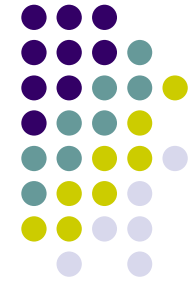
What are comparative advantages of Japan and Korea respectively?

Japan and Korea: Strengths & Weaknesses



- Japan's strength—tailor-made flexibility and in-depth teaching & doing, working jointly to actually implement methods & solutions in local context.
- Japan's weakness—lack of institutionalization and projection of ideas and influence to the world.
- Korea's strength—strong political leadership, institutionalization, standardization, action in the global arena (G-20, Busan Initiative, Post-MDGs, working with WB, UN Group, etc.)
- Korea's weakness—limited impact beyond initial learning, risk of superficiality and weak quality management due to fast expansion of target countries and extensive outsourcing.

Japan's Intellectual Cooperation



- Policy dialogue: an instrument for long-term and open-ended engagement with partner countries, with flexibility embedded
- With sufficiently long experience of being a donor, positioned to provide “network-based cooperation” mobilizing knowledge and human assets accumulated through its past ODA to Asia
 - Eg., Japan-Ethiopia industrial policy dialogue (mobilizing Malaysia & Thai experts); Malaysia-Zambia cooperation (TOH)
- Acting as a trusted intermediary: sensitivity, humility and understanding in its engagement with recipient partners (ODI: Menocal and Denney 2011)
- Positioned to provide global & regional public goods to the developing world.
 - Eg., Kaizen, science & math education, disaster management, energy saving, environment, aging

Japan: Policy Dialogue with Developing Countries (Selected List)

Country	Period	Head/key players	Purpose and content
Argentina	1985-1987 1994-1996 (follow up)	Saburo Okita (former foreign minister) etc, JICA	Comprehensive study on agriculture and livestock farming, industry, transport and export promotion
Thailand	1999	Shiro Mizutani (former MITI official), JICA	Study on the master plan for SME promotion policy
Vietnam	1995-2001	Shigeru Ishikawa (professor) etc, JICA	Large-scale joint study on macroeconomy, industry, agriculture, enterprise reform, crisis management, etc.
Indonesia	2000	Shujiro Urata (professor), JICA	Policy recommendation for SME promotion
Myanmar	1999-2002	Konosuke Odaka (professor) etc, JICA	Study on agriculture, rural development, industry, trade, finance, ITC, etc.
Mongolia	1998-2001	Hiroshi Ueno and Hideo Hashimoto (ex- World Bank economist and professor), JICA	Study on the support for economic transition and development
Indonesia	2002-2004	Takashi Shiraishi and Shinji Asanuma (professors) & 6 professors, JICA	Policy support for macroeconomic management, financial sector reform, SME promotion, private investment promotion, democratization, decentralization and human resource development
Laos	2000-2005	Yonosuke Hara (professor) etc, JICA	Study on macroeconomy, finance, state enterprise, FDI and poverty reduction, etc.
Vietnam	2003-current	Japanese embassy, JICA, JETRO, JBIC	Bilateral joint initiative to improve business environment and strengthen competitiveness through 2-year monitoring cycle of action plans
Ethiopia	2009-2011	GRIPS Development Forum (Kenichi Ohno, Izumi Ohno), Japanese embassy, JICA	Kaizen, basic metals and engineering, productivity movement, policy procedure and organization, etc.

Source: author's research.

Abbreviations: MITI (Ministry of International Trade and Industry), SME (small and medium enterprises), JICA (Japan International Cooperation Agency), JETRO (Japan External Trade Organization), JBIC (Japan Bank for International Cooperation), GRIPS (National Graduate Institute for Policy Studies).

Note: This table lists policy dialogues that are large-scale or worthy of special attention. Besides these, Japan offers policy advice through dispatching advisors to heads of state or ministers, expert dispatches, drafting reports on development strategy, training courses and site visits, conferences and seminars, etc. in various scale and duration.

Example: Network-based Cooperation

Malaysia-Zambia Cooperation “Triangle of Hope (TOH)”



- JICA implemented “Triangle of Hope” Project during 2006-09 to support the improvement of business environment in Zambia
- Dato Jegathesan was Deputy DG of the Malaysia Industrial Development Authority (MIDA), under ex-Prime Minister Mahathir.
- TOH project formulated 12 concrete policy recommendations, and catalyzed Malaysian investment in Zambia (a cedular company).
- Currently, JICA is supporting capacity development of Zambia Development Authority (ZDA).



Korea's Efforts for Intellectual Cooperation

- **Knowledge Sharing Program (MOSF/KDI),**

- (i) Modularization (database on exemplary cases & best practices); and
- (ii) Policy consultation



Source: Korean Development Institute (KDI)

- ◆ Former high-ranking government officials and experts with extensive research experience participate in policy consultations to share their intimate knowledge of development challenges.
- ◆ These government officials and experts effectively pair up with their counterparts in partner countries to work jointly on pressing policy issues and share development knowledge in the process.
- ◆ Instead of offering “one-size-fits-all” or template approach, this knowledge-sharing exercise is much more effective in discovering what really works for development.

- **Consultation Program (MOFAT/KOICA),** based on the Korean Development Model

MOSF: Ministry of Strategy and Finance / KDI: Korean Development Institute
MOFAT: Ministry of Foreign Affairs and Trade / KOICA: Korea International Cooperation Agency

Example: KSP Modularization

Initiated in 2007



Implementation Plan

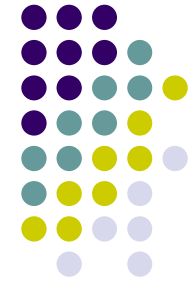


- **Background:** Convert embedded knowledge into codified format
- **Implementation:** Government-wide participation, select 100 exemplary cases (e.g. “Saemaul Undong”)
- **Main research areas:** Economics, Energy & Industry, Health, Human resource, Administration/ITC, Agriculture Environment, and etc
- **Utilization:** Background document in KSP, EDCF and other ODA project, Feedbacks from MDBs and partner countries

(Source) Taeyong Yoon, Director General, International Economic Affairs Bureau, Ministry of Strategy and Finance of Korea, “Bilateral Knowledge Sharing: What works with Korea’s Knowledge Sharing Program (KSP)?”, presentation at the OECD Workshop on Knowledge Sharing, July 11-12, 2011.

Example:

KSP Policy Consultation



- Combination of joint research, study tours, and seminars, with the involvement of senior government officials in both sides (-- systematized)
 - Each year, a different topic will be selected, and relevant expolicymakers, researchers, consultants will be mobilized.
 - Priority countries have 3-year program, while other countries start with 1-year program (which can be extended).
 - Rapid expansion: 11 countries (2009) → 16 (2010) → 26 (2011) → 32 (2012 planned)
- Dilemma?: As the number of KSP countries increases, how to engage a group of experts familiar with a particular country and have continuous dialogues....

	Japan's policy dialogue	Korea's knowledge sharing
Top political leadership	Weak or non-existent; low recognition even within Japanese government	Strong initiative by President Lee Myung-bak; integrated into ODA policy
Lead ministry & agency	Usually MoFA-JICA; however, method & budget are not institutionalized	MoSF-KDI-EDCF(EximB) and MoFAT-KOICA; but these two lines work separately
Policy dialogue format	Ad hoc, flexible & customer-oriented in terms of topics, tools, period, members, etc.	Standardized selection, program & output; one-year cycle with possible extension
Model cases	Any experiences from Japan, Asia, or elsewhere are cited	Korean experiences only
How much teaching?	Teach & use ODA to make, localize & implement policies	Offer information only; application up to the country
Growth & global impact	No plan for expansion; little global impact so far	Expanding rapidly; trying to project Korea's ideas to world
Involvement of ministry/ agency	Ambassador, JICA, JETRO etc. participate actively in setting agenda, research, strategy, ODA projects, etc.	Only few cases managed directly by KDI or KOICA. Usually leave content to outsourced consultants