

Minutes: Discussion Meeting with African Students at GRIPS on Japan's Aid to Africa

2007/05/18

1. **Date:** 15th May, 2007 10:30-12:00

2. **Place:** GRIPS Room A4

3. **Participants:**

Name	Nationality	Title
Irene Katulu Ndavi (Ms.)	Kenya	Student
KAWIMBE Chitembo Anna Maria (Ms.)	Zambia	Student
Nicolaus Herman SHOMBE (Mr.)	Tanzania	Student
MWALE Michael (Mr.)	Zambia	Student
ABDUL-RAZAK Mohammed Bash (Mr.)	Ghana	Student
Straighton F. MAFUMBA (Mr.)	Tanzania	Student
Eric SHIMUMBWE (Mr.)	Zambia	Student
Kenichi OHNO (Mr.)※	Japan	Professor, GRIPS
Izumi OHNO (Ms.)※	Japan	Professor, GRIPS (organizer)
Masumi SHIMAMURA (Ms.)※	Japan	Associate Professor, GRIPS
Masumi OWA (Ms.)※	Japan	Research Assistant, GRIPS (organizer)

※ Members of GRIPS Development Forum (<http://www.grips.ac.jp/forum-e/>).

4. Main Points of Discussion

(1) **Brief on Japan's ODA to Africa (by Izumi Ohno)** see PPT

(<http://www.grips.ac.jp/forum/pdf07/15may07/ohno.pdf>)

- Japan's current ODA policy does not state a clear vision on aid to Africa.
- Despite recent decrease in the ODA budget, the year 2008 gives new opportunities for Japan's aid to Africa—as TICAD IV and G8 summit will be held and the New JICA will be formed.
- Some of the challenges faced by Japan's aid to Africa are: limited knowledge of Africa among the Japanese public, relevance of Japan's aid model in the African context, decreased Japanese ODA loans to Africa till recently, new aid agenda which urge Japan to change its aid behavior, institutional fragmentation of Japan's ODA.
- At the same time, there are new opportunities: the government's commitment to increasing aid to Africa, renewed interest in Africa, institutional response to African agenda such as new loan scheme, progress in ODA reform.
- Key elements of a proposal for renovating Japan's aid to Africa are: create a success

model by focusing on selected countries, mix bilateral and multilateral resources, and reassess which elements of Japan's aid model are relevant and which are not in Africa.

(2) Comments from student participants

<Rationale and objectives of Japan's aid to Africa>

- Japan has to be clear about why Japan should give aid to Africa.
- Japan should first think about how to solve the problems of its own prolonged fiscal deficits and the political and economic relationships with the neighboring Asian countries. It may be only after that Japan is able to seriously think and discuss its role and objective in supporting African development.
- It seems Japan is a bit obsessed with what China does in Africa. Japan needs to have a clear purpose to support African development and should avoid competing with China in Africa.

<Africa's needs and requests>

- I would like to quote the words of our great leader, former president of South Africa, Mr. Nelson Mandela: *If you want to support Africa, do not give a fish to eat but give education so that people will know how to get a fish in a sustainable way.* Therefore, aid should focus on 'sustainable economic growth' by supporting infrastructure development (e.g., power) and investing in human capital (e.g., education).
- African governments have to set policy priorities right by themselves, without depending on aid. We, as young generation of future leaders, should assume that responsibility. At the same time, donors should also listen to African countries to understand 'what Africans think about their own problems'. Also, there might be some communication/administration problems between the African and Japanese sides, since I encountered two loan projects (assisted by Japan), which were completed but have not been utilized for long in my country.
- 40% of our aid is still conditional. In order to foster ownership, this conditionality has to be decreased.
- Japan should open up its market access to developing countries.
- The Japanese people should recognize that African problems are diverse. They should not generalize the problems. I have found that very few Japanese know about Africa. Japan should also mobilize civil society (incl. NGOs) and private

sector participation in development assistance.

<Africa's challenges>

- Governance is an important issue. At the same time, it is important to think more how we manage democracy and to what extent we should spend time for consultation. Too much consultation among stakeholders, as often the case, may sometimes cause delays and complications in policy implementation. Most donors have not given due consideration to this issue.
- We have been receiving aid for more than 40 years and cannot ask for more. The fact that we couldn't utilize aid we have received so far is because aid was not effectively utilized in our countries. In this regard, we need to promote the effective use of aid.
- Among the Africans, knowledge and understanding of Japan is very limited and therefore no one can talk about how Japan can bring development agenda to Africa in the international context.
- Brain-drain is one of the big problems in Africa. Many Africans who study abroad do not go back to their countries.

<Comparative advantages of Japan's aid in Africa>

Growth promotion:

- In order to foster economic growth in Africa, Japan should support vocational training so that the graduates are able to be employed in the productive sector. Furthermore, supporting the graduates through loans is important for them to start working.
- Infrastructure development is also important to foster growth in Africa. Especially, the construction of roads connecting producers and markets is necessary.
- Japan has comparative advantages in providing concessional loans (such as MIRAI - Minimal Interest Rate Initiative), infrastructure development, supporting technology advancement and human capital development.
- Trade and FDI should be promoted for sustainable development.
- At the same time, presently, the main beneficiaries of FDI are foreign firms. At the moment, only a few percentages of the total profits (realized through FDI) remain within African countries. This percentage must increase.

Technical assistance:

- In order to manage aid, technical support for capacity building is necessary.

- Technical assistance is one of the areas where Japan has comparative advantage.
- Japan gives consideration to country-specific needs.

South-South cooperation:

- Technical assistance has a component of human capacity development, and Japan has an important role in coordinating Asian “emerging” donor countries, such as Korea or China, which also offer scholarships to Africa.
- Japan played an important role in supporting industrial and private sector development in the East Asian ‘Tiger’ economies. In Africa, Japan should provide advice on rural development and private sector growth, based on its aid and development experiences in East Asia.

Aid modality:

- To improve the predictability of aid disbursements, budget support is preferable. In my country, general budget support (Muti-Donor Budget Support) is considered important to improve aid effectiveness, because this modality should foster country ownership and promote harmonization and transparency in aid implementation. However, Japan has not yet participated in general budget support. Furthermore, the Japanese government has not participated in the governance program, which has been assisted by various donors through pooled funding.
- I appreciate the project aid. The administration costs of budget support are higher than project aid. If it were not for project aid, my government would have missed opportunities to learn from the Japanese officers/ experts on practical issues and work ethics. For example, through the formulation of a master plan for rural electrification, the Japanese team worked very closely with the counterpart team in my government.