

# Enhancing the Strategic Effectiveness of ODA

Japan's strategy for official development assistance is undergoing significant change. Japan Echo asked **Toshio Watanabe**, president of Takushoku University and chairman of the Advisory Council on International Cooperation of the Ministry of Foreign Affairs, to share his vision for Japan's ODA policy.

**In your two years as chairman of the Advisory Council on International Cooperation you have held debates and conducted a sweeping review, primarily of official development assistance. In what ways is Japan's ODA policy changing?**

I've been involved in various advisory panels for quite some time, from the inauguration of the Board on Comprehensive ODA Strategy and the Discussion Group on ODA Reform up to the current advisory council. What strikes me is that now, more than ever before, conditions are ripe for shaping a clear strategy. The fact that the Overseas Economic Cooperation Council, led by the prime minister, now serves as the control tower for basic ODA policies is a truly dramatic development.

It's important for cabinet ministers to share information with each other, and so the creation of the council enables crucial decisions to be made promptly in the face of a contingency. The Ministry of Foreign Affairs can focus on policymaking, while the implementation of grant aid, technical cooperation, and yen loans—which had been provided by the Japan Bank for International Cooperation—is undertaken by the Japan International Cooperation Agency.

New JICA, into which JBIC's

functions have now been integrated, organically integrates the full menu of Japan's ODA programs as one of the largest ODA implementing agencies in the world. ODA is more systematized, with private companies and nongovernmental organizations working under JICA in the implementation of assistance.

**Given Japan's current difficult fiscal situation, how can its economic cooperation, including ODA, be strengthened?**

I think the most important thing is to substantially enhance the quality of ODA. As long as ODA was growing in quantitative terms, there was little incentive to improve the quality. But now, raising the quality of aid has become a top priority for JICA. Efforts are needed to boost efficiency, respond more quickly, and simplify procedures. If the time required from the planning stage to completion can be cut in half, this would significantly boost quality.

Secondly, there is a need to integrate ODA with private-sector vitality in order to maximize the effect of development efforts. Success stories in China and other Asian countries attest to this. ODA has been used to build infrastructure, which in turn encouraged in-



Toshio Watanabe

vestments by private enterprises and led to the creation of industrial agglomerations. Much of coastal China has followed this pattern, as has the east coast industrial zone in Thailand. These are excellent examples of how closer coordination between ODA and the private sector can produce success.

ODA is a catalyst for the entry of private enterprises, and so there is a need to promote public-private partnerships in which the government backs proposals made by private companies.

Thirdly, Japan can work more closely with other East Asian countries, where its ODA has been a

success, in jointly providing assistance to third countries, such as those in Africa. Under this form of collaboration, the partnership is not between the public and private sectors but rather between Japan and other countries in East Asia.

***Such collaboration has yet to be fully addressed in the reports by the Advisory Council on International Cooperation.***

At Takushoku University's Hachioji campus, we conduct a seminar each year for people from Central Asia on ways to make fuller use of Japan's ODA. After the seminar, we bring the participants to Malaysia for about ten days to show them how ODA has been utilized in an Asian Islamic country. This has a huge impact, as they see people with the same religion having made great advances in levels of development.

Environmental assistance to fight soot and dust in China has been particularly successful. This has been facilitated by the fact that soot is visible to the eye, while carbon dioxide and nitrogen oxides are not. Soot is black, and it causes direct damage to children's digestive systems. As soon as China introduced regulations against soot, there was an upswell in demand for electric dust collectors. China did not have this technology, so they introduced it from the United States and Sweden and started building these machines right away. Owing to the massive economies of scale, China is now exporting this technology. Look for electric dust collectors in Southeast Asia, and chances are, they've been made in China.

Cooperation between Japan and China need not stop at simply improving China's air quality; the two countries can work together to

## JAPAN'S ASSISTANCE IN EAST ASIA REPRESENTS ITS GREATEST SUCCESS IN ODA.

help other countries facing similar problems. I think this kind of know-how and the ability to link ODA with Asia's vast human resources represent the leading edge in Japan's development assistance policy.

***So there is great future potential for such forms of assistance.***


The deforestation of Indochina is a serious problem. Japan does not have expertise in the restoration of tropical forests, but Thailand does. And so Japan provides ODA to Thailand, whose know-how is then applied to the prevention of deforestation in the region.

In Thailand's Golden Triangle, moreover, Japan has a project in which farmers are encouraged to grow *soba* [buckwheat] rather than poppies. People assume that this could never work, since growing poppies must surely be more lucrative. But it turns out that the prices actually paid to farmers are about the same.

This has been a highly successful project, and Japan has been approached about launching a similar project in Afghanistan with the know-how gained in Thailand. This has yet to materialize, but

there are many similar initiatives that have, and I think they have the potential of emerging as symbolic undertakings for JICA.

***How will Japan's ODA policy toward Asia evolve in the future?***

Japan's assistance in East Asia, which is helping to improve people's lives and build infrastructure throughout the region, represents its greatest success in ODA. Now that Japan's ODA budget is not as large as it once was, it will be important to make a conscious effort to actively and selectively apply this model of success in other countries. 



A JICA expert, right, explaining soba-cultivation techniques in Thailand.

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