

Evaluation of the Implementation of the Paris Declaration

Donor Study

JAPAN

Executive Summary

1 Purpose and Background

Under the evaluation framework of the Paris Declaration, the central mandate of “Donor/Agency HQ Studies” is described as to “supplement and strengthen the basis for the main focus of the Phase 2 evaluation; a strong set of Country-level Evaluations”. Accordingly, the main focus of “Donor/Agency HQ Studies” – which our Evaluation Team has carried out – is placed on the *input and output level*, with a particular interest in answering the following question: “How the Paris Declaration is understood and interpreted at the HQ level, and how such interpretations are reflected in the assistance policies and processes?”

Recognising the backdrop of the PD evaluation as described above, our Evaluation Team has carried out research and analytical work based upon the Generic ToR, thus placing particular emphasis on understanding the following two questions: “how the Official Development Assistance (ODA) system of Japan has interpreted the Principles and Partnership Commitments of the Paris Declaration, and how such interpretations have been reflected in the country’s policy actions?”; and “whether or not such policy actions can be assessed as being consistent with the Paris Declaration, by ultimately targeting at improving the overall efficiency of the country’s development assistance processes?”

2 Overall Conclusions

2.1 Assessing Japan’s Implementation of the Paris Declaration

While Japan’s overarching policy documents appear to indicate somewhat ambiguous stance with regard to the princi-

ples of *harmonisation and mutual accountability*, when we look at the agency or individual staff level, we can observe quite a few undertakings that closely correspond to each of the PD principles, including those two mentioned above.

However, with particular regard to the principles of *managing for results and mutual accountability*, the Evaluation Team recommends that Japan should strive to further expand the provision of technical assistance, along with similar efforts by other donors, in order to reinforce the administrative capacities of partner countries to pursue these principles.

2.2 Assessing Japan’s Commitment to the Paris Declaration

As far as its principles of *ownership, alignment and managing for results* are concerned, Japan’s commitment to the Paris Declaration, as it appears in the overarching policy documents, can be assessed explicit (being clarified in most overarching policy documents), consistent (having appeared since the old ODA Charter approved in 1992), and further enhanced (i.e., being given concreteness by the PD Action Plan).

Although *harmonisation* is one of the most important among the PD principles in terms of aid effectiveness, Japan’s commitment to the principle, as it appears in the overarching policy documents, is assessed relatively weak or ambiguous. The ODA Charter and the Medium Term Policy allude to *harmonisation* in the words “coordination” and “collaboration”, but do not clearly claim that Japan collaborates with other donors in order to harmonise their assistances. It is unexplainable that the PD Action Plan, which is dedicated to implementing the Paris Declaration,

lacks a clear-cut reference to *harmonisation*. Even the ODA Review Final Report, the latest and forward-looking overarching policy document on ODA, does not directly advocate for *harmonisation* but only requires increasing aid-coordination specialists. JICA's Mid-term Plan is a rare exception in making decisive and fruitful assertion of *harmonisation*.

The remaining PD principle of *mutual accountability* is not mentioned in any main ODA policy documents with the exception of JICA's Mid-term Plan. Although its undertakings are practically observed in several activities, Japan's explicit commitment to, or leadership for the principle can scarcely be recognised.

Furthermore, as our questionnaire survey revealed, the actual content (principles and details) of the Paris Declaration is not so well-absorbed by the ODA staff at overseas posts. In addition, amongst the five principles of the Paris Declaration, the level of understanding of overseas ODA officials with regard to *managing for results* and *mutual accountability* appears to be lower than that with the other three principles.

2.3 Assessing Japan's Capacities for the Implementation of the Paris Declaration

It can be concluded that Japan has made substantial progress in the capacity facet, in light of the Paris Declaration. Among other things, it could be said that Japan is in the leading position in terms of South-South Cooperation engaging the emerging donors, especially Asian countries such as Malaysia, Singapore, Thailand, etc. On the other hand, there are three points which could bear improvement.

Firstly, Japan has made significant progress in both systemic and institutional capacities. Japan's recent efforts include joining budget supports, inter-institutional reform between JICA and JBIC, intra-institutional reform of the MOFA and the JICA, and so on. Only a few years into the new administration structure for ODA policy formulation/implementation, it is still too early at this stage to draw definitive conclusions as to whether the institutional reforms to both MOFA and JICA have born their intended outcomes, and/or whether further improvements would be necessary. However, for accountability purposes, it is recommended that the Government of Japan makes an effort to identify and evaluate the outputs and outcomes of the progress in capacities in light of aid effectiveness. In particular regard to the budget support, the Evaluation Team believes that the Government of Japan should clarify the criteria or the factors that it considers when deciding whether or not to provide the budget support to a particular partner country, since that would help explain why the overall number of the partner countries provided with Japan's budget support is still limited as of September 2010.

Secondly, it is claimed that Japan's delegation of authority to the field level has made progress, but there is still room for improvement. In particular, considering the findings of the Evaluation Team's questionnaire and interview surveys, donor

coordination-related activities may be one area where Japan could reinforce the decision-making authorities of the field offices, which will most likely strengthen Japan's responsiveness to the fast-paced evolution of donor-coordination activities at various partner countries.

Lastly, Japan's personnel posts such as Coordinator for Economic Cooperation of the MOFA and the Project Formulation Advisor of the JICA, that consist of temporary employees at present, are substantially devoted to the aid coordination. According to a specialist's observation, staff members are directly involved in aid coordination at the field level in the partner countries where Japan's engagement in aid coordination is relatively successful. Therefore it would be recommended to strengthen staff members' involvement with aid coordination and/or share more experiences on aid coordination between temporary employees and staff members and among temporary employees (coordinators and his/her successors) – in order to accumulate Japan's institutional memory on the aid coordination.

2.4 Assessing Japan's Incentives/Disincentives for the Implementation of the Paris Declaration

As a whole, there are both incentives and disincentives for the implementation of the Paris Declaration in Japan. Although a certain number of staff at agency-level and field-level are intently working, both governmental, explicit commitments and institutional follow-ups are insufficient to motivate individuals. For further assistance, given that agency staff in the field offices (both Economic Cooperation Divisions of Japanese Embassies and JICA offices) are still in need of more powerful leadership by the government and immediate managers; more concrete and comprehensive guidelines, training and support would be useful to promote incentives to comply with the PD principles for ODA agencies and working staff. Also, as for utilizing the specialist personnel in MOFA, it is significant to introduce a career path programme for those who aspired to a career in the field of development assistance.

With regard to the government level assessment, although Japanese government has engaged in policy coordination among institutions, beyond ministries involved in development assistance to accomplish policy coherence of overseas economic assistance, it is not much more than ODA-bound coordination. In order to pursue development effectiveness in partner countries, ODA and non-ODA policies should be coherent and mutually supportive of developing countries, corresponding to the philosophy of the Paris Declaration. Consequently, there is need for a lot of legitimate and authorized commitment by the government to promote policy coherence for development in order to overcome the ODA/non-ODA policy boundary.

3 Recommendations

First of all, the Evaluation Team recognises a strong need for enhanced educational efforts, such as a more frequent hold-

ing of the distance seminar to ODA Task Forces with a focus on the Paris Declaration and its principles, so that the officials engaged in the ODA field can have more intensive exposure to the accumulated experiences of the PD implementation. As our questionnaire survey revealed, the portion of ODA officials who are well acquainted with the actual content of the Paris Declaration appears to be insufficiently small-sized. This situation certainly needs to be improved, if Japan opts to take a leadership role in navigating the future course of the Paris Declaration beyond Year 2010.

Secondly, based upon the surveys we have conducted, the Evaluation Team recommends that the Government of Japan should make a more clear-cut revelation of its will of commitment to, or leadership for the promotion of *harmonisation*, which constitutes a crucial part of the PD principles. Although the essential function of *harmonisation* can be viewed as to complement or strengthen the principle of *alignment* – as is asserted by the Government of Japan – it is nonetheless *one of the PD Principles* to which every signatory member is supposed to attach an *equal* level of commitment for implementation.

On the other hand, as our interview and questionnaire surveys both revealed, the actual cases of undertakings in the spirit of aid harmonisation can in fact be recognised as increasing in number nowadays. This attests to the fact that the appreciation of the harmonisation principle has gradually penetrated internally within the Government of Japan, at both the agency and individual level. However, in order to solidify the commitment to the harmonisation principle as an integral position of the government, and in order to clarify that for the benefits of the general public, it is still well advised that the Government of Japan make a clear-cut statement to that effect as part of an overarching policy document, such as the ODA Charter. Alluding to the harmonisation principle, simply as part of commitment statements for the alignment principle, does not suffice for the aforementioned purpose.

Furthermore, expressing a clear-cut governmental commitment to the principle of harmonisation should effectively convince the domestic civil society that sharing resources and approaches for development assistance with the other members of the international donor community is of significant value in today's context. As is often said, the general public of Japan tends to be inclined toward a mode of ODA provision that signals *who makes aid contributions* (visibility/distinctiveness of Japanese aid contributions), which does not necessarily sit amicably with the principle of harmonisation. However, as the focus of international development efforts seem to concentrate more and more on the Sub-Saharan African region, where Japan relatively lacks experience of providing ODA, it is crucial that Japan proactively harmonises its assistance approach

with the other more experienced donors, in order to improve the development effects of the ODA it provides to that region. Furthermore, given the stringent budgetary conditions which the Government of Japan is faced with, strengthening the harmonisation approach is of critical importance, as it can promote the “cost and benefit” efficiency of Japan's ODA by enabling it to focus on areas where Japan holds a comparative advantage.

In this regard, the Government of Japan needs to reinforce its public relations strategies so as to construct and solidify the general public's support for the pursuit of *harmonisation* principle. Moreover, it is critical that such PR efforts for the pursuit of the harmonisation principle are carried out not only by MOFA and JICA, but also by other actors, especially the Diet (Japan's legislature), who is deeply engaged with the ODA policy, and thus carry a significant level of responsibility for explaining to the domestic constituency what is expected of Japan in relation to the international donor community. It is also important that these actors collaborate with other actors such as NGOs, academia and mass media, in order to extend the outreach of the PR efforts, thereby establishing a broader, and deeper public support for Japan's commitment to the principle of harmonisation.

The same recommendation is applicable to the principles of “*mutual accountability*”, to which the Government of Japan has also shown somewhat ambiguous commitment. As is the case with the principle of harmonisation, the actual cases of undertakings that adhere to these principles can be observed, both at the agency and individual staff level. Therefore, as we discussed with regard to the harmonisation principle, in order to solidify the commitment to the mutual accountability principle as an integral position of the government, and in order to clarify that for the benefits of the general public, it is well advised that the Government of Japan make a clear-cut statement to that effect as part of an overarching policy document, such as the ODA Charter.

As many of the respondents to our questionnaire survey replied, seeing a well-articulated commitment at the highest level of the government is one of the most powerful incentives for them to strive towards fulfilling that commitment on behalf of the government. Whilst the Government of Japan indeed has introduced a wide range of incentive measures for the promotion of the “aid effectiveness” agenda, making a clear-cut commitment to both the “harmonisation” and “mutual accountability” principle at the overarching policy level will further improve the effectiveness of those incentive measures, thereby strengthening the leadership role of the Government of Japan in navigating the future course of the Paris Declaration.