



A. Maria Toyoda

Assistant professor, Political Science Department, Villanova University, United States
Program Director of East Asia Studies

Lectured in political science successively at Georgetown University and Stanford University in the United States from 1995 onwards. Was later sent by Stanford University to Japan to undertake research. Since 2003, has been an assistant professor in the Political Science Department of Villanova University.

Projects evaluated

Field survey: May 2007

Philippines

- Agrarian Reform Infrastructure Support
- Third Elementary / Secondary Education Development
- Arterial Road Links
- Tongonan Geothermal Power Plant

- SEZ Environment Management
- Friendship Highway Rehabilitation
- Leyte-Bohol Interconnection
- Metro Cebu Development

Vietnam

- Pha Lai Thermal Power Plant
- Bay Chay Bridge Construction
- National Highway No.5 / No.1 Bridge Rehabilitation
- Hanoi-Ho Chi Minh City Rail Bridge Rehabilitation

The Softer Side of Hard Infrastructure

- Capacity building of public administration through the Japanese ODA loan projects -

Focus on long-term economic growth and the basic elements of that growth, such as infrastructure, has long been the hallmark of Japanese ODA Loan, sometimes in marked contrast to the aid provided by other nations that have acceded to the DAC (Development Assistance Committee) of OECD (Organisation for Economic Cooperation and Development). At times, this has invited criticism that Japan overemphasizes the “hard” over the “soft” inputs, usually associated with better governance, transparency, political and economic reforms, commitment to democratization, environmental awareness and humanitarian assistance. This short review does not take a position in the honest debate about the effectiveness of one type of aid over the other though many recent studies, all non-conclusive and do privilege one over the other. It also does not address the fact that this criticism is often misplaced or is the result of a poor understanding of how Japanese ODA is implemented (related, no doubt, to the even poorer efforts by Japan to explain its methods). It suggests, however, that the softer aspects of development assistance are sometimes embedded in the hard shell of infrastructure, often unintentionally and sometimes in unexpected ways.

A conventional evaluation would rate the projects visited for this field survey as “very satisfactory” or “satisfactory” based on the five DAC evaluation criteria. What is not included in such evaluations, of course, are the outcomes that cannot be measured in conventional terms, or for that matter, even be identified as target outcomes for the project. Capacity-building, for example, is an important adjunct to ODA projects, and refers to human resource skills and knowledge, and institutional development. It can take place as a natural consequence of managing and implementing ODA projects, interacting with funding agencies, and responding to the needs of maintenance after project completion. However, the capabilities of societies differ widely, and even in the best-governed developing countries, resources for managing ODA and the multiple relationships that require stewardship are limited.

Capacity-building requires partnership effort as well as a certain degree of self-help on the part of the recipient partner. In the case of the Japanese ODA loan projects I observed (e.g., Highway 5 from Hanoi to Ha Phong in Vietnam; the Tongonan Geothermal Power Plant; and irrigation dams in Barangay Malacapanong in the Philippines), the initial efforts came with the submission of project proposals and the feasibility studies



Toll booths on National Highway No. 5 in Vietnam

that identified how the projects would be maintained and paid for.

In the case of “National Highway No. 5 Improvement Project” in Vietnam, tolls are collected. The project management units responsible for implementation noted in our interviews that the management of tolls (collected daily and sent to the Treasury) and toll facilities have been a valuable exercise in capacity building and human resource development.

The Philippines National Oil Company, which manages Tongonan geothermal power plant has independently established a department for Corporate Social Responsibility Activities to improve the livelihood of those living in the surrounding areas, and has initiated measures to stem land erosion. Taking advantage of knowledge accumulated over the years, PNOC also developed its own horizontal drilling technology and is currently utilizing this technology as part of a south-to-south cooperation scheme in other countries including Papua New Guinea. This case may be regarded as a ripple effect of capacity building emanating from an ODA loan project.

Managing large-scale infrastructure projects requires considerable skill and resources at the outset. Even so, additional and external gains can be realized through planning and partnership. Public administration, for example, benefits from the need to prioritize; to set and follow regulations for activities like resettlement and compensation, or taxation; or to manage the basic requirements of honoring legal contracts. Market mechanisms can also be enhanced and inculcated by the need to collect revenue (such as tolls) to pay for infrastructural improvements. Executing agencies, as they find other sources of credit, also benefit from these experiences and there are a few instances of south-to-south cooperation emerging directly from ODA-funded projects.

Infrastructure alone will not solve the problems of development and there are many countries that cannot demonstrate the necessary levels of capacity for absorbing or managing large-scale projects. In those places, self-help must be bolstered by more direct technical aid. But infrastructure is a prerequisite to longer-term economic growth and this cannot be ignored. At a time when few other donors focus on development in favor of other important goals of ODA, perhaps it is time to reassess the contributions of large-scale infrastructure not only from the perspective of its harder inputs to economic development, but also in terms of how it can also contribute to (as well as pose harm to) human resources, capacity-building, social networks and trust, better governance and the dissemination of market mechanisms.



Irrigation facilities in the Philippines