

The OECD/DAC's New Development Strategy

**Report of the Issue-wise Study Committee
for Japan's Official Development Assistance**

vol. 1 Overview

March 1998

**The Issue-wise Study Committee for
Japan's Official Development Assistance on
the "DAC's New Development Strategy (NDS)"**

**Organized by
Japan International Cooperation Agency**

This report is based on the discussion and findings of the Issue-wise Study Committee for Japan's Official Development Assistance on the "DAC's New Development Strategy (NDS)" organized by the Japan International Cooperation Agency (JICA). The views expressed in the report are those of the members of the Study Committee and do not necessarily reflect the view of JICA and its affiliated organizations.

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First Printing March 1998

Preface

The end of the Cold War, rapid strides in globalization, and other trends on the international front have created an entirely new setting for the countries of the developing world. Though some of those countries have demonstrated developmental gains through effective ownership, many others remain burdened by conditions of severe poverty. Not only that, but most developing countries increasingly face the task of pursuing good governance and addressing an array of global-scale problems ranging from environmental depletion to gender-related issues. As these conditions indicate, the needs of the developing world remain as strong as ever, and in the meantime continue to diversify. The point has been driven home again and again that to effectively address this state of affairs, it will be essential for all stakeholders in development affairs to join hands and actively participate as partners in the development process. Accordingly, it has been urged that new strategies of development for the century ahead be firmly rooted in this notion of partnership.

Prompted by such observations, in May 1996 a high-level meeting of the OECD's Development Assistance Committee (DAC) adopted a paper titled *Shaping the 21st Century: The Contribution of Development Co-operation* [hereinafter called the DAC's New Development Strategy (NDS)]. The NDS puts forth a vision for development in the century ahead, and outlines specific steps to achieve the goals of that vision. In the express interest of improving the quality of life for all, it advocates a variety of effective approaches to development, with priority devoted to issues concerning poverty, social development, and the environment. As such, it comprises a set of viewpoints and goals that could conceivably become guidelines for Japan's policy for assistance in the years ahead. On that understanding, in November 1996 the Japan International Cooperation Agency (JICA) set up an Issue-wise Study Committee for Japan's Official Assistance on the DAC's New Development Strategy (NDS) and assigned it the task of conducting various of sectoral and country studies with attention to the NDS, and exploring the future role of Japan's assistance.

Exploring the approaches and goals advocated by the NDS within the actual context of development assistance can be expected to help improve the effectiveness of Japan's ODA in the long run. Furthermore, this undertaking will arguably be indispensable to the tasks of encouraging developing countries to assume stronger ownership roles, and of coordinating assistance with other donors as a means of maximizing the effectiveness of limited aid resources. As a leading donor country, Japan has an important mission to play in demonstrating effective ways of translating the NDS into action. From that vantage point, it seems reasonable to say that the productive efforts of this Study Committee came at a highly opportune moment in time.

The Study Committee consisted of 10 members, including Waseda University Graduate School Asia-Pacific Center Visiting Professor Yoshiaki Abe (a JICA visiting development specialist), who served as Chairperson. To assist the Study Committee members in their activities, JICA drew up a special Task Force of several JICA specialists and other agency personnel. The Study Committee met a total of 16 times for its deliberations. This report brings together the conclusions of those discussions, together with the findings of local surveys conducted in Zimbabwe and Ghana, as well as observations obtained through participation in various international forums that devoted attention to the NDS.

To ensure that the valuable views and recommendations contained herein find broad application in the future implementation of assistance, JICA plans to distribute this report to all institutions concerned with ODA affairs.

On behalf of JICA, I extend my deepest gratitude to Chairperson Abe and the other Study Committee members for the perseverance they displayed in pursuing their assigned mission and putting together this final report. Finally, I take this opportunity to acknowledge other institutions in the Japanese assistance community for the invaluable advice and support they provided the Study Committee in the course of its work.

March 1998

Kimio Fujita
President
Japan International Coordination Agency

Foreword

The Issue-wise Study Committee for Japan's Official Development Assistance on the "DAC's New Development Strategy (NDS)" was set up in November 1996 at the request of the Japan International Cooperation Agency (JICA). This report presents its views and findings with regard to the future role of Japan's ODA and efforts by Japan that will be consistent with the NDS.

Following the Cold War, the climate for development assistance changed significantly, in the process spurring demand for assistance aimed at satisfying an increasingly diverse array of development needs. In the interest of reviewing the lessons of development assistance to date and establishing global partnerships and long-term development strategies for the century ahead, in May 1996 a high-level meeting of the DAC of the Organization for Economic Cooperation and Development (OECD) adopted a paper titled *Shaping the 21st Century: The Contribution of Development Co-operation* (commonly known as the DAC's New Development Strategy [NDS]).

Japan has selected six priority countries in which to implement elements of the NDS first: Cambodia, Peru, Ghana, Ethiopia, Zimbabwe, and Tanzania. In the context of the NDS, the Study Committee explored Japan's assistance role with respect to three of those countries: Zimbabwe, Ghana, and Cambodia. Attention was devoted to four aid sectors in particular: poverty, education, health care, and the environment.

In addition to its chairperson, the Study Committee consisted of researchers from universities and research institutions, personnel from the Overseas Economic Cooperation Fund (OECF), specialists from JICA, and several members from the Study Committee Task Force. It convened a total of 16 times with the attendance of officials from the Ministry of Foreign Affairs, JICA, and the Study Committee Secretariat. Study Committee and Task Force members were assigned the responsibility of writing up sections of this report, and for that purpose drew on the discussions and conclusions of their meetings.

All members worked in earnest to finish their manuscripts for this report despite their heavy work schedules. In addition, the personnel at local JICA and embassy offices in Zimbabwe and Ghana made preparations, provided invaluable information, and extended their assistance in many other areas to the Study Committee and Task Force teams that visited those countries in August 1997 to conduct local surveys. Finally, personnel at the JICA Institute for International Cooperation (IFIC) assumed a secretariat role to manage the affairs of the Study Committee. I would like to take this opportunity to extend my heartfelt gratitude to all.

March 1998

Yoshiaki Abe, Chairperson
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Abbreviations

AIDS	Acquired Immunodeficiency Syndrome
BHN	Basic Human Needs
BHU	Basic Health Unit
CG	Consultative Group
CMAC	Cambodian Mine Action Center
CPM	Capability Poverty Measure
DAC	Development Assistance Committee
DANIDA	Danish International Development Agency
EFA	Education for All
FAO	Food and Agriculture Organization of the United Nations
FCUBE	(Ghana) Free Compulsory Universal Basic Education
FDI	Foreign Direct Investment
GDP	Gross Domestic Products
GNP	Gross National Products
GOBI	Growth Monitoring, Oral Rehydration Salt, Breast Feeding and Immunization
HDI	Human Development Index
HFA	Health for All by the Year 2000
HIV	Human Immunodeficiency Virus
HPI	Human Poverty Index
IBRD	International Bank for Reconstruction and Development
IMF	International Monetary Fund
IMR	Infant Mortality Rate
ILO	International Labor Organization
ISO	International Standardization Organization
JOCV	Japan Overseas Cooperation Volunteer
LLDC	Least among Less Developed Countries
MMR	Maternal Mortality Rate
NACP	(Zimbabwe) National AIDS Coordination Programme
NDS	(DAC's) New Development Strategy
NGO	Non Governmental Organization
NIEs	Newly Industrializing Economies
NPO	Non-Profit Organization
NPRD	National Programme to Rehabilitate and Develop Cambodia
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PHC	Primary Health Care
PKO	Peace Keeping Operation
RHC	Rural Health Center
SEDP	(Cambodia) The First Socioeconomic Development Plan 1996-2000
Sida	Swedish International Development Cooperation Agency
SIP	Sector Investment Program
U5MR	Under 5 Mortality Rate
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNTAC	United Nations Transitional Authority in Cambodia
USAID	United States Agency for International Development
WCEFA	World Conference on Education for All
WHO	World Health Organization
WID	Women in Development

Summary

1. Overview and Objectives of the Study Committee

In May 1996, a high-level meeting of the OECD's Development Assistance Committee (DAC) adopted a report titled *Shaping the 21st Century: The Contribution of Development Co-operation* (now widely known as the DAC's New Development Strategy [NDS]). Declaring an improved quality of life for all to be the primary goal of development, the NDS set forth a development vision with emphasis on three key underpinnings: social development and environmental improvements, including poverty reduction, gains in social infrastructure, and environmental sustainability and regeneration; economic growth from a medium- and long-term perspective, and driven by the participation of developing countries in the globalization process; and suitable government roles of support for efforts in all these areas. Furthermore, to attain these objectives, the paper presents a far-reaching set of viewpoints and recommendations for development and aid, including self-reliance by developing countries (ownership), collaboration with the industrialized countries assisting their development (partnerships), the comprehensive approach designed to mobilize government, the private sector, and NGOs at all levels of the development process, the country approach that address conditions in individual countries, and the results-oriented approach.

Noting that the NDS could serve as a useful set of guidelines for the provision of Japan's assistance, in November 1996 JICA set up its Study Committee on the NDS to actively address that theme. The Study Committee examined the issues Japan would conceivably face in pursuing the objectives of the NDS, explored guidelines for that purpose, and compiled its views and recommendations in this report.

2. Topics of Study

1) Sectoral Studies Based on the NDS

The NDS sets explicit goals and time frames for their achievement in four sectors: poverty, education, health care, and the environment. The Study Committee examined the specifics of each of those goals, the indicators to be utilized as measures of progress toward achievement, and roles within the NDS context for Japan's Assistance in each sector. Its views and recommendations on these subjects are presented in this report (Volume 2).

2) Frameworks for Japan's Assistance to Countries Assigned Priority for the NDS Implementation

Japan has pursued heightened coordination and policy dialogue in several priority countries for early implementation of the NDS, including Cambodia, Peru, Ethiopia, Ghana, Tanzania, and Zimbabwe. The Study Committee examined three of those countries — Cambodia, Ghana, and Zimbabwe — and explored frameworks for Japan's assistance that would be consistent with the NDS (Volume 3).

Tanzania and Peru were the subjects of recent country studies that devoted attention to the NDS. Furthermore, JICA is currently exploring the idea of implementing a country study concerning Ethiopia.

3) The Collection and Arrangement of Data on Developing Countries, Based on the NDS

From a results-oriented perspective, monitoring the progress of development efforts is important. The Study Committee selected a core set of development indicators for that purpose, collected and arranged data on each of those indicators, and compiled country databases that provide insights into progress each country has made toward DAC goals (Volume 4).

The Overview (Volume 1) assembles the Study Committee's general views regarding the NDS as well as the findings of an exploration of frameworks for Japan's assistance (as described below) with attention to aid trends among other donors.

3. Frameworks for Japan's Assistance in the Context of the NDS

3.1 Basic Perspectives Toward Implementation of the NDS

- i. Give developing countries a leading role in putting the NDS into effect, and emphasize their ownership.
- ii. Emphasize multilateral aid coordination within the globalization context. Stability and growth in the developing world rate as challenges of global importance. In terms of ensuring that globalization spurs development progress in developing countries and leaves no country marginalized in the process, multilateral aid coordination by developing countries, multilateral institutions, and donor countries will be increasingly vital.
- iii. Support a balance between growth and the distribution of income. Growth, improvements in income equality and social development are all tightly interrelated. It will therefore be necessary to assist efforts aimed at improving the distribution of income, with a special focus on programs of social and rural development that benefit the poor in particular.
- iv. Emphasize the establishment and reinforcement of good governance in developing countries.
- v. Stress country approaches that are suited to conditions in each developing country.
- vi. Assign priority to countries that declare their commitment to implementation of the NDS. Such designations will be conditioned on an adequate understanding of the NDS together with a strong expression of readiness (assumption of ownership role) by each country to adopt the strategy as core policy.
- vii. Develop frameworks for assistance for the NDS implementation. Pursuing the NDS on all fronts will demand that Japan build frameworks that facilitate that drive. In particular, it will be necessary to devise frameworks for assistance for the multisectoral approach (which aims to alleviate poverty) by strengthening the country approach and cross-sectoral aid packages.

3.2 Approaches to Implementation of the NDS

This report also describes various approaches to implementation of the NDS.

i. The country approach

Responding promptly to the circumstances that each developing country faces and ensuring local leadership in the formulation of aid programs will demand that Japan devolve more power and authority to its embassy offices and aid agency offices in target countries.

ii. The multisectoral approach

Applying the multisectoral approach will require action on several fronts: the accumulation of practical experience, the adoption of explicit indicators of progress, the formulation of aid projects backed by a consideration for packages of aid aimed at fulfilling targeted objectives, and a search for ways of applying the multisectoral approach at the country, local, and community levels.

iii. The comprehensive approach

In the interest of pursuing forms of development assistance that involve not just ODA but also the activities of NGOs and the private sector at large, Japan will need to have access to channels for the recruitment of individuals and organizations who are prepared to participate in the development process, and put together flexible frameworks that allow for desired forms of collaboration as warranted by project progress.

iv. Multilateral aid coordination

Japan should become appropriately involved in multilateral aid coordination, including the Sector Investment Programs (SIPs) that have been implemented in various parts of sub-Saharan Africa. To that end, it will need to strengthen and enlarge its aid personnel base and adopt more flexible budgets and institutional structures that allow it to act on opportunities for aid coordination as they arise.

v. The results-oriented approach

Japan needs to give more consideration to results-oriented approaches that above all stress the importance of precisely identifying conditions of poverty in targeted countries and providing aid for poverty alleviation. In addition, it should explore methods that allow for the collection of pertinent statistical data on a continuing basis, and assist in the production of guidelines for the development of comprehensive monitoring systems.

Also, from a results-oriented perspective, it will be essential to devise systems to evaluate multilateral aid coordination, the multisectoral approach, and the comprehensive approach as implemented in each target country. Furthermore, Japan must extend the scope of its aid evaluation efforts from the traditional project focus to the sectoral level and work to reinforce its multisectoral and country evaluations, which are guided by a comprehensive perspective on DAC-related goals.

3.3 Frameworks for Japan's Assistance for the Implementation of the DAC's New Development Strategy

Though Japan must address the above issues if it intends to implement the NDS, its frameworks for assistance will present it with an additional five challenges, as follows:

- i. To establish frameworks for the pursuit of multilateral coordination on a continuing basis
- ii. To step up reliance on the country approach as a means of satisfying development needs in individual countries
- iii. To develop a pool of qualified personnel capable of applying the multisectoral approach to the satisfaction of development needs
- iv. To strengthen networks for the promotion of the comprehensive approach that effectively link ODA and other aid resources
- v. To reinforce sectoral and country evaluations that look beyond individual projects

Of all these challenges, the task of reinforcing the country approach will be of the utmost importance. It is advisable that Japan consider developing aid implementation frameworks by overhauling its agencies for aid policy-making and implementation, and redefining the powers and roles of their domestic headquarters and offices overseas.

We recommend, moreover, that Japan follow a two-step process in developing frameworks for a reinforced country approach. Phase 1 would involve setting up a NDS promotion group to deal chiefly with countries where policy dialogues and efforts in aid coordination with an eye to implementing the NDS are already under way. Phase 2 would involve drawing on the experiences and lessons learned during Phase 1 and harnessing the methods and human resources acquired in the interim to further enlarge the country approach and extend the implementation of the NDS to additional countries.

1. Profile of the Study Committee

1.1 Background

In May 1996, a high-level conference of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) adopted a paper titled *Shaping the 21st Century: The Contribution of Development Co-operation*. That paper eventually became known as the DAC's New Development Strategy (NDS). Japan assumed a leading role in engineering the NDS's approval. The viewpoints underpinning the strategy were put forth at the June 1996 Lyon Summit in the form of an economic communique: *Development Partnerships in the New Global Context*. Those viewpoints were reaffirmed at the Denver Summit in June the following year.

Quite a few developing countries have demonstrated significant progress in recent years by assuming the initiative or ownership of their own development path. It will be essential to encourage such ownership for years to come. Many developing countries still exhibit heavy demand for aid designed to help them deal with environmental ills and other global-scale issues as well as persistent conditions of severe poverty. Aid agencies worldwide have been working together for some time to better coordinate various types of aid. Collaborative partnerships of that kind will be increasingly valuable in the future if donor countries are to more effectively harness their aid resources.

Noting background trends in globalization and taking into account the current realities confronting various approaches to assistance, the NDS emphasizes partnerships and places priority on efforts to alleviate poverty, promote social development, and tackle environmental issues. As such, it comprises a set of perspectives and goals that could conceivably become guidelines for Japanese aid policy in the years ahead. In the interest of actively pursuing those goals, in November 1996 the Japan International Cooperation Agency (JICA) set up an Issue-wise Study Committee for Japan's Official Development Assistance on the "DAC's New Development Strategy (NDS)."

1.2 Study Committee Objectives and Investigative Focus

This Study Committee has been assigned the objectives of investigating and making recommendations with regard to several topics of importance: namely, efforts by the Japanese government to address the issues, policies and guidelines that can contribute to more effective and accurate project implementation, sector-specific and country-specific issues relative to the NDS, and the current realities and future direction of Japan's ODA. Topics for investigation are discussed in greater detail below.

(1) Sector-Specific Issues Based on the NDS

The NDS emphasizes that the most important goal of development is to achieve an improved standard of living for all. To that end, as objectives for achievement, it sets forth several goals for realization within specific time frames by development undertakings in the fields of poverty reduction, education, health care, and the environment ⁽¹⁾.

With respect to these four sectors for assistance, the Study Committee has concentrated its investigative focus on the task of clarifying target details and methods of measurement, identifying current trends and conditions in each sector, analyzing aid approaches and trends among various donors including Japan, and promoting partnerships and cooperation among donors. The following sections set forth Study Committee recommendations concerning Japan's ODA policy within the context of the NDS, as well as recommendations intended to contribute to the pursuit of future country studies.

(2) Japan's Policy for Assistance for Countries Assigned Priority under the NDS

In order to implement the NDS, Japan has assumed the initiative by pursuing policy dialogues and strengthened aid coordination in several countries, including Cambodia, Peru, Ethiopia, Ghana, Tanzania, and Zimbabwe. This Study Committee examines country-specific aid approaches for Japan in the context of the NDS with attention to three countries: Cambodia, Ghana, and Zimbabwe.

In particular, drawing on the findings of the sectoral studies outlined above, we examine current development trends in each country, the components of their development programs, and aid trends. Then, with respect to Japan's assistance based on the NDS, we present our recommendations in the form of basic perspectives, priority areas and issues, and challenges and considerations.

(3) Country-specific Data Collection Relevant to the NDS

In the interest of shedding light on the details of development programs for specific countries, efforts toward implementation, and aid trends, we decided to adopt a consistent format for the collection and organization of data pertinent to the NDS.

In tandem with the above investigative undertakings, we devoted attention to a variety of issues common to all aid fields and developing countries: people-oriented development for the creation of a desirable international community, as called for by the NDS; the attendant importance of ownership by developing countries and of partnerships by donor countries; the need for good governance by developing countries; and other development issues, including comprehensive and individualized approaches.

⁽¹⁾ The text of the NDS (i.e., of the paper, *Shaping the 21st Century: The Contribution of Development Cooperation*) respectively describes its poverty- and environment-related targets in terms of progress in the arenas of economic well-being and environmental sustainability and regeneration. Poverty itself is essentially defined as a confluence of several forces, including low income, poor education, and poor nutrition. The environment, moreover, in terms of its sheer scope and the causal factors behind its deterioration, is understood to present a challenge of unprecedented scale. Granted these points, it may not be accurate to treat poverty and the environment as 'sectors' or 'fields', per se, but for the sake of convenience, they are incorporated as two of the four fields considered by this report whenever the context of discussion has to do with targets expressed by the NDS.

1.3 Composition and Features of the Study Committee

The Issue-wise Study Committee for Japan's ODA on the NDS comprises several experts on poverty, education, health care, and the environment, authorities on Cambodia, Ghana, and Zimbabwe, and active aid professionals with penetrating insight into aid trends.

The chairperson provided direction to Committee discussions and sought to nurture a consensus of views on the NDS. Other Committee members assumed responsibility for writing the sections of this report that had to do with the aid sectors or countries they had been assigned, and made recommendations that will conceivably assist in achieving the goals of the NDS. The members of the Task Force were primarily involved in collecting and arranging the information on sectoral and country-specific aid trends as well as information on each of the developing countries reviewed.

In addition to the appointment of a task force advisor on issues concerning Women In Development (WID), another task force advisor was assigned in view of the need to engage in a detailed yet broad-based analysis of current trends and future scenarios for development in each of the countries addressed.

Based on the NDS, this Study Committee had the fundamental mission of exploring the future direction of assistance in each of the sectors and countries investigated, and on that basis, submitting recommendations relevant to the goals of the NDS.

1.4 Process

From November 1996 to February 1998, the Study Committee met about once every month to exchange views and opinions.

In addressing implementation-related aspects of the NDS, study began with attention to the four sectors for which specific targets had been set. Attention then turned to issues that all four aid sectors shared in common.

In tandem with that effort, the Study Committee also embarked on studies of the three countries chosen for special attention, as noted above. In the process, an effort was made to have each country study incorporate the expert views of those Study Committee members who had the responsibility of exploring current trends and future issues in the four aid sectors of prime concern.

To gather fresh data on the three countries under review, gain a better understanding of their perceptions of the NDS, and discuss approaches to the implementation of the NDS with officials in those countries and with other aid institutions, in August 1997 the Study Committee conducted local surveys in Ghana and Zimbabwe. Though a similar survey had been planned for Cambodia as well, it was canceled due to concerns about the unsettled situation there in July 1997.

The international community has been fairly active in discussing the NDS. In May 1997, a joint OECD/UN/World Bank seminar on indicators of development progress in Paris. Another conference on the strategy itself was cosponsored by the Netherlands and Japan the following September in the Hague. December 1997 saw DAC and the Development Centre cosponsor a seminar in Paris concerning poverty alleviation. Furthermore, in February 1998, OECD/UN/World Bank cosponsored their second seminar on development indicators. The Study Committee sent representatives to the seminars in May and Decem-

ber 1997, and has been actively striving to share views and opinions with other donor countries and collect information on the latest international developments concerning the NDS.

The Study Committee has compiled a summary of its sectoral and country studies, with attention to the activities outlined above. The summary incorporates the key points of the sectoral and country studies, and makes recommendations that reflect the viewpoints and proposals of the Study Committee.

1.5 The Structur Report

This document is divided into four parts: Volume 1, which provides a overview; Volume 2, which consists of sectoral reports on poverty, education, health care, and the environment; Volume 3, comprising country reports on Cambodia, Ghana, and Zimbabwe; and Volume 4, which contains country data of relevance to the NDS.

2. The DAC's New Development Strategy: Vision and Background

The international community has been undergoing rapid globalization since the mid-1980s. Against that backdrop, the NDS has been put forward on the realization that global partnerships, of which the developing world is an inseparable part, will be essential to the achievement of a stable and sustainable global system. Global partnerships will in turn demand that developing countries achieve sustainable development. Drawing on the experiences and lessons of the development record worldwide over a postwar era stretching more than 50 years, DAC has drawn attention to several factors crucial to the realization of sustainable development: namely, ownership, or the role of leadership assumed by developing countries in fostering their own developmental progress, and development partnerships between developing countries and the donor countries assisting in their advancement. On that understanding, it has issued a development vision with improvements in the quality of life for all citizens defined in terms of final, numerical targets. The NDS is the vehicle for action that DAC has engineered to translate its vision of development into reality ⁽²⁾. In this section, we explore the background leading up to the formation of the NDS vision, with attention to progress in globalization, current developing country realities posed by globalization, and trends in development policy based on the record of the past 50 years. We then demonstrate that the NDS vision is a product of this broad foundation of experience in the development field.

2.1 Progress in Globalization

The global economy expanded dramatically following World War II, in the process fostering even faster-paced growth in the volume of world trade. The period since the latter 1980s in particular has witnessed a pronounced strengthening in the bonds of economic interdependence worldwide. In terms of the reach and depth of trade and capital flows at the international level, the pace of consolidation in the global economy has clearly been gathering more and more momentum. Furthermore, the same may be said for trade and capital flows in both directions.

Developing countries have also strengthened and diversified their ties to the rest of the world through trade. Net inflows of private capital into the developing world have grown significantly, accounting for a rising share of net private capital inflows against GDP in the process ⁽³⁾.

One reason for these inroads in globalization is the breakdown of many of the physical barriers that once hampered that trend. Additionally, advances in transportation infrastructure and technology have reduced the cost of transportation itself; further, the dissemination of information on a global scale has become much easier, and far less expensive than in years past.

Another significant factor is the steep drop in institutional barriers such as tariff rates. If the agreements under the Uruguay Round are fully enacted, import duties on manufactured goods will eventually drop to an average of 3 % worldwide ⁽⁴⁾. According to

⁽²⁾ The NDS consists of two parts: "A Vision of Progress" followed by "New Strategies for the Challenges Ahead." The strategies outlined in the second section are conditioned on the vision described in the first.

⁽³⁾ IMF (1997).

⁽⁴⁾ UNDP (1997).

one survey, between 1985 and 1995, 33 developing countries opened up their relatively closed markets to foreign trade ⁽⁵⁾. Over the same period, the number of countries pledging compliance with IMF Article 8 (requiring that they guarantee the convertibility of their own currency for current account transactions) rose from 41 to 99 ⁽⁶⁾. In effect, partly as an outgrowth of the economic transition by former socialist countries that agreed to programs of structural adjustment in the 1980s and thereafter, the winds of economic liberalization swept across the developing world, setting the stage for domestic economic reforms and globalization.

Aside from the purely economic factors described above, the end to an era of geopolitical conflict also had the effect of lowering artificial barriers to trade. Needless to say, the end of the Cold War was the most decisive event in that respect. These forces also helped give shape to a shared global awareness and acceptance of the principles of human rights and democracy. In addition, various environmental problems and other issues of global scale have come to the surface and begun demanding a concerted international response.

In the decades ahead, developing countries can be expected to assume a steadily growing presence in world affairs. By the middle of the 21st century, they will account for roughly half the total in global economic output; furthermore, most future population growth is destined to take place in the developing world. Though the global population now measures close to 6 billion, by some estimates it will widen to 7.5 billion by the year 2015.

Globalization is in the process of giving shape to a global system marked by strong economic and political interdependence and mutual influence among nations, a system of which the developing countries will be an inseparable part. One recent manifestation of this trend was the late-1997 currency crisis that originated in Thailand, spread like wildfire to other countries across Asia, and sent shock waves around the globe. Many other problems, including destabilizing forces and issues in poverty that may have had their roots in a single country or region, have begun to exert a global impact. Today, the world community faces the task of taking concerted action to deal with an array of such issues, from pollution and other environmental problems to food security, drug abuse, and terrorism. The point is that instability and other problems in a given developing country can easily evolve into global problems, and as such, they should not be interpreted as problems for that country to address alone. Yet by the very same token, the countries of the developing world will be expected to actively participate in the task of dealing with problems of global scale.

2.2 Globalization and Current Trends in the Developing Countries

A review of long-term trends in the developing countries will show that most countries have registered economic progress in absolute terms as well as gains in per capita income. On the social development front as well, they have made steady headway in raising educational levels and the quality of health care. For example, between 1965 and 1995, per capita real income in most developing countries grew at least twofold (excluding the newly industrialized economies, or NIEs, where the pace of progress has been even more pronounced) ⁽⁷⁾. By 1994, life expectancy in the developing world averaged 62.1 years, up significantly from 46 years in 1960; adult literacy, moreover, had reached 64 %, compared to 43 % in 1970. All

⁽⁵⁾ J.D. Sachs and A.M. Warner (1995).

⁽⁶⁾ IMF (1997).

⁽⁷⁾ IMF (1997).

regions worldwide have demonstrated improvements in these indicators of social development ⁽⁸⁾ . In practically every country, standards of living are higher now than in the past. To be sure, economic assistance has been instrumental in that respect. In tandem with aid from foreign donors and multilateral institutions, the efforts made by most developing countries have translated into enormous gains.

These observations support the conclusion that economic and social development through the postwar era has improved the quality of life for people worldwide. However, the actual degree of improvement has differed from country to country. In fact, as the post-war record attests, though some countries registered impressive gains in their standard of living, most developing countries trailed comparatively far behind. Further, whereas some countries achieved levels of per capita income on a par with standards for the industrial world, in most other developing countries the income gaps with the industrialized countries merely continued to widen. Defining developing countries with the highest levels of per-capita income as its ceiling for evaluation, the IMF found that 52 out of 108 evaluated developing countries (excluding major oil exporters) occupied the lowest-fifth income ranking in 1965. By 1995, however, the number of countries in that category had climbed to 84 (Table 2.1). Over the same time span, however, the number of median-income countries in the second- and third-fifth categories shrank significantly, from 49 to 21. In effect, it would appear that the polarization of relative income levels in the developing world has actually been gaining momentum since the start of the 1980s ⁽⁹⁾ . That is to say, the relative income gaps between the countries with the highest and lowest levels of income have been widening despite concurrent trends in globalization.

Such gaps have also become conspicuous at the regional level. Though some countries in Asia and Latin America now account for a larger share of world trade, the share contributed by Africa as a whole has been on an uninterrupted downtrend since the mid-1960s. Additionally, as a proportion of GDP, net inflows of private capital into Asia are nearly double those into Africa. Between 1991 and 1993, the amounts of Foreign Direct Investment (FDI) flowing into the Middle East, North Africa, and Sub-Saharan Africa all fell relative to GDP compared to their levels a decade earlier, and the flows into South Asia remained insignificant. By contrast, East Asia, Central Asia, and Europe all witnessed a pronounced expansion in FDI through the same period.

As a product of these trends, Asia posted notable growth in per capita income and assumed its status as the only region close to matching the industrialized countries in terms of living standards. In point of fact, average per capita income among Asia's NIEs measured only 18 % of that for the industrialized world in 1965, yet by 1995, that average had risen to 65 %. By contrast, income gaps with the industrialized world continued to widen for countries in Central America, the Middle East, and Africa.

Indeed, the fact is that most people in the developing world have not been able to extricate themselves from poverty. In 1993, 1.31 billion citizens in the developing world still subsisted on less than \$1 per day (based on 1985 purchasing price parity). Though that constitutes a marginal decline in terms of the percentage of the population in 1987, it is still an increase in absolute terms ⁽¹⁰⁾ . Most developing countries have made little or no head-

⁽⁸⁾ UNDP (1997).

⁽⁹⁾ IMF (1997).

⁽¹⁰⁾ World Bank (1996a).

**Table 2.1 The Polarization of Per Capita Income Levels
in the Developing World 1965–1995**

(Trends in Income Ranking by Fifths and in 10-Year Intervals, for Per Capita Income as Based on Purchasing Power Parity)

1965-65		Final Ranking in 1975					
		1st fifth	2nd fifth	3rd fifth	4th fifth	Top fifth	Country total
Initial Ranking in 1965	1st fifth	46	6				52
	2nd fifth	4	23	7			34
	3rd fifth			7	6	2	15
	4th fifth					2	2
	Top fifth				1	4	5
	Country total	50	29	14	7	8	108
1965-75		Final Ranking in 1985					
		1st fifth	2nd fifth	3rd fifth	4th fifth	Top fifth	Country total
Initial Ranking in 1975	1st fifth	50					50
	2nd fifth	20	9				29
	3rd fifth	1	11	2			14
	4th fifth		5	2			7
	Top fifth			6		2	8
	Country total	71	25	10	0	2	108
1965-85		Final Ranking in 1995					
		1st fifth	2nd fifth	3rd fifth	4th fifth	Top fifth	Country total
Initial Ranking in 1985	1st fifth	71					71
	2nd fifth	13	11	1			25
	3rd fifth		6	3	1		10
	4th fifth						0
	Top fifth					2	2
	Country total	84	17	4	1	2	108
1965-95		Final Ranking in 1995					
		1st fifth	2nd fifth	3rd fifth	4th fifth	Top fifth	Country total
Initial Ranking in 1965	1st fifth	50	1	1			52
	2nd fifth	27	6		1		34
	3rd fifth	7	6	1		1	15
	4th fifth		1			1	2
	Top fifth		3	2			5
	Country total	84	17	4	1	2	108

Notes

1. A total of 108 countries (excluding key oil-exporting countries) were examined.
2. The value in each cell is the number of countries of varying income levels in the initial year which had an income level corresponding to the category at the top in the final year of the period. Countries in the first fifth have the lowest income level.

Source: IMF (1997).

way in redressing domestic income gaps (as measured in terms of the Gini coefficient ⁽¹¹⁾) ⁽¹²⁾ In fact, those gaps have largely remained at around the same level for quite some time ⁽¹³⁾. Domestic income gaps vary substantially by region; countries in Latin America and Sub-Saharan Africa have the largest gaps, and no country in Latin America has a Gini coefficient of less than 40. It should be noted, though, that income disparities also vary significantly among the countries of sub-Saharan Africa themselves; though Rwanda has the lowest Gini coefficient, in the upper 20s, the value for South Africa is over 60. South Asia and East Asia both have Gini coefficients in the 30 range; on average, the coefficient for South Asia seems somewhat low ⁽¹⁴⁾.

The persistence of poverty and widening income differentials with the industrialized countries together suggest that, with few exceptions (notably Asia's NIEs), most developing countries have not been able to benefit from the opportunities offered by globalization. In other words, though globalization does afford opportunities for development, many developing countries have not been able to capitalize on those opportunities. Moreover, in the years ahead these countries could face growing income gaps and find it difficult to assume an active role in the globalization process. Nonetheless, to date, the global system remains institutionally unequipped for the task of helping such countries and their citizens ⁽¹⁵⁾.

2.3 The Postwar Development Record of the Past 50 Years

During the 1950s and 1960s, most developing countries instituted industrialization programs designed to lay their industrial base for the production of import substitutes. This was a period that saw progress in the arena of state-led development. However, in many cases from the 1970s on, countries that had pursued long-range policies of import substitution were eventually confronted by increasingly serious domestic budget shortfalls and deficits in their international balance of payments. Mexico's notification of default on its foreign debt in the early 1980s brought into sharp focus the enormity of the debt burden saddling the developing world at large. Though the debt crisis reached its most serious proportions in Latin America and Sub-Saharan Africa, this was closely tied to the continued drive by many indebted countries in these regions to build an industrial base geared to import substitution. Already heavily dependent on foreign loans and agricultural exports, such countries found progress in the industrialization arena unexpectedly difficult, and ended up even heavier in debt. Rising international interest rates had the effect of vastly enlarging their debt burden and making repayment even more difficult.

The adoption and long-term pursuit of import substitution policies proved to be a failure in terms of development strategy for these countries. Several factors were apparently behind that failure, including the overconfidence of the bureaucratic elites regarding their capabilities in industrial coordination, unrealistic expectations toward international technology transfers, sheer optimism, and hopes that import substitution

⁽¹¹⁾ Index showing the gap of income distribution in one country.

⁽¹²⁾ *The Report of the 1995 World Summit for Social Development* notes that domestic income inequalities have been widening.

⁽¹³⁾ M. Bruno, M. Ravallion, and L. Squire (1995).

⁽¹⁴⁾ K. Deininger and L. Squire (1996).

⁽¹⁵⁾ In its *Human Development Report 1997*, the UNDP states that the global system still lacks mechanisms of operation that can ensure all people steady and sustained benefits in a shrinking world

would have an economic trickle-down effect ⁽¹⁶⁾. The trickle-down theory is rooted in the assertion that once the goals of development policy have been achieved, the benefits will trickle down even to those segments of society that had been deprived as a consequence of industrialization, which has been one of the most important goals of many countries in the developing world. Additionally, though, aside from a dependence on foreign savings as a source of financing, some of these countries also sought to convert their domestic agricultural resources into foreign exchange, and thus maintained a heavy dependence on the agricultural sector for that purpose. This contributed to rural fatigue and poverty, in turn aggravating the influx of the rural poor into the cities. To offset consequent social and political unrest, many governments had no choice but to enlarge their budgets for consumption expenditure. That action, however, had the effect of further exacerbating the deficits in their fiscal budgets and international balance of payments.

Today, the trickle-down approach to development is being subjected to a reassessment, particularly in terms of its character as a theory of growth at the expense of a balanced distribution of income. Enlisting relationships between growth and distribution that are recognized elements of the Kuznets inverse-U theory, the trickle-down theory explains that the distribution of income deteriorates immediately after the start of the development process, but corrects itself thereafter. However, the legitimacy of the inverse-U theory has itself been cast into doubt by recent studies employing a more precise set of statistical data ⁽¹⁷⁾. According to those studies, growth does not have a definite, predictable influence on the distribution of income (Table 2.2). In fact, their findings indicate that a more balanced distribution of wealth and income at the outset has the effect of promoting economic growth. Additionally, they lead to the conclusion that higher school attendance rates have a tendency to narrow gaps in income; this is the basis for the widely known theory that efforts to improve the school attendance rate ultimately have a positive influence on economic growth. The implication is that it is possible over the long term to reconcile the goal of balanced income distribution with that of economic growth.

Table 2.2 Growth, Inequality, and Poverty

(Number of countries)

	Growth Phase		Recession Phase	
	Better	Worse	Better	Worse
Inequality	45	43	2	5
Income for the Poor	77	11	2	5

Notes

1. *Remedying in income distribution (i.e., inequality) signifies smaller values for the Gini coefficient. The sample here included 95 countries.*
2. *The “poor” here are members of the population falling into the lowest-fifth income bracket.*

Source: K. Deininger and L. Squire (1996).

Development policies based on the trickle-down theory also have come under reconsideration for another reason: namely, their orientation toward state-led growth. Many coun-

⁽¹⁶⁾ Shigeo Teranishi (1995).

⁽¹⁷⁾ M. Bruno, M. Ravallion, and L. Squire (1995); K. Deininger and L. Squire (1996).

tries now are pursuing reforms designed to foster democratic principles and government decentralization. The state-led approach to development had been considered justified on several grounds. First, a strong central government apparatus was seen as essential to the task of national unification in those countries with a volatile multi-ethnic social fabric. Second, rapid economic modernization was thought to demand state-led economic development in those countries that otherwise lacked a foundation for industrialization. The failure of trickle-down economic policies in actual practice, however, had the effect of undermining the legitimacy of state-led development in this second sense. What is more, the legitimacy of state-led development in the first sense has not been entirely supported by the lessons of the postwar era. These domestic factors, together with the tide toward democratization following the lapse of the Cold War, and with pressure from aid donors to utilize aid resources more effectively, forced many developing countries to reconsider the role of the state in development affairs. This more critical stance has in recent years drawn attention to the issue of good governance. Another development in this dimension is the emphasis that has been placed on the need for empowering civil society backed by efforts to monitor the government and pursue more effective forms of government ⁽¹⁸⁾. Empowering civil society is a notion that has much in common with approaches to development that facilitate a more balanced distribution of wealth and income by encouraging citizen participation in the development process. It is capable of paving the way for more effective forms of action by organized groups due to its tendency to foster social unification, closer solidarity among individuals, and enhancements in social infrastructure ⁽¹⁹⁾. Moreover, it has the potential to contribute to the growth of market economies by spurring progress in the specialization of labor. Nonetheless, stressing empowerment of civil society over the government role may not be an effective strategy in countries that do not yet have enough accumulated social capital: i.e., countries marked by ethnic or social fragmentation and an underdeveloped institutional base.

In effect, questions have been raised about the state role in politics, economics, and social policy affairs. The current belief is that it is necessary to contemplate sustainable development in terms of the social and cultural dimensions. In the 1950s and 1960s, many countries followed a state-led strategy of development that placed priority on economic growth. That approach, however, did not always result in success. This reality gave rise by the 1970s to the idea of placing priority on the distribution of benefits, that is, the satisfaction of basic needs. The debt crisis of the 1980s, however, prompted an abrupt, crisis-management-oriented shift of perspective toward limited development strategies of short to medium range. Now that these transitional policy stages are past, the challenge has become one of exploring the future direction of development from a longer-term perspective that is focused on the century ahead. That reflective process can be expected to yield development strategies that set their sights on economic growth and improved income distribution tailored to the needs of each country, with priority on achieving a proper balance between the two.

⁽¹⁸⁾ In a broader sense, this refers to the issue of good governance. In other words, governance should be treated as an issue concerning not government alone, but rather, the relationships between government and society as a whole.

⁽¹⁹⁾ In his book, *Making Democracy Work: Civil Traditions in Modern Italy* (1993), R.D. Putnam defines social capital as the essence of social infrastructure; it is the trust, norms, and networks capable of contributing to improved social efficiency by facilitating collaborative forms of behavior.

Though efforts in poverty reduction are important in their own right, they also constitute a crucial first step toward the reduction of the income gaps. Many studies support the view that economic growth leads to a reduction of poverty (income poverty). If growth is neutral with respect to income gaps, it is because growth fosters reductions in absolute poverty by assuring equal benefits to all. However, whenever growth is not neutral with respect to the distribution of income, the effectiveness of that growth in alleviating poverty will be influenced by trends in income distribution. Furthermore, it is conceivable that no reduction in the level of poverty will be achieved at all if growth occurs at a time when income gaps are widening ⁽²⁰⁾. Conversely, an improving balance in the distribution of income can hasten the pace of poverty reduction brought by economic growth, and theoretically spur economic growth itself. From this perspective, it appears that both growth and narrowing income gaps are necessary for the effective reduction of poverty. More to the point, in societies where poverty is pandemic and gaps in income are more or less balanced (e.g., Vietnam and China prior to their adoption of economic reforms and liberalization programs, when they were described as societies striving to equalize the level of poverty), poverty is an issue that has to do with growth, not income gaps, per se. Of course, it is true that trends in income distribution demand close attention during phases of growth. Still, in certain areas of Latin America where the income differentials are quite wide, significant reductions in the level of poverty could be achieved by taking action to improve the distribution of income, and by pursuing programs of social development that display a strong awareness of the need for such action. These observations suggest that the task of poverty reduction will demand an exploration of development strategies that balance growth with income distribution.

2.4 Visions of Development for the 21st Century

By the beginning of the 1990s, the international community had made measurable progress toward dealing with the accumulated debt burden; on top of that, the Cold War was winding down. That background set the stage for a shift from the short-term perspectives on development that had prevailed in the 1980s, toward a renewed predisposition for long-term visions. In its 1989 annual report, DAC took up the issue of “Development Assistance in the 1990s” and expressed the view that broad-based economic growth, participatory development, investments in human capital, and environmental protection should be assigned priority in the interest of achieving more balanced development ⁽²¹⁾. As it happens, the 1990s have been accompanied by a series of major international conferences on issues in social development.

1990	World Conference on Education for All	Jomtien
1990	World Summit on Children	New York
1992	UN Conference on the Environment and Development	Rio de Janeiro
1993	World Conference on Human Rights	Vienna
1994	World Conference on Population and Development	Cairo
1995	World Summit for Social Development	Copenhagen

⁽²⁰⁾ World Bank (1997b). For example, China in the second half of the 1980s.

⁽²¹⁾ OECD (1989). Also, the UNDP has embraced the goal of human development, and since 1990 has issued an annual *Human Development Report*.

The World Summit on Social Development in 1995 might be described as the culmination of that series of gatherings. It declared that in view of their mutual interdependence, the goals of economic and social development and environmental protection must be achieved on a foundation of good governance if people-centered, sustainable development — that is, development facilitating a better quality of life for all — is to be realized ⁽²²⁾. As part of its long-term vision, the summit recommended that the issue of development be explored on the precondition of achieving a balance between growth and income distribution (social development), and then in the context of a broader balance with the interests of environmental protection. Further, it proposed that people-centered development, or “a better quality of life for all,” be adopted as the unifying goal for these component objectives.

Efforts in economic liberalization since the 1980s have effectively highlighted government failures and underscored the role of the market. To adapt themselves to the globalization process, many countries have accordingly pursued reforms aimed at trimming their public sectors and limiting the role of the state in their development affairs. Nevertheless, it should be kept in mind that the government has an instrumental role to play in assuring a balanced distribution of income. After more than 50 years of postwar development, including state-led efforts that emphasized market failures and programs of economic liberalization that conversely emphasized the importance of the marketplace, the international community now appears to be taking yet another look at the state role. That is not to imply that it will compare market failures with government failures and choose between market- or state-led development strategies on that basis. Rather, as a long-term trend, the international community appears to be exploring complementary development roles for the market and the state, roles based on wise decision-making and a commitment to ownership by an empowered people.

The vision underpinning the NDS is rooted in the lessons of this broad-based development record. To attain the target of an improved quality of life for all, the strategy urges that efforts to achieve economic growth, social development, and environmental protection and regeneration be guided by a focus on mutual balance and interdependence. The next chapter presents a general overview of the NDS vision and the new strategy designed to translate that vision into reality, with attention to roles for donor countries.

⁽²²⁾ UN (1995).

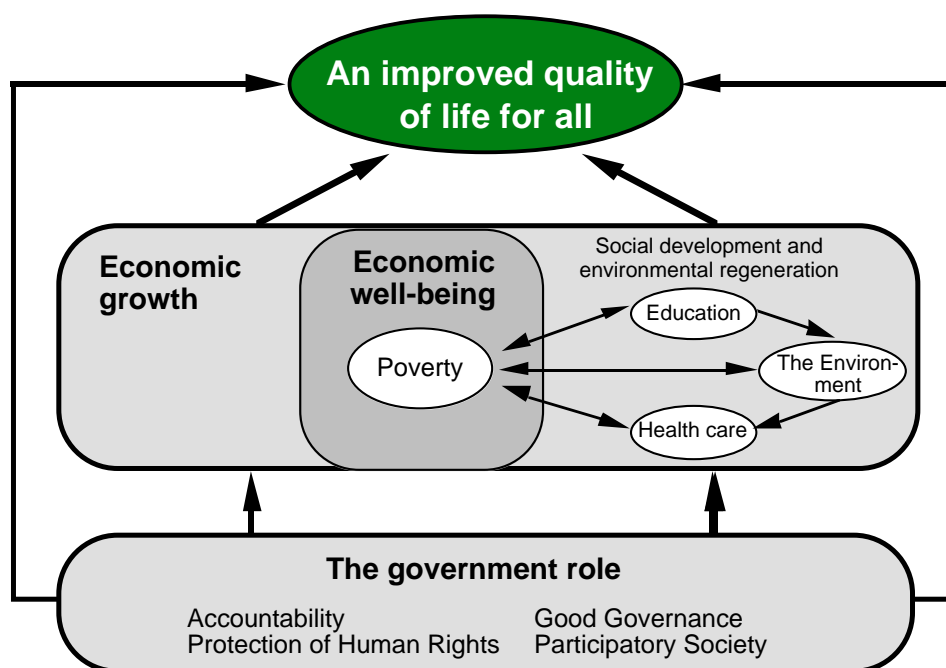
3. Overview of the DAC's New Development Strategy

Chapter 2 examined many of the important factors behind the vision on which the NDS is based, including trends in globalization and the widening national gaps that have accompanied them, domestic disparities and poverty, and approaches to development. Though these factors effectively reaffirmed the strides made over the postwar era through the collaborative efforts of the developing and industrialized countries and multilateral institutions, they also highlighted many areas where additional efforts still must be made. Establishing effective global partnerships will call for steps to assist the countries and people in danger of being marginalized by the globalization process. This chapter focuses on those actions in assistance that should be pursued to that end on the basis of development partnerships. The NDS vision calls for development approaches that pay adequate attention to the need for a proper balance between growth and the distribution of income. To give that vision more substance, the NDS has been aimed at fulfilling seven goals in four specific sectors.

3.1 General Structure of the DAC's New Development Strategy

The NDS assigns sustainable development importance as a means of improving the quality of life for all, and sets forth a vision of development for that purpose. The NDS rests on three crucial underpinnings (Fig. 3.1): (i) poverty reduction, social development, and improved environmental sustainability and regeneration; (ii) economic growth driven by the medium- and long-term participation of developing countries in the globalization process; and (iii) appropriate government roles of support in these areas.

Figure 3.1 A Visual Overview of the DAC's New Development Strategy



Note: In this context, the government role, per se, involves pursuing policies conducive to improvements in the quality of life for all through social development and an improved environment as a result of economic growth and a more balanced distribution of income, and more directly, through the establishment of legal frameworks for the formation of a fair and democratic society.

To flesh out the new vision, the NDS sets goals for achievement in economic welfare, social development, and environmental sustainability and regeneration. In particular, it defines seven targets for completion between 2005 and 2015 in four specific sectors: poverty (economic well-being), education and health care (social development), and the environment (environmental sustainability and regeneration) (see 3.2 for a more detailed discussion).

As Table 3.1 illustrates, the NDS comprises not only specific sectoral goals, but also partnerships between developing countries and foreign donors, as well as measures to improve the quality and effectiveness of assistance. The “Partnerships” heading in the table includes a list of the independent and shared responsibilities that developing countries and their external partners will be expected to fulfill, and presents several collaborative strategies for the reduction of poverty as well. Developing countries are urged to establish and maintain basic conditions (ownership) for the battle against poverty: namely, by installing reliable governments and legal frameworks, suitably managing their economies and fiscal budgets, and strengthening their personnel resources and institutional capacity. The NDS calls on external partners to assist developing countries in establishing and strengthening their foundations for ownership; foster an improved climate for economic growth in developing countries and on the basis of globalization; and pursue coordination with other external partners. Goals that developing countries and their external partners are expected to pursue through collaboration include conflict resolution, fair government, participatory development, acquisition of development resources, and stronger aid frameworks.

The World Bank and the United Nations Development Programme (UNDP) are actively involved in the NDS initiatives to address the poverty issue in developing countries. The World Bank considers efforts in three areas fundamental to the task of effectively reducing poverty: (i) broad-based economic growth, (ii) developing human capital, and (iii) the creation of social safety nets for vulnerable groups⁽²³⁾. Frameworks for steady economic growth will be essential if the poor are to benefit from that growth. This will demand that the poor have improved access to land resources as well as micro-credit and other forms of financing, and that they be able to improve their productivity by harnessing their wealth of labor. Also, it is assumed that participation by the poor in market activities will be another challenge.

Efforts in human capital development include improvements in education and health care services for the poor. On the education front, priority has been focused on early childhood development, providing better primary education, and education for girls. Priorities in the health care arena range from improved maternal care and family planning programs to improved nutrition. As to the environment, improved environmental management has been assigned emphasis as one of several steps aimed at boosting the productivity of the poor, particularly in resource poor areas that are easily affected by environmental change.

Drawing from perspectives on poverty and human development, the UNDP has defined poverty as an absolute lack of access to the opportunities and choices essential to the pursuit of a tolerable minimum standard of living⁽²⁴⁾. The UNDP model for poverty alleviation stresses the following six points⁽²⁵⁾.

⁽²³⁾ World Bank (1996a).

⁽²⁴⁾ UNDP (1997). p.4.

⁽²⁵⁾ Ibid, pp. 6-15.

Table 3.1 Elements of the DAC's New Development Strategy

General	* Leadership by developing countries in the drive to achieve sustainable development
	* Efforts to address population growth and poverty in the developing world
	* Improved employment opportunities through international competition and heightened private sector business activity
	* Polarization and diversification of development in developing countries; countries suffering conditions of extreme poverty
	* Suitable harmonization of comprehensive approach and country approach
Goals	(Economic well-being) a reduction by one-half in the proportion of people living in extreme poverty by 2015
	(Education) universal primary education in all countries by 2015
	(Education) demonstrated progress toward gender equality and the empowerment of women by eliminating gender disparity in primary and secondary education by 2005
	(Health care) a reduction by two-thirds in the mortality rates for infants and children under age 5 and a reduction by three-fourths in maternal mortality, all by 2015
	(Health care) access through the primary health-care system to reproductive health services for all individuals and appropriate ages as soon as possible and no later than the year 2015
Partnerships	(The environment) the current implementation of national strategies for sustainable development in all countries by 2005, so as to ensure that current trends in the loss of environmental resources are effectively reversed at both global and national level by 2015.
	Joint responsibilities
	*create the conditions conducive to generating adequate resources for development
	*pursue policies that minimise the risks of violent conflict
	*strengthen protections at the domestic and international levels against corruption and illicit practices
	*open up wide scope for effective development contributions from throughout civil society
	*enlist the support of rapidly-developing countries and regional development mechanisms.
	Developing country responsibilities
	*adhere to appropriate macroeconomic policies
	*commit to basic objectives of social development and increased participation, including gender equality
	*foster accountable government and the rule of law
	*strengthen human and institutional capacity
	*create a climate favourable to enterprise and the mobilisation of local savings for investment
	*carry out sound financial management, including efficient tax systems and productive public expenditure
	*maintain stable and co-operative relations with neighbours
	External partner responsibilities
	*provide reliable and appropriate assistance both to meet priority needs and to facilitate the mobilisation of additional resources to help achieve agreed performance targets
	*contribute to international trade and investment systems in ways that permit full opportunities to developing countries
	*adhere to agreed international guidelines for effective aid, and monitoring for continuous improvement
	*support strengthened capacities and increased participation in the developing country, avoiding the creation of aid-dependency
*support access to information, technology and know-how	
*support coherent policies in other aspects of relations, including consistency in policies affecting human rights and the risks of violent conflict	
*work for better co-ordination of the international aid system among the external partners, in support of developing countries' own strategies	
Making aid work better	*support for locally-owned strategies
	*commitment of adequate resources
	*enhanced co-ordination in international fora and on the ground
	*monitoring and evaluation
	*expanding the base for co-operation

- (i). Everywhere the starting point is to empower women and men – and to ensure their participation in decisions that affect their lives and enable them to build their strengths and assets.
- (ii). Gender equality is essential for empowering women – and for eradicating poverty.
- (iii). Sustained poverty reduction requires pro-poor growth in all countries – and faster growth in the 100 or so developing countries and countries in transition where growth has been failing.
- (iv). Globalization offers great opportunities – but only if it is managed more carefully and with more concern for global equity.
- (v). In all these areas, the state must provide an enabling environment for broad-based political support and alliances for pro-poor policies and markets.
- (vi). Special international support is needed for special situations – to reduce the poorest countries' debt faster, to increase their share of aid and to open up agricultural markets for their exports.

Though modest differences in perspective and emphasis distinguish the approaches to poverty reduction advocated by the NDS, the World Bank, and the UNDP, they are consistent in that they all declare poverty reduction a challenge of top priority. The satisfaction of Basic Human Needs (BHN) was for quite some time considered to be the prime task for efforts in poverty reduction, but to that end the scope of action was limited. The NDS, World Bank, and UNDP approaches, however, place priority on social development to boost the social participation of the poor, underline the importance of economic growth that specifically benefits the poor in an age of increasing globalization, and focus on the government role as the key to the creation of a climate conducive to these ends. They also attach importance to gender equality, land ownership and other forms of asset accumulation by the poor, a better balance in the distribution of income, and financing for small businesses. Drawing on the lessons of past experience, the NDS has perceptibly expanded the framework for action to reduce poverty. Furthermore, as an approach to poverty reduction, it seems well-suited to the task of achieving the goals that have been set for the year 2015.

3.2 Seven Goals in Four Sectors

The NDS sets several goals for achievement in tandem with desirable levels of economic growth. It incorporates a set of consistent indicators to add substance to its vision of an improved quality of life for all. The objective is to monitor and measure the quality of life in terms of economic well-being, social development, and environmental sustainability and regeneration, and utilize the findings as feedback for improvements to the development process. More specifically, monitoring will entail action to measure progress in four sectors: namely, the dimensions of poverty, education, health care, and the environment. To that end, seven goals have been defined as described below.

One point to bear in mind is that the goals are not final objectives in themselves, but rather, nothing more than indicators of improvements in the standard of life as measured in terms of poverty, education, health care, and the environment.

Economic Well-being

(Poverty)

Goal 1: A reduction by one-half in the proportion of people living in extreme poverty by 2015.

The Copenhagen Declaration and associated action program approved by the World Summit for Social Development in 1995 together aim to eradicate poverty. The per capita income level for people living in extreme poverty has been set by the World Bank at US\$370. By that definition, 1.3 billion or 30% of all people in the developing world live under conditions of extreme poverty, and their numbers are increasing. Some developing countries have already reduced poverty by half. In the interest of applying such achievements on a universal scale, one task will be to identify current capabilities and the need for continuing measures in poverty reduction. Furthermore, it should be noted that this goal does not represent a world average, but a goal that all countries will be expected to strive for.

Social Development: Substantial progress is needed in the areas of primary education, gender equality, primary health care, and family planning.

(Education)

Goal 2: Universal primary education in all countries by 2015.

The goal of universal primary education was adopted by the 1990 World Conference on Education for All in Jomtien, and endorsed in 1995 by the World Summit for Social Development and the UN World Conference on Women in Beijing. It has been affirmed that basic skills in reading, writing, and arithmetic are crucial to poverty alleviation and heightened social participation.

Goal 3: Demonstrated progress toward gender equality and the empowerment of women by eliminating gender disparity in primary and secondary education by 2005.

The goal of gender equality in primary and secondary education was endorsed by the International Conference on Population and Development in Cairo (1994), the UN World Conference on Women in Beijing, and the World Summit for Social Development. Investments in education for women are considered to be an important development challenge. Gender equality in education, moreover, has been assigned significance as a basic indicator of social equality and efficiency.

(Health Care)

Goal 4: A reduction of the mortality rates for infants and children under age 5 in each developing country by two-thirds the 1990 level by 2015.

The infant mortality rate is a critical indicator of conditions of health and nutrition for the most easily impacted members of the human race. Though the NDS utilizes proportional goals, the 1994 International Conference on Population and Development in Cairo adopted specific numerical targets for attainment by the year 2015: an infant mortality rate of below 35 per 1,000, and an under-5 mortality rate of below 45 per 1,000.

Goal 5: A reduction of the maternal mortality rate by three-fourth the 1990 level by 2015.

Goals set by the 1994 International Conference on Population and Development in Cairo sought to cut the maternal mortality rate in the developing world to half of its 1990

level by 2000, and to half of that targeted 2000 level by 2015. These goals have been endorsed by the UN World Conference on Women, and embraced by the NDS.

Goal 6: Access through the primary health-care system to reproductive health services for all individuals of appropriate ages as soon as possible and no later than the year 2015.

Also adopted at the 1994 Cairo conference, this goal is based on the idea of fostering stable population growth and sustainable development by ensuring that women have a freer choice with respect to childbirth.

Environmental Sustainability and Regeneration

(The Environment)

Goal 7: The current implementation of national strategies for sustainable development in all countries by 2005, so as to ensure that current trends in the loss of environmental resources are effectively reversed at both the global and national levels by 2015.

These goals were products of the 1992 UN Conference on Environment and Development in Rio de Janeiro, and are intended to encourage all countries to acquire the capacity to deal with their environmental problems by 2015.

As the above overview should illustrate, the numerical goals set forth by the NDS have been passed or endorsed either as goals or as a consistent set of criteria for achievement by several past UN conferences. Taken in isolation, the goals themselves are not necessarily innovative or new. However, the still-serious issue of poverty must not be treated as simply an economic issue deriving from distortions in the distribution of income, or as a humanitarian issue involving the satisfaction of basic human needs. Efforts in other dimensions will also be indispensable: e.g., promoting the health of the poor, facilitating their participation in society by equipping them with improved reading, writing, and arithmetical skills, and easing the environmental burden attributable to the strains of daily human subsistence. Furthermore, it is essential that these efforts be integrated into a single set of policies and pursued in parallel with each other. It is in this respect that the NDS and its goals deserve attention for being innovative or new.

The NDS does not assign any prioritized order to the achievement of its seven goals. However, it does express a tone of alarm with respect to the 21st century in noting that "In the year 2000, four-fifths of the world will be living in the developing countries, most with improved conditions. But the number in absolute poverty and despair will still be growing." From that perspective, it stresses the need for assistance from the industrialized world to ensure a better life for people suffering in poverty and despair. Judging from these points, it seems reasonable to conclude that poverty reduction is the core objective, and that the other six are considered essential to its attainment.

As the foregoing discussion indicates, the NDS is driven by the long-term goal of cutting poverty in half through advances in economic growth. As conditions essential to halving the proportion of the human population living in poverty, it places priority on universal primary education, gender equality, improvements in maternal health through primary health care, and environmental sustainability and regeneration. This suggests, then, that the strategy is aimed at promoting economic growth on the one hand, while striving to indirectly improve the balance of income distribution on the other by emphasizing efforts to

achieve the seven goals in four sectors. By focusing on the poor in developing countries that are not well-positioned to witness an improved distribution of income purely on the basis of economic growth, the NDS conceivably aims to help the governments of such countries integrate an emphasis on balanced income distribution into their economic policies. That orientation can be expected to draw attention to the value of social safety nets in countries that are undergoing structural adjustments.

Unless action is taken, many developing countries will continue to register population growth together with increasingly widespread poverty between now and the year 2015. It is anticipated that conditions in some regions of the world will indeed worsen in the years ahead. Those developments could conceivably thwart efforts to achieve the seven goals. To avert that scenario, the NDS insists on building awareness among the countries of the industrialized world which have enjoyed the benefits of prosperity. Japan has for quite some time stressed the humanitarian side to these issues, and demonstrated its leadership by assuming the initiative in having the NDS adopted by the OECD community at large. It will be important for Japan to maintain and strengthen its leadership role in the years ahead, and it is hoped that Japan will actively contribute to the implementation of the NDS.

3.3 Approaches Adopted by the DAC's New Development Strategy

The foregoing sections presented a general overview of the NDS and its goals. It is assumed that strategy-based aid to developing countries will place special emphasis on recipient ownership, and that developing countries must assume a leading role in pursuing sustainable development on the basis of comprehensive strategies spanning the economic, social, environmental, and political dimensions. Ownership demands good governance and the rule of law; promote gender equality, other social advances, and widened citizen participation; pursue sound fiscal management, including tax code efficiency and productive public expenditures; and maintain stable and cooperative ties with their neighbors. On this precondition of developing country ownership, the strategy declares that the role for external partners should be to assist developing countries in strengthening their ability to satisfy all necessary conditions for sustainable development, in keeping with the circumstances and determination of each country.

Given these expectations of developing country ownership and cooperation from external partners, the NDS places emphasis on five different approaches, as described below.

3.3.1 Multilateral Aid Coordination: A Convergence Point for Efforts in Poverty Alleviation by External Partners

The NDS aims to effectively and efficiently harness in full the limited aid resources available for efforts to reduce poverty in the developing countries. Though it does not rule out aid provided on an independent basis by multilateral institutions and donor countries, it does strive to bring the application of limited aid resources under one central strategy. Additionally, it is rooted in an awareness of the importance of coordination by developing countries and donors to avoid placing any undue burden on the capacity of recipient countries to assimilate and utilize aid. Multilateral aid coordination is considered to provide an essential framework not only for efforts in multilateral cooperation and decision-making that can translate elements of the NDS into tangible aid programs, but also for efforts in policy dialogue and aid program formulation between specific developing countries, multi-

lateral institutions, and donor countries. Multilateral aid coordination will be expected to play an effective role on many fronts, from the solution of conflicts and the establishment of good governance —both of which will form the foundation for ownership by developing countries — to the monitoring and evaluation of aid projects.

3.3.2 The Country Approach: Tailoring Aid to the Needs of Each Developing Country

The NDS places top priority on ownership by developing countries. To take action aimed at reducing poverty, developing countries will be expected to put together long-term programs consisting of initiatives to that end. That step, however, will demand that they find solutions to their conflicts, set the stage for good governance, establish frameworks to foster participatory development, and on this basis strive to accurately identify the root causes and challenges of poverty. In reality, though, most developing countries vary significantly in terms of their foreign relations, political structures, stages of development, social and cultural backdrops, and natural environmental features. It should come as no surprise, then, if differences distinguish their approaches to development ownership and the countermeasures they adopt against poverty. This is why putting the NDS into effect will demand a country approach that allows assistance to be tailored to the circumstances and needs of each country.

3.3.3 The Multisectoral Approach: For Development and Aid Balanced among Sectors

Poverty, education, health care, and the environment are all closely interrelated. Efforts designed to improve the situation in only one of those areas will not guarantee sustainable progress toward poverty alleviation over the longer term. Indeed, to alleviate poverty, it is essential that gains be effectively balanced across the other, related sectors as well: that is, in education, health care, and the environment. Urbanization has become an increasingly serious issue in certain developing countries (notably LLDCs) that are currently undergoing rapid population growth. It will be imperative to provide employment opportunities to their burgeoning labor forces; hence, from a long-term perspective, steps to spur economic growth seem essential. In addition to creating jobs for the poor on the basis of economic growth, it will also be necessary to strive to reduce poverty through gains in education, health care, and sound environmental management. The multisectoral approach is understood to be in the interest of fostering economic growth together with an improved distribution of income based on progress in the arena of social development. Here, though, attention should be paid to the issue of gender equality. Efforts to end discrimination against women and promote their active social participation will be an indispensable element of the multisectoral approach.

3.3.4 The Comprehensive Approach: Development and Assistance Backed by the Mobilization of Diverse Aid Resources

Many players are involved in efforts to implement the NDS in developing countries. Domestically, they include the central government, local governments, citizen groups, private companies, and private Non-Profit Organizations (NPOs) and Non Governmental Organizations (NGOs). Externally, they range from multilateral institutions and existing or new donor countries to private companies and private NPOs and NGOs. With few exceptions, it has been common practice among all these different players to pursue their assistance-related activities on an independent basis. That is one reason why, in some cases, it has been difficult to utilize recipient capacity and donor aid resources in a manner that effectively and efficiently satisfies recipient needs. The NDS seeks to reduce poverty by effectively minimizing these inefficiencies, fully mobilizing ODA and other aid resources, making more aid resources available, and harnessing the knowledge and expertise of all participants. The comprehensive approach is assumed to comprise measures capable of mobilizing the aid resources of all participants for the purpose of alleviating poverty.

3.3.5 The Results-Oriented Approach: Measurable Progress Toward Numerically Defined Ends

The NDS seeks to measure the joint development efforts of developing countries and their external partners in terms of seven targets for achievement, and to translate those efforts into lasting results. This is the results-oriented approach. Effectively gauging the degree of progress toward those seven targets will demand that initial conditions for achievement in each developing country be clearly defined in terms of seven indicators; changes in those indicators, moreover, will have to be monitored on a continuing basis. The World Bank and various UN agencies have been working together with DAC to develop a set of indicators for this purpose as soon as possible. However, from the results-oriented perspective, making the NDS fully operational will also demand that effective monitoring systems be put into place. Data obtained with those monitoring systems will be utilized as feedback for the formulation of future action programs for the next year and thereafter. Backed by multilateral coordination, this feedback will provide the basis for concerted efforts by developing countries and their external partners toward eventual realization of the seven goals. These are considered to be the key features of the results-oriented approach.

However, in the process of measuring results, one thing that must not be forgotten is the qualitative dimension of development. Though public trust in democratically principled government, guarantees of human rights, the rule of law, and other elements of good governance are outside the scope of quantitative measurement, they will clearly be indispensable to the task of achieving the numerically quantifiable goals defined by the NDS.

4. Sectoral Studies

Chapter 2 and 3 provided an overview of the background and structure of the NDS. As noted earlier in Chapter 1, the Study Committee engaged in an analysis of four specific sectors assigned priority by the NDS: poverty, education, health care, and the environment. In addition, it studied approaches to putting the NDS to work in three specific countries: Zimbabwe, Ghana, and Cambodia. This section provides an overview of the sectoral study findings, and on that basis explores the implications for Japanese development assistance.

4.1 Poverty

4.1.1 Challenges in Poverty

Table 4.1 illustrates regional trends in the scale of poverty based on the World Bank's definition of the poverty line (US\$1 per person per day). In 1993, approximately 1.3 billion citizens worldwide were living below that poverty line. Of that total, South Asia accounted for the largest regional share (514.7 million, or 39.6%), followed in decreasing order by East Asia and Oceania combined (445.8 million, or 34.3%), sub-Saharan Africa (218.6 million, or 16.8%), and Latin America (196 million, or 8.4%). The percentage of the population living below the poverty line (headcount index of poverty) was significantly higher in South Asia and sub-Saharan Africa than elsewhere, at 43.1% and 39.1%, respectively. Another measure of poverty is the poverty gap index. sub-Saharan Africa had the highest poverty gap, of 15.3%, followed by South Asia at 12.6%. As the data suggest, in these two regions not only is a high proportion of the population living below the poverty line, but conditions of poverty as well are relatively more severe. The table provides a comparison of trends in all three poverty indices from 1987 to 1993. During that interval, in South Asia the headcount index of poverty fell, and the poverty gap showed signs of improving. In sub-Saharan Africa, however, the headcount index of poverty rose sharply and the poverty gap worsened as well.

Table 4.1 Population Living below US\$1 A Day in Developing Countries (1987-1993)

	Number of poor (millions)		Headcount index (percent)		Poverty gap (percent)	
	1987	1993	1987	1993	1987	1993
East Asia & the Pacific (excluding China)	464.0 (109.2)	445.8 (73.5)	28.2 (23.2)	26.0 (13.7)	8.3 (3.8)	7.8 (3.1)
Latin America & the Caribbean	91.2	109.6	22.0	23.5	8.2	9.1
Middle East & North Africa	10.3	10.7	4.7	4.1	0.9	0.6
South Asia	479.9	514.7	45.4	43.1	14.1	12.6
Sub-Saharan Africa	179.6	218.6	38.5	39.1	14.4	15.3
Total	1225.0	1299.4	33.3	31.8	10.8	10.5

Source: Revised from World Bank (1996). p.4.

In pursuing poverty reduction projects under the banner of the NDS, several challenges, as described below, must be kept in mind.

(1) Development Strategy and Poverty Alleviation

The issue of poverty has long been treated in terms of questions on two levels. At the macroscopic level, one question is why some countries fail in the development process whereas others succeed. At the microscopic level, a key question is why poverty in the developing world has not disappeared. The point, however, is to abandon this mistaken, dualistic approach to the issue, explore countermeasures that link both dimensions of poverty together, and effectively integrate the goal of poverty alleviation into a unified development strategy. The World Bank has long been involved in the drive to reduce poverty. In the report, *Poverty Reduction and the World Bank*⁽²⁶⁾, it calls for a strategy of poverty reduction backed by three crucial underpinnings: broad-based economic growth, human capital development, and social safety nets for vulnerable groups. In addition, it expresses the view that economic growth and the distribution of wealth need not be mutually exclusive, but rather, that they can be properly reconciled depending on the development strategy applied.

(2) The Goals of Poverty Alleviation Projects

Though projects in poverty reduction are primarily intended to lift the level of income for the poor (and thus rescue them from conditions of absolute poverty), what that means in terms of specific targets for development strategy is a question that remains to be clearly answered. At the International Labor Organization (ILO) World Conference on Employment in 1976, it was proposed that efforts be made to satisfy Basic Human Needs (BHN) as the minimum standard of living that societies should guarantee to the poorest segments of their population. Later, in keeping with the capability concept put forward by Amartya Sen, the UNDP adopted one definition of human development, namely, the process of expanding the range of human choice, as a target for poverty alleviation projects. It also proposed three new development yardsticks: the Human Development Index (HDI), the Capability Poverty Measure (CPM), and the Human Poverty Index (HPI). Poverty alleviation projects vary in terms of the level or perspective from which they strive to deal with poverty-related issues. It seems essential, however, that a balanced approach to poverty reduction be pursued on the basis of projects that incorporate multiple objectives or approaches.

(3) Problems in Defining the Poor

Though projects in poverty alleviation are meant to assist the poor, defining poverty remains a concern. One conventional approach is to set a poverty line and classify all households with incomes below that line as "poor." This presents an issue in terms of how the poverty line is quantified. Several measures for that purpose exist, including the head-count index of poverty, the poverty gap index, and the squared poverty gap index. However, certain problems remain. First, reliable data are in short supply. Second, definitions of poverty are in some respects arbitrary; the differences delineating poverty above and below the poverty line are not clear. Third, in developing profiles of poverty, it is still difficult defining poverty lines that reflect reality. And fourth, applying the UNDP definition of poverty seems to demand fresh approaches based on something other than notions of living standards, per se. Poverty typically affects some groups more than others: in particular,

⁽²⁶⁾ World Bank (1996a)

women, specific social classes, workers in specific occupations, and people living in specific areas. It should be possible to clearly identify the more seriously affected groups by devoting adequate attention to the societal and historical forces at work in each country.

(4) The Types and Targeting of Poverty Alleviation Projects

Granted that the task of alleviating poverty demands government intervention, steps must accordingly be taken to come up with efficient strategies of poverty reduction that limit the benefits exclusively to the poor and maximize the effectiveness of strained public budget resources. Though strategies for that purpose will conceivably vary country by country, it is clearly essential that the intended beneficiaries be active participants if the projects are to be appropriately targeted and demonstrate satisfactory results. Devolving more power to local governments that know local affairs well would be an effective measure to this end, as would the idea of adopting strategies of 'self-choice' that encourage only poor citizens to participate.

(5) Project Monitoring

Poverty alleviation projects constitute a complicated mixture of highly diverse policy components and assistance. It is therefore essential that each and every element be appropriately monitored to gauge its contribution to overall project effectiveness. Indeed, it will be critically important to establish monitoring systems that are capable of answering a broad range of questions: for instance, determining whether the problem of poverty has been accorded an appropriate place in development strategy or project budgeting; whether projects elicit a desirable regional or societal impact; identifying the varied, cross-sectoral impact of efforts in poverty reduction; and determining whether the levels of recipient country ownership and donor country partnerships are appropriate.

4.1.2 Objectives of Assistance in Poverty Alleviation

One of the poverty reduction goals declared by the NDS is as follows:

"The proportion of people living in extreme poverty in developing countries should be reduced by at least one-half by 2015. . . But global averages are not enough. The objective must be pursued country by country, and substantial progress must be sought in all countries."

The NDS does not actually call for a uniform reduction by one-half the proportion of people currently living under conditions of extreme poverty in each and every country. The emphasis, rather, is that the objective be pursued country by country, and that "substantial progress" must be sought in all. Though there is some leeway as to interpretations of the difference between "substantial progress" and "reduction by one-half," in view of the endemic social factors distinguishing different countries (e.g., disparities between urban and rural districts, gender disparities, the presence of different ethnic groups), "substantial progress" seems to be a better reflection of reality.

Several of the numerical goals in the NDS are uniform or integrated versions of similar goals either adopted or recommended by the past international conferences. However, there is something of a new twist in the notion of striving in parallel under one unified banner toward several goals in the fields of education, health care, the environment, and poverty reduction (by one-half or "substantial progress" thereto).

4.1.3 Recommendations (Poverty)

4.1.3.1 Basic Perspectives

In years past, yen loans accounted for the largest proportion of official Japan's assistance, and much of the loan total was utilized as financing for projects in economic infrastructure. There is no doubt that loan aid, provided in tandem with grant aid and tightly integrated with independent undertakings in direct investment and trade, contributed immensely to economic development and poverty alleviation in many countries across Asia. From the standpoint of reducing the scale of poverty in the developing world through long-range economic gains, it seems essential that we continue to apply the lessons of past experiences. Several factors, however, underscore the necessity of revising conventional approaches to assistance. In point of fact, Japan has been confronted by increasingly severe fiscal strains. Additionally, the percentage of untied yen loans is up, and many developing countries are now in the process of privatizing their infrastructure projects. In providing assistance for infrastructure projects in the years ahead, Japan need not rely too heavily on ODA-backed yen loans. To be sure, it will find it necessary to boost its contribution in this area through a variety of other channels, public and private.

Though the development of economic infrastructure is an essential precondition for progress toward poverty alleviation, it is not necessarily a satisfactory condition. In certain instances, the social, economic, and political fabric of a given developing country can be expected to foist the environmental ills and other external costs stemming from infrastructure development onto the shoulders of the poor and other socially vulnerable groups. Attention thus needs to be devoted to the possibility of aggravating conditions of poverty as a direct consequence of infrastructure development itself. This is precisely one of the reasons for implementing projects in poverty alleviation that specifically target the poor. It is imperative to support development strategies that ensure the poor access to the benefits of economic growth. The time has come to abandon the mistaken view that the choices are mutually exclusive: i.e., infrastructure development as opposed to social sector development, or growth as opposed to a better distribution of national wealth. It seems advisable that infrastructure projects and projects that target the poor be implemented in a more balanced and mutually reinforcing manner. In other words, it will be crucial to ensure that both types of projects are effectively integrated into the general development strategy.

4.1.3.2 Priority Areas and Issues

In preparing to assist projects in poverty alleviation, Japan should maintain a focus on four key priorities, as outlined below.

(i). **Policy support to contribute to poverty reduction**

Japan does not have much expertise in this particular field. For the time being, it will face the task of pursuing efforts in this area through coordination with multilateral institutions and other donor countries; and in that process, it will need to strengthen its own aid capabilities.

(ii). **Support for the development of economic and social infrastructure**

Japan has a wealth of experience in this area, but should continue striving to reinforce its abilities in the years ahead, and in keeping with a clear focus on poverty allevi-

ation. Furthermore, Japan's small-scale infrastructure projects already under way should feature a greater emphasis on assistance to the poor.

(iii). Support for poverty projects

Many types of projects exist to aid the poor: in particular, programs for the extension of credit and the creation of public-service jobs; programs of agrarian reform, for farm sector stimulus and for the transfer of new farm technologies; programs of health care, education, food distribution, and food subsidies; and programs that target the urban poor. Japan should lay emphasis on those areas where it has expertise. At the implementation stage, it should actively encourage local citizens and NGOs to participate and collaborate; additionally, it should expand its deployment of Japan Overseas Cooperation Volunteers (JOCVs), many of whom have extensive aid experience in the poverty field. Furthermore, it will need to establish frameworks for the pursuit of fact-finding poverty surveys at the aid project formulation stage, and at the same time improve its support for policies that contribute to the reduction of poverty, as mentioned in (i). above.

(iv). Personnel training for institutional capacity building

Japan is highly experienced in this area, and should strive to improve its capabilities in the years ahead by adopting a clearer perspective on poverty alleviation.

Additionally, to ensure that the above-cited aid priorities contribute to effective gains in poverty alleviation, it will be essential for developing countries to assume a stronger ownership role in the following areas:

- a. The achievement of political and social stability: In countries torn by civil strife, a settlement of the hostilities and the establishment of conditions for lasting peace must come first.
- b. Improvement of basic statistics regarding poverty: Countries that do not as yet have basic statistics on their poor should be actively assisted in compiling such data. To support these efforts, Japan should also put emphasis on research aimed at shedding light on the root causes of poverty.

4.1.3.3 Challenges and Considerations

• Setting interim targets prior to 2015

The goal of cutting poverty in half by the year 2015 seems distant and for that reason, somewhat impractical. These impressions suggest that interim targets of three to five years should also be defined, and that measures to monitor and evaluate progress toward those targets be reinforced.

• Establishing guidelines for consideration of the poor

Efforts in economic infrastructure will be vital in helping to reduce poverty. However, attention should be devoted to the possibility that gains in infrastructure development will actually create environmental ills and other problems at the expense of the poor and other socially vulnerable groups, thus aggravating conditions of poverty in turn. Projects should therefore be implemented with due attention to the potential impact on the poor, and it

seems urgent that guidelines for consideration of the poor be drawn up, much like the guidelines now in effect on environmental and WID issues.

- *Drawing up a grand design for development and implementation capacity building*

Heightened policy dialogues with developing countries will be crucial to the goal of halving the percentage of people in poverty and putting the concepts of ownership and partnership into practice. Dialogue alone, however, will not be enough. To set the stage for the creation of a fundamental development “grand design” and implementation capacity building, it will also be essential to work more closely with recipient countries at every stage of the assistance process, from policy formulation and project design to follow-up, monitoring, and post-project evaluations. Japan for now would be advised to enlarge and strengthen its JICA framework for country studies, better enlist various forms of technical assistance, and explore strategies that will enable it to fulfill its aid role in this dimension.

- *Promotion of poverty project and networking*

Japan’s aid agencies have amassed a wealth of experience in dealing with poverty issues in the developing countries. To date, though, they have not implemented many projects that explicitly target the poor, nor have their post-project evaluations been driven strongly by a perspective on poverty alleviation. Also, it is not always the case that projects backed by Japan are an integral component of the recipient country’s development strategy. Addressing these drawbacks would demand that Japan set up an aid agency-level study committee regarding such a concern and strive to improve project targeting, linkage, evaluations, and feedback. It is recommended that essential data for that purpose be gathered and updated through appropriate surveys and research.

- *Improving poverty project efficiency*

Assistance for poverty projects must go beyond merely allocating more aid resources to those projects or to the recipient country’s social sector. Boosting project efficiency will be essential. Indeed, it will be necessary to draw from the experiences of multilateral aid agencies and other donor countries, and engineer a variety of methods for improved project efficiency, including better targeting methods, systems for implementation, and desirable strategies of participatory development.

4.2 Education

4.2.1 Challenges in Education

Many countries that achieved their independence following World War II poured immense energy into the development of their education systems. From 1960 through the 1970s, the primary school enrollment rate and the literacy rate alike demonstrated impressive 10-point gains every decade. The 1980s, however, confronted numerous countries across the developing world with an array of formidable difficulties, from explosive population growth and economic crisis to the outbreak of civil war. With this turn of events, progress in the education field came grinding to a halt, allowing national and regional disparities in education to widen. In 1990, the World Conference on Education for All (WCEFA) convened in the Thai city of Jomtien thus providing an opportunity to address and discuss the stark realities characterizing education in the developing world, and

explicit the importance of assistance to the education field. It is now widely acknowledged that education issues are tightly interwoven with poverty, population growth, health care, and the environment, and that striving for qualitative and quantitative gains in education will demand a multisectoral approach to the issues.

Though the challenges in education vary by region and country, in general they can be summarized as follows.

(1) Stalled Primary School Enrollment Rates

Over the two decades from 1965 to 1985, the primary school enrollment rate rose from an average of 44.1% to 67.3% in the low-income countries, and reached almost 100% in the middle-income countries. In sub-Saharan Africa, however, that uptrend stalled, and in some countries of the region, the rate even began to fall. Several causal factors can be blamed for the loss of momentum. For one, achieving an enrollment rate beyond a threshold of 80% demanded an enormous amount of effort. For another, economic stagnation ultimately translated into education budget cuts. In turn, households with access to primary education faced a heavier economic burden.

(2) Declines in the Quality of Education

Education budget cuts have fostered deterioration and shortages of teachers, textbooks, and schoolhouses, thus undermining the learning environment for children. Low-income countries in particular face a multitude of problems. Poor salaries, for example, have not attracted highly qualified teachers. Between 1965 and 1985, public spending on education in these countries fell from \$40.7 to \$30.9 per primary-school student (no more than one-fiftieth the amount spent in high-income countries).

(3) Constraints on the Development of Secondary and Higher Education

The second half of the 1980s saw various multilateral aid institutions and aid donors begin placing higher priority on primary education. That shift of emphasis conversely led to a contraction in the share of aid earmarked for undertakings in the secondary and higher education fields. However, in view of the fact that industrialization has stoked growing industrial demand for engineers and other skilled workers, it seems crucial that secondary and higher education programs receive a more suitably balanced share of aid resources, reflecting the needs of the recipient country.

(4) Challenges in Culturally and Linguistically Diverse Societies

Though most developing countries have sought to promote a unified national curriculum, programs of primary education that honor the cultures and languages of different ethnic groups represented in the national population have earned heightened emphasis for their importance. Putting such programs into practice will demand education reforms that facilitate the development of school curricula attentive to ethnic diversity.

(5) Local Needs and Curricula

In most developing countries, the majority of the population lives in rural areas. Though occupational training and educational programs for community development and an improved standard of living are of course considered important in rural areas, school

education tends to be weighted in the conventional curriculum: i.e., reading, writing, and arithmetic. However, the problem of conventionalism in educational curricula cannot be solved in the schools alone. It will be necessary to review school facilities and curricula from a broader perspective that includes attention to the roles of community and family.

(6) Gender Disparities

Gender disparities in primary school enrollment and literacy rates are especially pronounced in South Asia and Africa. Gender disparities in secondary and higher education, moreover, are prevalent in most developing countries. These disparities seem to derive not only from the influences of existing economic and social systems, but also from such factors as schoolhouse location and structure. Countermeasures are therefore needed.

(7) An Overemphasis on Educational Background

Given its close ties to occupational opportunity, educational background is today an intensely valued asset in most developing countries. Though solutions to this social craze will be difficult to find, it will be essential to develop educational programs for working adults and nurture a shift from publicly financed education to education based on the consumer-pays principle.

4.2.2 Objectives of Assistance in Education

The NDS set two specific goals for progress in the educational arena.

i. Make primary education universal in all countries by 2015.

Making primary education universal in all developing countries was a goal under the Education for All (EFA) program, which initially set 2000 as the target year for achievement. Now that the year 2000 is almost here, it seems apparent that this goal cannot be achieved on schedule. The NDS essentially sets 2015 as the target year for achieving the EFA goal. Expectations are that achievement will be within reach by then, provided the efforts made to date are sustained and strengthened.

ii. Demonstrate progress toward gender equality and the empowerment of women by eliminating gender disparities in primary and secondary education by 2005.

Several international fora, including the World Summit for Social Development, the International Conference on Population and Development, and the UN Fourth World Conference on Women, have already called for the elimination of gender disparities from primary and secondary education by the year 2005. As is the case with discrimination in general, gender disparities tend to be rooted in poverty as well as various historical traditions and social customs. The DAC goals seems to acknowledge the need for efforts to face up to and deal head-on with the issue of gender disparities in education.

4.2.3 Recommendations (Education)

4.2.3.1 Basic Perspectives

- *Integrate educational development into comprehensive development programs*

Educational development is tightly linked with a multifaceted array of other elements shaping regional society, including poverty, population issues, health care, and the environment. It is therefore essential that efforts to foster educational development be implemented as part of a comprehensive program that strives to maintain a proper balance with goals in these other areas. Assistance coordinated by foreign donors should be put to work as an integral component of broad-based development programs.

- *Expand budgets for education*

Adequate education budgets are essential to the goal of guaranteeing uninterrupted educational opportunities for children. In many low-income countries, though, the financial resources for education have been shrinking, as have average education expenditures per child. This trend should be reversed. It seems imperative that explicit financial targets reflecting the needs or capabilities of each country be set. One potential target, for example, would be to double education expenditures per child by the year 2015.

- *Stress capacity building in educational administration*

Reversing the declines in educator quantity and quality will demand efforts to strengthen administrative capacity, including refinements in school management. Capacity building programs with a broad-based vision transcending the conventional education framework will be essential if we are to make primary education universal and effectively eliminate gender disparities from education.

- *Stress education programs that encourage the active social participation of women*

Gender disparities cannot be eliminated on the basis of efforts in the education arena alone. Similar efforts must also be pursued in parallel to address gender disparities that have entrenched historical, cultural, social, and religious roots. In the process, special emphasis should be accorded to women within socially vulnerable groups, including the physically handicapped, minorities, and populations living in rural districts and frontier areas.

4.2.3.2 Priority Areas and Issues

In keeping with the above core viewpoints, the Study Committee decided to emphasize the following five implementation-related priorities.

- (i). Formulate projects that stress close cohesion between comprehensive development programs and assistance for the education sector. For example, assign educational development added importance within the context of comprehensive regional development programs, and, following an interdisciplinary approach, aim explicitly for forms of educational assistance that are balanced with the needs of local citizens.
- (ii). To maximally harness the knowledge that local universities and NGOs have amassed on local needs, establish or refine frameworks for active collaboration with these entities at the education project formulation and implementation stages.

- (iii). Provide assistance for refinements in school administration and operation, as well as a budgetary and policy system, with an eye to bolstering developing country capacity in the education field.
- (iv). Assist advocacy campaigns aimed at promoting education for women, with a view to remedying gender disparities.
- (v). Provide assistance to safety net programs that are designed to offset the education budget cuts imposed by structural adjustment programs. It is recommended that an effort be made to improve the effectiveness of assistance in this area by exploring the feasibility of financial assistance for education program operations in addition to the assistance that can be extended through conventional aid frameworks for the construction of schools or the supply of textbooks.

4.2.3.3 Challenges and Considerations

- *Respect of ownership*

Public education, including primary education, is a matter of national sovereignty. For that reason, ownership by the recipient country must be honored above all else. In striving to build better education systems, it seems advisable that developing countries and foreign donors establish desirable partnerships that allow them to learn from each other.

- *Flexibility in assistance schemes*

To put together balanced, comprehensive projects based on multisectoral approaches, pursue refinements in aid coordination with other foreign donors, and help erect better frameworks for collaboration with universities, NGOs, and other entities in recipient countries, Japan needs to instill more flexibility into each type of assistance scheme. For example, in the education sector it would be worthwhile to link individual expert assignments with project-type technical cooperation and have flexibility for mutual accommodation.

- *Systems for comprehensive, interdisciplinary research on education sector assistance*

Requests for education assistance by developing countries do not necessarily reflect their actual needs or interests. This reality demands that steps be taken to put together frameworks for continuing research into developing country conditions and needs. Assistance systems based on the findings of that research will also be required.

- *Need for system to widely use Japan's education human resources for assistance*

It has become increasingly important to provide assistance consistent with recipient country needs by appropriately tying together country-specific approaches with undertakings in international coordination. Putting this idea into practice, however, will demand the participation of a variety of educational institutions and experts. Accordingly, it will be necessary to devise systems for the broad-based recruitment of such collaborators.

- *Considerations for cultural diversity*

With respect to countries that are pursuing a unified national curriculum, Japan needs to explore the feasibility of providing assistance that accommodates ethnic diversity, and establish core guidelines for that purpose.

4.3 Health Care

4.3.1 Challenges in Health Care

Improved human health is the prime objective of efforts in the health care sector. In its 1993 *World Development Report*, the World Bank noted that good health boosts the economic productivity of individuals and fosters national economic growth in turn. For that reason, it stressed that investments in improved health are one means of promoting development, and added that the quest for good health is a vital goal in and of itself. Suffice it to say that health care is of far more fundamental value to human survival than any other priority of social development, be it poverty alleviation, education, or environmental conservation. Health is of paramount importance not only to individuals but to society as a whole. Poverty and bad health are part of a vicious cycle; they function as obstacles to social development and are at the same time products of lagging development.

In the 1970s, aid efforts in the health care sector assumed heightened priority as an integral part of the drive to satisfy BHN. In 1977, the World Health Assembly by WHO proposed “Health for All by the Year 2000 (HFA)” initiative. A specific strategy of the HFA initiative is Primary Health Care (PHC), whose principle is health care not so much through the provision of medical care for individuals with a disease, but through preventive action: namely, by encouraging individuals to actively engage in health activities and to make efforts to help themselves. The most important point in this concept is community participation, as based on an awareness of the value of promoting health not only for economic development, per se, but also for improving the quality of life of individuals, families, and whole regions. One goal of the HFA initiative is to set up and run systems that facilitate such community participation.

The PHC strategy is as follows: First, four principles are; community participation; orientation toward the satisfaction of actual health needs; effective use of available resources; coordinated efforts of all related sectors.

Furthermore, at least the following eight factors are included:

- i. Education about prevailing health problems and methods for their prevention and control
- ii. Promotion of food supply and proper nutrition
- iii. Adequate supply of safe water and basic sanitation
- iv. Maternal and child health care services, including family planning
- v. Immunization against major infectious diseases
- vi. Prevention and control of locally endemic diseases
- vii. Appropriate treatment of common diseases and injuries
- viii. Provision of essential drugs

Health education is fundamental to the practical implementation of the PHC strategy. Individuals will be better prepared to act in the interest of their own health only after they have acquired the knowledge necessary for the pursuit of a healthy lifestyle. Health workers active day-to-day at the community level will be key to the provision of that knowledge. Their own training, therefore, will be of the utmost importance. It is essential that Basic Health Units (BHUs), Rural Health Centers (RHCs), and other primary health care facilities be set up in locations within a walking distance of five kilometers from most households, thus affording local citizens easier access to the health services they offer.

Furthermore, it will be imperative to establish referral systems that allow these facilities to refer or transfer patients to secondary, tertiary, or higher-level institutions for proper diagnosis and care. Systems for the supply of essential drugs will also be essential.

More than 20 years have elapsed since the WHO first proposed its grand HFA initiative. However, various factors now suggest it will be extremely difficult if not impossible to achieve all the goals of that initiative by the target year 2000. To be sure, mortality rates for children have been brought down significantly by many countries across the developing world. In reality, though, few if any developing countries currently have the capacity to pursue comprehensive strategies of PHC on their own. Compared to their industrialized counterparts, for most developing countries, maternal and child health care remains the biggest challenge by far. This fact is underscored by their still extremely high maternal mortality rates and levels of infant mortality in absolute numerical terms. In developed countries, infant deaths due to pneumonia, bronchitis, or other infectious childhood diseases have become a rarity. In the developing world, however, these diseases, together with nutritional deficiencies and other factors that influence the health of pregnant women and the immune resistance and other functions of newborn infants, still rate as the most formidable challenges confronting workers in the health care field.

Although the PHC strategy can be described as a far-reaching, people-oriented plan for social reform, it demands that steps be taken first to improve the awareness of citizens and political leaders alike. Furthermore, gender perspective will also be crucial to its implementation. Wide gaps distinguish the degree of progress many countries have made so far toward achieving the goals of the PHC strategy. Those gaps in turn stem from differences in the degree of political commitment, namely, with respect to defining the priorities of health care and the amount of resources to be invested in steps aimed at dealing with those priorities. Albeit somewhat dated, available statistics for the 1981–1982 period suggest that per-capita health care expenditures averaged US\$672 among industrial countries but no more than \$8.80 among low-income countries (equivalent to 1.3% of the industrial world average). Furthermore, whereas public health care expenditures account for over 10% of the average among industrialized countries, in low-income countries the corresponding share averages less than 5% and has actually traced a steady decline for the past 10 years. A closer inspection, moreover, reveals that developing countries in general spend as much as 70–85% of their limited health care budgets on cost-ineffective therapeutic care, compared to relatively insignificant outlays for preventive care and community services. As an extreme example, one country allocated over 20% of its entire health ministry budget for the operations of only one university-affiliated hospital. Yet another serious problem is that some countries have actually been steadily expanding their defense budgets despite chronic fiscal shortfalls and concurrent cuts in their budgets for the provision of public health care services.

Health ministries and other central government institutions in some developing countries emphasize that they have already put together effective national health care systems, including networks for the referral of patients by community PHC facilities to secondary district health centers or tertiary national hospitals. In many cases, though, the impression is that nothing outside their capitals or major metropolitan districts is actually operational. That reality suggests it will be essential in the years ahead to seriously address the real problems in terms of the principles of PHC, namely, by considering effective ways of har-

nessing community-level health care facilities that have already been put into place with assistance from foreign donors.

4.3.2 Objectives of Assistance in Health Care

The NDS sets forth three core goals for achievement in the health care arena, as follows:

- (i) A reduction by two-thirds in the 1990 mortality rate for infants and children under age 5 in the developing world, by 2015
- (ii) A reduction by three-fourths in the 1990 maternal mortality rate, by 2015
- (iii) Access through the primary health care system to reproductive health services for all individuals of appropriate ages as soon as possible, and no later than the year 2015

(1) The Infant Mortality Rate (IMR) and the Under-5 Mortality Rate (U5MR)

The IMR is a measure of the number of liveborn infants (per 1000) who die before their first birthday. From 1991 through 1993, the average rate for the industrial nations measured 7, compared to a value of 71 for the developing world (i.e., 10.1 times the industrial world average). For the LLDC, it stood at 112 (16 times the industrial world average). The under-5 mortality rate expresses the number of liveborn infants (per 1000) who die before their fifth birthday. Again, for the period from 1991 through 1993, it averaged 9 among the countries of the industrialized world, compared to 103 for the developing world as a whole (11.4 times the industrial world average) and 176 for the LLDC (19.6 times the industrial world average). Diarrhea, pneumonia, measles, malaria, and poor nutrition account for 70% of all deaths among children under age five in the developing world; that figure underscores the complicity of multiple causal factors. In some countries, moreover, gender disparity in the IMR can be seen as the issue.

(2) The Maternal Mortality Rate (MMR)

The latest WHO estimates put the number of annual maternal mortalities at 585,000 worldwide. Of that total, the developing world accounts for 99%. This is the public health indicator that most clearly highlights the gaps between the industrialized and developing countries. It is at the same time an indicator not only of the risks women face during pregnancy and childbirth, but also of the gender disparities characterizing their health in general, their access to health care services, and their status as participants in society and economic affairs. The empowerment of women will demand actions on several fronts over the longer term: improved social status; improved conditions in the home; easier physical, economic, socio-cultural access to health care; and quantitative as well as qualitative improvements in the health care system itself. Though it will take some time, efforts in primary and health education will be required to foster a heightened awareness among all members of society, men and women alike.

The MMR is a measure of the number of women (per 100,000) who die during pregnancy or within 42 days after giving birth, either as a direct or indirect consequence of pregnancy or childbirth. From a statistical angle, this indicator points to some serious problems. From 1991 through 1993, the MMR for the countries of the industrialized world averaged seven. By comparison, it was 328 for the developing world as a whole, and 518 for

the LLDC in particular (46.9 and 74 times the industrial world average, respectively). Although efforts in GOBI (Growth monitoring, Oral rehydration therapy, Breast feeding, and Immunization) have contributed to significant improvements in the U5MR in recent years, almost no corresponding improvement has been observed in the MMR at all.

It has been reported that 80% of all maternal deaths are attributable to direct factors such as complications during the course of pregnancy and improper or insufficient care, and that the remaining 20% stem from indirect causes including illnesses that develop prior to, or that are aggravated during, the pregnancy term. Though direct factors in maternal death range from excessive blood loss (20%) and septicemia (25%) to pregnancy toxemia (12%), in many cases unsafe abortions are the primary cause. Efforts in the following three areas could help to lower the MMR in the short term:

- 1) A reduction in the number of high risk or unwanted pregnancies (e.g., through improved family planning)
- 2) Steps to minimize obstetric complications (by improving the thoroughness of pregnancy checkups)
- 3) Measures to lower the mortality rate for patients who suffer complications (by refining systems for the provision of emergency obstetric care)

(3) Reproductive Health Service

Though no quantitative indicators as yet exist, suffice it to say that reproductive health is tightly interrelated with WID issues and safe motherhood. Several statistical measures, as listed below, readily serve as complementary indicators of maternal death:

- 1) Total fertility rate
- 2) Average life expectancy at birth (total, male, female)
- 3) Contraception prevalence rate
- 4) Percentage of childbirths attended by health workers
- 5) Percentage of expectant mothers inoculated against tetanus
- 6) Percentage of low birth-weight infants
- 7) Immunization coverage rate
- 8) Percentage of population with access to safe drinking water

4.3.3 Recommendations (Health Care)

4.3.3.1 Basic Perspectives

Good health is the foundation for a wholesome life at home and as a member of society. Health should be acknowledged by all as a fundamental prerequisite for personal growth and social development. The HFA initiative advocated by WHO over two decades ago was a grand concept. Moreover, the PHC strategy adopted to apply that concept has in fact contributed to improved indicators of health and health care in many developing countries. It is difficult to use economic indicators alone as a basis for evaluating development programs in fields unlikely to demonstrate tangible economic benefits in the short term, especially fields as fundamental as health or education. This reality demands that new, better-suited indexes be devised.

The NDS incorporates a cross-sectoral, comprehensive approach that calls for steps to define the role of health care and translate that role into actual practice. As such, it can be

expected to surpass the HFA initiative in terms of eventual accomplishments and benefits. However, multisectoral approaches typically demand enormous sums of money and highly skilled personnel with leadership qualities to run them. It is absolutely essential that qualified personnel be available to manage a program and accordingly allocate limited funding resources on a long-term basis from the policy-making stage. Additionally, it is important to foster balanced social development with consideration given to defense budget cuts.

Aid donors, on the other hand, must be evaluated in terms of their professionalism as collaborators in the development of an increasingly complicated health care. By the same token, it is urgent that they cultivate the human resources required for effective involvement. In fact, it will be necessary to devise structures that enlist not only pure experts or volunteers, but also personnel with extensive academic expertise and broad interdisciplinary and practical experience. Also, effective frameworks will be needed to provide leadership training to personnel who are experienced in the provision of PHC and who already have an understanding of the realities confronting development assistance in the developing world. Of parallel necessity will be the task of erecting support structures that facilitate the provision of assistance on a long-term basis.

4.3.3.2 Priority Areas

Economic advances have fostered a transition in the state of health for many developing countries. Bearing this changing structure of disease in mind, donors must be prepared to set priorities for different types of assistance. Therefore, it is essential that they have the ability to identify and more effectively accommodate different stages of national or regional development, as well as put together inter-sectorial comprehensive aid packages suited to each stage. In some developing countries, the more economically advanced urban districts and affluent classes of society have sought to protect their own interests and abandoned their obligation to assist development at the rural level, in effect leaving that task entirely to foreign aid. Measures must be taken to encourage such countries to rectify this attitude.

- Measures against malaria and other infectious diseases

The effects of global warming, in tandem with advances in cross-border transportation, have confronted the world with a renewed threat from several infectious diseases that were until recently assumed to have been completely wiped out. Japan should place priority on aid aimed at dealing with this threat, not only from the standpoint of helping recipient developing countries, but also in the interest of protecting its own citizens. In addition to reinforcing its own programs for this purpose, Japan will also need to become more actively involved in international aid collaboration.

- Measures against HIV infection, AIDS, and sexually transmitted diseases

Although the global uptrend in the number of people infected with HIV appears to be slowing somewhat, in certain Southeast Asian countries in particular, the epidemic could continue to spread. Assistance for measures against HIV should be enlarged and bundled together with educational programs for women.

- Women's development and education

Literacy, school enrollment, and knowledge are factors that all have a major influence on the health of women and their families, especially their children. It is imperative, there-

fore, that programs of assistance in the health care field lay more stress on providing women with educational opportunities for either formal schooling or informal training.

4.3.3.3 Challenges and Considerations

- *Involvement from the health care policy and program formulation stages*

Some developing countries are not actively involved in the development program formulation process, and instead depend entirely on foreign donors to handle those affairs. Programs so devised, however, face a very strong likelihood of running into serious obstacles once they are put into effect. For instance, they may fall far behind schedule or demand heavy additional investments in money and staffing to compensate for built-in deficiencies or flaws. Even in those cases where the developing country is ostensibly involved in the formulation stage, it is often difficult to find personnel who can be relied on to do their job. Furthermore, government officials from affluent or elite social backgrounds sometimes lack even the ability to accurately perceive the underlying problems. And in many cases, the shortage of available staffing itself is due to the personnel reshuffling that inevitably accompanies the transition of power from one government administration to the next. Additionally, communities often do not have enough intermediate-level public officials with influential decision-making authority, and in some cases their citizens lack the capability or the means to identify and find solutions to the causal factors actually impinging on their health. Clearly, at the program formulation stage, it is crucial that aid donors and recipients alike work together as equals, strive for closer mutual understanding, and assume their share of responsibility for the tasks at hand. Even if it demands extra time and effort, mutual understanding can and will contribute to smoother progress through the stages that remain.

- *Attention to the issue of sustainability*

One reason why development assistance ventures in the health care field sometimes fail to take root is because they are formulated and implemented on the basis of judgments made entirely by the foreign aid donor, whether the developing recipient is more intimately aware of the problems or not. Unless the people actually saddled with a given problem are aware of the causes and have the will to explore solutions and bring about change on an open-ended basis, the benefits will not last over the longer term. Acquiring a stronger ability to pursue self-sustained development demands that recipients actively support and explicitly express their desire for the continued provision of health care services that satisfy their real needs. To attract support for such health care services, donors should actively pursue collaborative arrangements with local NGOs. The goal of self-sustained development will also require that more emphasis be placed on undertakings in institution-building and human resources development.

- *Qualitative improvements in medical care and research-oriented cooperation*

Once PHC reaches a certain stage of development, it will be necessary to seek qualitative refinements and lay the foundations for the effective provision of basic medical care on a uniform level. Assistance in the research arena should be focused on innovative research backed by novel ideas and designed to address substantive issues in the provision of health care. Furthermore, steps must be taken to open the door to pools of qualified personnel who

are ready and willing to tackle the challenges involved. At the same time, emphasis should also be placed on purely collaborative research ventures concerned with themes in traditional medicine, herbal medicine, and other topics in the health care field.

4.4 The Environment

4.4.1 The Environment: Basic Issues

The developing countries have been characterized by a diverse set of environmental problems attributable to national differences on several fronts: in particular, the social and economic structures that place pressure on environmental resources, the environmental resources subjected to that pressure, and the social and economic conditions that stand to be influenced by resource scarcity or wealth. In general, though, the problems can be arranged into four categories, as follows.

(1) Health Risk

Trends in agricultural development and industrialization have an impact on the health of humans as well as other life forms. The intensity of that impact typically depends on the type of development-related activity (e.g., energy consumption and the environmental load due to pollutants), the geographical focus of that activity (e.g., in inland or coastal areas), and the volume of the effluents or emissions released. The impact due to agricultural activities will vary depending on the types and methods of agricultural chemicals applied.

(2) Productivity Risk

This is essentially an expression of the risk that a country's environmental resources will face degradation or depletion. Productivity risk typically stems from such activities as agricultural and fishery development, inappropriate slash-and-burn farming practices, cattle overgrazing, and the overlogging of forests for fuel and timber. The extent of that risk will naturally vary depending on the type, location, and scale of development activity involved. In some cases, this risk is attributable to the impact of industrialization on agricultural and fishery zones.

(3) Urban-Rural Risk

Urban-rural risk refers to the danger of environmental deterioration stemming from rural fatigue and urban crowding as segments of the rural population move into urban areas. This risk will be especially problematic if urban districts do not have enough public sanitation infrastructure in place to handle the consequent population growth.

(4) Organizational and Human Resources-related Bottlenecks

Most developing countries lack enough organizational capacity for environmental administration at the central and local government levels. In particular, they face shortages of the organizational structures and personnel capable of effectively identifying environmental problems and formulating, implementing, or evaluating programs aimed at addressing those problems. On top of that, many countries have yet to establish strategies for capacity utilization at the community level.

Approaches guided by the following perspectives will conceivably be necessary if problems of this kind are to be dealt with in keeping with the NDS.

- 1) View environmental problems as resource problems.
- 2) Examine environmental problems in terms of social and economic structure.
- 3) Treat catchment areas and other functionally important areas as integrated environmental "units" while paying attention to the stratified nature of the environment.
- 4) Seek flexible and various approaches that reflect the diversity of environmental problems.
- 5) Establish frameworks for environmental monitoring and evaluation.
- 6) Strive for enhanced institutional capacity building and human resources development and improved ownership.

4.4.2 Objectives of Assistance for the Environment

The NDS incorporates the following goal for undertakings in the environmental arena: implementation of current national strategies for sustainable development in all countries by 2005, to ensure that current trends in the depletion of environmental resources are effectively reversed at both the national and global levels by the year 2015.

Though the above statement deserves strong marks for its treatment of the environment in resource terms, the goal of reversing the loss of environmental resources, per se, must also be shaped by a focus on the qualitative dimensions of environmental deterioration. The International Food Policy Research Institute notes, for example, that close to 2 billion hectares of productive farmland worldwide suffered degradation over the past 50 years, and that around 180 million hectares of forested land was converted to other uses in the 1980s alone. As these developments illustrate, reversing the deterioration in environmental quality will be an extremely important task.

In the years ahead, it will be unrealistic to expect a significant reversal in environmental resource depletion or deterioration as long as the North-South and South-South gaps continue to widen and the explosive pace of population growth in the developing world at large continues unabated. Reducing the strains on environmental resources throughout the developing world will demand sweeping changes and reforms in patterns of development and industrial structure. However, unless such changes and reforms are integrated into national strategies and backed through the coordination of tangible aid and other support measures by external donors, it will be difficult to translate the goal of implementing national strategies for sustainable development by 2005 into an actual reversal in the depletion of environmental resources by 2015.

Several perspectives, as listed below, will conceivably be crucial to attaining the environmental goals of the NDS.

- 1) Incorporate a regional focus into national strategies, with an eye to the appropriate management of environmental resources.
- 2) Reinforce the multisectoral approach taken by national strategies as a way of effectively mitigating the strain on environmental resources.

- 3) Shift from individual resource-specific to comprehensive approaches: i.e., approaches that stress the links between different environmental resources, that strive for the mutual or balanced utilization of land and water resources, and that internalize external diseconomies.
- 4) Establish performance criteria for the evaluation of national environmental strategies.

4.4.3 Recommendations (the Environment)

4.4.3.1 Basic Perspectives

- Diversified and flexible approaches

Environmental problems in a given country or region reflect a variety of factors, including natural and societal diversity, industrial structure, and level of industrialization. This reality calls for the adoption of flexible, multifaceted approaches conditioned on an awareness that countermeasures for action will vary depending on the local technologies available and the capacity of the country or region in question to assume its share of responsibility. In particular, strategies for the environmental management of heavily resource-dependent primary or smokestack industries will demand the adoption of approaches that fully harness the developing country's own know-how.

- A broader, regional orientation

The goal of effective environmental management should be pursued not on the basis of isolated, resource-specific programs of action, but through the adoption of integrated approaches for entire regions—more specifically, for the management of regions endowed with a diverse yet naturally interdependent set of environmental resources. This orientation, however, will demand that priority be placed on assisting in the task of national policy formulation, promoting community or regional participation, and building essential legal systems.

- Continued, long-term programs of action

Long-term programs of action will be indispensable to the task of regenerating the environment, which is made up of forests, soil, and water. To effectively harness the aid resources of foreign donors in the short term, undertakings in environmental resource management backed by recipient country ownership must be sustained on a long-term basis. To ensure sustainability, though, it will be essential to put priority on personnel training, institutional capacity building, and assistance to universities and other research institutions concerning environmental management at the regional level.

4.4.3.2 Priority Areas

- Support for Industrial anti-pollution measures through actions to modernize and improve manufacturing processes

Although desulfurization systems and other “end-of-pipe” measures are crucial to the goal of reducing industrial pollution, the emphasis of assistance should be placed on cleaner methods of production, including energy conversion and conservation strategies. Assistance for that purpose can be expected to contribute to the modernization and improvement of

manufacturing processes in developing countries and accordingly allow those countries to develop effective end-of-pipe technologies that are within their budgetary means. Note, however, that the installation and operation of anti-pollution equipment and systems based on new technologies will demand that the organizational and personnel elements receive at least as much priority as the technical elements, if not more.

- *Support for integrated, regional programs of environmental resource management*

Japan already provides a significant share of its ODA in the form of technical assistance for programs of rural development, social forestry, and regional environmental management (of air and water resources). In the years ahead, though, it would appear advisable that it extend the scope of its technical assistance to comprehensive regional programs of environmental management and programs that treat rural fatigue and urban crowding as well as international commodity market trends and the production of primary commodities as environmentally interrelated issues. To this end, it will conceivably be important to strive for enhancements that better adapt Japan's aid system to the region-oriented approach and devise new systems that facilitate effective injections of various types of assistance.

- *Support for strategies that balance development with the interests of effective natural resource conservation and sustained biodiversity*

Biodiversity is one measure of environmental value that can contribute to national progress and regional development as long as it is wisely guarded and utilized. Furthermore, it is socially and economically invaluable in that it can be expected to serve as a well-spring for future scientific progress and the development of new medicines crucial to the continued health and survival of humanity. Heightened levels of assistance should be provided for surveys (such as the biodiversity survey conducted in Indonesia) and the formulation of measures (including debt-for-nature swap and the recent contract arrangement by Merck & Co., and Costa Rica's Instituto Nacional de Biodiversidad (INBio)) aimed at providing developing countries with more incentive to protect and cultivate their biodiversity.

- *Support for environmental management programs using by market functions*

Helping developing countries manage their environmental resources, protect their indigenous biodiversity, and combat industrial pollution should not be limited to assistance with environmental policies or technologies alone. In terms of providing the economic incentive to adopt needed measures and technologies, it also is advisable that they be given help with the formation of viable market-based frameworks for environmental resource management (e.g., through debt-for-nature swaps, environment-related labeling systems, and emission rights trading). That effort, however, will conceivably demand that priority also be assigned to activities aimed at educating market participants.

- *Support for the development of urban sanitation infrastructure*

Improvements in urban Environmental sanitation infrastructure are essential to mitigating the health risks faced by urban dwellers. Such improvements seem all the more urgent now that many countries across the developing world appear poised for rapid urbanization. We recommend increasing assistance to deal with this issue. Attention should be focused on projects for the joint construction of water supply networks and treatment facili-

ties and the selection of sustainable project approaches that are balanced with the technical and economic capacity of the recipient country.

- *Stronger systems of support for participatory programs of environmental resource management led by developing countries*

As a form of financial assistance, two-step loans for undertakings aimed at combating industrial pollution and managing environmental resources can contribute to the goal of developing country ownership; that is, by encouraging a plurality of developing-country-based organizations to become voluntarily involved, assume the initiative, make choices, and take action accordingly. In the interest of bolstering the effectiveness of assistance in this particular area, it is advisable that such organizations be furnished with useful technical advice as well.

4.4.3.3 Challenges and Considerations

- *Fora for comprehensive action*

As a step toward effectively implementing aid projects in the environmental arena, it will be crucial to set up fora that have the breadth to address issues ranging from the macroscopic level of environmental management down to individual project-related problems in the field. It is therefore necessary to establish broad-based networks of aid institutions and research centers, universities, professional societies, and local governments or NGOs with extensive experience in the arena of environmental assistance.

- *Systematization of Japanese experience and human resources development*

Japan has amassed an extensive amount of experience in combating industrial pollution and managing environmental resources. However, it has yet to effectively codify those experiences into a coherent form useful to the task of implementing environmental assistance in the developing world. In the years ahead, Japan should strive to systematize and theorize its experiences and enlist them to train aid personnel for roles in the environmental sector.

- *A broader perspective for programs of environmental cooperation*

Finding solutions to industrial and urban environmental problems, reviving depleted forests, soils, and other environmental resources, and having development projects adopt environmental considerations will conceivably remain the principal goals of Japan's assistance in the environmental field for some time to come. Future development projects, however, will need to adopt more than mere considerations for the environment. They must be designed to help reduce environmental strains through the streamlining and modernization of industrial processes, cut air pollution through the construction of modern and efficient urban systems of mass transit, foster the shift to cleaner energies, and integrate the management of forests, soils, and water resources in rural areas.

- *The coordination of international schemes for environmental cooperation*

Various international mechanisms in the environmental sector exist (e.g., debt-for-nature swaps, environment-related labeling, ISO 14000, and emission rights trading). Aid coordinated in line with these mechanisms would conceivably contribute to the effectiveness of assistance while at the same time bolstering Japan's international presence. The

shift to alternative forms of energy will likely be a challenge of growing importance in the years ahead. Cooperative frameworks for that purpose should be set up with attention to the potential for role-sharing arrangements by elements of the public and private sectors.

- *Functional enhancements to diplomatic offices and JICA/OECF offices abroad*

Pursuing approaches that reflect adequate attention to the distinguishing features of different countries and regions will demand that Japan take steps to strengthen the capacity and powers of its diplomatic and aid agency offices abroad. As a result, those offices will be better prepared to gather local information, promote international aid coordination, and explore the potential for stronger collaborative ties with NGOs and other entities that work directly with local people.

4.5 Sectoral Study Implications for Japan's ODA

International efforts in aid coordination have been pursued on a sectoral basis, for projects in poverty alleviation, education, health care, and the environment. Similarly, with regard to the NDS, international coordination has been moving ahead on several levels: from the strategy formulation stage to the seminars and workshops aimed at making the strategy operational. In each sector, the international aid coordination has been assigned a crucial role, and in that respect, the importance of efforts by Japan to strengthen its coordination with other donors has been underlined.

In terms of the goal of poverty alleviation, all four of the sectors selected for study seem tightly interrelated. In fact, a multisectoral approach to poverty alleviation has been emphasized in each sector. Comprehensive approaches that merge the abilities of a variety of stakeholders involved in the drive to alleviate poverty — including local people, NGOs, educators, health workers, and local governments — will also be highly important. Here too, emphasis has been placed on the value of more intensive efforts.

In this section, we explore the ramifications for Japanese ODA posed by these cross-sectoral overall international aid coordination and multisectoral and comprehensive approaches, albeit without attention to specific developing countries.

4.5.1 Overall International Aid Coordination

The World Summit for Social Development (1995) was concerned chiefly with issues in poverty, and culminated with a proposed strategy and framework for international aid coordination for poverty alleviation. In certain developing countries finding solutions to civil war and establishing a basis for lasting peace will together be fundamental preconditions for any effort aimed at alleviating poverty in line with the NDS. On top of that, it will be essential to compile basic statistics on poverty. International coordination will be vital to those countries that are unable to meet these prerequisites. Japan does not have much practical expertise in providing assistance for the alleviation of poverty, and therefore will face the necessity of building on its capabilities in that area by actively participating in forums for international aid coordination.

Various goals and frameworks for international coordination in the education sector were set forth in 1990 by the World Conference on Education for All (WCEFA). The resolutions passed at that conference laid much of the foundation for the NDS. The NDS declares that plans for the development of the education sector should be a part of a larger, compre-

hensive program, underscores the importance of implementing foreign aid projects as integral components of such programs, and lays stress on the value of international coordination in such undertakings.

Several international conferences have been held to discuss issues in health care, including the International Conference on Population and Development, the International Health Conference, and the UN World Conference on Women. The Health for All (HFA) strategy declared by the WHO in 1977 eventually became the framework for the international aid coordination in the health care sector. The NDS carries the spirit of the HFA even further, to the extent that international coordination seems to be one of the strategy's key pillars.

The 1992 UN Conference on the Environment and Development culminated with the passage of several important frameworks for international coordination, including the Rio Declaration, the Framework Convention on Climate Change, the Convention on Biological Diversity, the Statement of Principles of Forest Conservation, and Agenda 21. Unless foreign aid is provided on an internationally coordinated basis, it will conceivably be extremely difficult to attain the NDS targets of implementing national strategies for sustainable development in all countries by 2005, and ensuring that current trends in the depletion of environmental resources are effectively reversed at both the national and global levels by the year 2015.

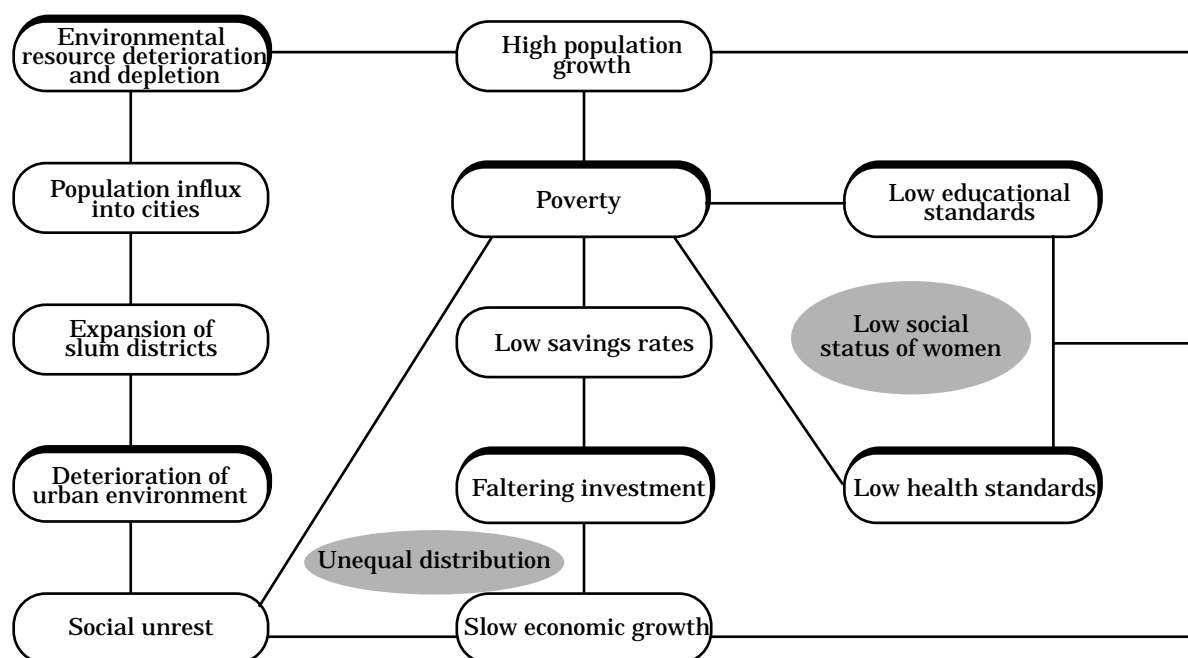
As the foregoing illustrates, the underpinnings for the NDS have been given shape by an array of international summits and conferences that sought to coordinate assistance for specific sectors. Japan has a weighty obligation to actively participate in these forums and build on its contribution to the attainment of shared goals. To put the NDS into operation, sectoral workshops and various other forms of aid coordination will likely be pursued in the years ahead. It is imperative that Japan make an active effort to assist such undertakings, and it is recommended that it strengthen its support for efforts in international aid coordination.

4.5.2 Multisectoral Approaches

Fig. 4.1 illustrates the relationships linking together problems in poverty, education, health care, and the environment. These four sectors are tightly interrelated. Improvement in any one must be sought in balance with improvements in the others; otherwise, the long-term sustainability of improvements initially achieved will not be guaranteed. As can be seen, efforts to remedy the unbalanced distribution of income and lift the social status of women are mutually indispensable.

Progress in the *education* field contributes to the achievement of targets in the other three. It provides the poor with opportunities for a better standard of living by improving their ability to learn from others (contributing to the alleviation of poverty). In addition, it has the potential to curb rapid population growth by helping parents make better-informed decisions about whether or when to have children, and also contributes to improved health through better nutrition and disease prevention (improved family planning and standards of health). Finally, it contributes to an improved awareness of the fact that emphasis on short-term material security leads to environmental degradation over the longer term (i.e., it encourages environmental conservation).

Figure 4.1 Relationships Linking Problems in Four Aid Fields



Note: The diagram above is generalized illustration of the relationships the four sectors of concern have to poverty. The manifestations and causes of poverty naturally vary by country, region, and population. Furthermore, urban and rural areas significantly in terms of the factors that contribute to the depletion and degradation of their environmental resources. The diagram here is designed to provide a comprehensive overview of the relationships tying these phenomena together.

Advances in *health care* sustain and improve conditions for good health, a fundamental condition for human existence. Better health improves the ability of individuals to study and work, and thus contributes to poverty alleviation and heightened educational standards.

A sound *environment* provides a foundation for sustained human life over the medium and longer term. Conversely, environmental degradation can be harmful to human health and undermine standards of health. In that sense, environmental conditions have a major influence on poverty and health and are capable of contributing to the achievement of targets in both those fields.

Poverty, if neglected, robs the poor of opportunities for education (thus lowering educational standards) and damages their nutrition and access to health care services, in turn causing impairments in health and ability (low health standards). Furthermore, uncontrolled resource exploitation in impoverished areas can heighten the risk of accelerating trends in environmental deterioration (environmental devastation). In effect, poverty impedes the achievement of targets in the other three fields.

Findings from various sectoral studies provide the following overview of the multisectoral approach. First of all, in poverty alleviation, it seems advisable to emphasize a balance between economic growth and social development, do away with the exclusionary “either-or” assumption that one must choose between growth or the distribution of wealth, and pursue a balanced mix of mutually complementary projects in economic infrastructure,

specifically targeting the poor. This is one of the perspectives shaping multisectoral approaches to poverty alleviation.

- (1) In implementing and running economic infrastructure projects, attention should be devoted to the task of minimizing the negative impact on, and ensuring direct benefits to, the poor.
- (2) Incorporating the NDS as an underpinning of Japanese ODA policy will demand that negotiations be pursued from the policy dialogue stage on the issue of allocating assistance for economic stimulus on the one hand and poverty alleviation on the other. Projects that can be expected to achieve both these goals in tandem should be explored.
- (3) In social development, which is aimed chiefly at alleviating poverty, Japan should begin its involvement in those areas where it is best specialized, build on its experience, and strive for improved efficiency in the implementation of poverty alleviation projects. In those areas where it lacks expertise, Japan will need to build on its experience and strive to furnish aid of broader scope while actively harnessing frameworks for international coordination with other donors.

Education assistance should be incorporated properly in comprehensive development plans. The actual education-related needs of local citizens should be identified on the basis of an interdisciplinary approach, and reflected in the formulation of tangible projects. Several implications for the multisectoral approach are described below.

- (1) Efforts to boost the primary school enrollment rate are heavily influenced by factors outside the school environment. It is essential that gender inequalities in education be removed through actions on several fronts, paying attention to the historical, cultural, social, and religious dimensions. Because multisectoral approaches addressing the external factors will be essential to meeting DAC goals, Japan must search for effective ways to foster such approaches.
- (2) Japan's assistance in this field has been purely focused on education, with weak connections to goals in other fields. Japan needs to strengthen the links with other aid fields; it is desired that it begin by reinforcing the links with regional comprehensive development plans.
- (3) Japan's assistance should actively strive to encourage community participation and improve the social status of women. To do so, Japan should aim for qualitative enhancements in education services and reinforce the emphasis on expertise support, e.g., by helping to revise school curriculums.

In the health care field, fostering advances in maternal health care amount to the single most important challenge. As such, assistance has an especially important role to play in boosting the health of women and improving health care services. Improvements in these areas will demand a paradigm shift in social awareness nurtured by progress in primary education and health education. Over the longer term, efforts to improve the status of women in society and in the home will be essential. This is one of the key perspectives shaping multisectoral approaches in the health care field.

- (1) Health conditions for women have a crucial bearing on any effort to lower the IMR and the MMR. Promoting the health of women will demand steps to improve reproductive health services, foster a stronger awareness of women's health issues through health education, and a sweeping change in social perspectives toward women.
- (2) It will also be important to develop a broad understanding of societal needs in general, and on that basis strive for improvements in health care services. In view of its benefits to the population at large and its cost-effectiveness, PHC should receive higher priority than treatment-oriented medicine. New undertakings designed to achieve the HFA goals should be based on a review of past failures.
- (3) Some developing countries have been unable to effectively utilize the health care infrastructure provided through assistance, or to operate their health care systems on a self-sustained basis. These and similar problems are often tightly interrelated with fiscal policy. Action should be taken to encourage such countries to assume a stronger ownership role and explore potential improvements in terms of national policy.

Rather than dealing with any specific resource, environment assistance should address entire regions and all their resources as one inseparable unit. This is one of the perspectives guiding multisectoral approaches to environmental assistance.

- (1) Achieving the environmental goals of the NDS will demand a comprehensive approach that incorporates a stronger "community" focus and considerations for multisectoral complementarity, the utilization of land and water resources, and external diseconomies of scale.
- (2) Solving environmental problems will demand strong incentives. Therefore, various measures should be enlisted to foster market-driven activities backed by international aid coordination.

Japan is an established donor of aid in the education, health care, and environmental fields. It has amassed substantial experience and has put into place an effective aid delivery system. That is not to say, however, that its contributions have been focused in primary education, PHC, or living environments for the poor. The truth is that a significant share of Japan's education assistance has been funneled into programs of secondary education and vocational training. Also, health care assistance has been heavily weighted toward the provision of sophisticated care at university hospitals or major medical centers, while environmental assistance has been invested primarily in projects for sewerage and water resource management. This reality suggests Japan needs to refocus assistance in these three fields into subsectors that can be expected to help directly improve life for the poor. To effectively assist such subsectors, though, Japan will also face the necessity of modifying its existing aid systems. Ultimately, it will be compelled to establish delivery systems that allow it to manage assistance in multiple sectors as interrelated undertakings under one uniform banner: namely, poverty alleviation.

Many problems must be solved in developing recipient countries if the multisectoral approach is to work effectively. For example, countries accustomed to centralized economic control and thus lacking an adequate framework for local government are not prepared to

rearrange their administrative apparatus along sectoral lines and immediately pursue the multisectoral approach. The many unknowns stemming from such conditions will raise questions about the viability of a multisectoral approach involving administrative agencies, communities, local citizens, NGOs, and other stakeholders. Institutional reform and human resources development will be the principal challenge confronting the multisectoral approach in many developing countries.

As the above overview suggests, putting the multisectoral approach into practice will demand many improvements to Japan's own assistance systems as well as to developing country frameworks for the acceptance and utilization of assistance. To that end, Japan will find it necessary to pursue several preparatory measures, as follows:

- (1) In keeping with an established country-specific approach, accurately identify recipient country needs and develop the capacity to envision suitable combinations of sectors for the provision of assistance.
- (2) Lay the groundwork for the application of comprehensive approaches essential to the multisectoral approach, and widen the scope of participation in programs aimed at putting the NDS into effect.
- (3) Strengthen frameworks for international coordination and offset shortages of knowledge, experience, and human resources required for pursuit of multisectoral approaches.

4.5.3 The Comprehensive Approach

The comprehensive approach is intended to mobilize a variety of aid resources for the purpose of achieving goals of the NDS. In particular, it seeks to actively harness the knowledge, experience, human resources, and financial power commanded not only by public aid institutions, but also by local citizens, NGOs and other nonprofit organizations, and companies and other organizations in the private sector. Efforts to alleviate poverty will take shape on a variety of fronts and involve many different stakeholders working closely with local citizens. It is assumed that the multisectoral approach to poverty alleviation will naturally incorporate the comprehensive approach to implementation.

The sectoral studies have already shown the value of the comprehensive approach. The comprehensive approach shares several features in common with the cross-sectoral or the multisectoral approach. For one, to accurately identify aid-related needs and ensure that aid projects are more effectively implemented, it calls for participation by a broader range of players in the recipient country. Secondly, in the interest of offsetting shortages of Japanese aid personnel, it calls for efforts to recruit from a broader cross-section of the aid community, including NGOs.

Poverty

- (1) Seek the participation of, and stronger collaboration with, developing-country NGOs and local people in poverty alleviation projects.
- (2) To compensate for its relative inexperience with projects that target the poor, Japan should set up a poverty alleviation project networking Study Committee and strive to cultivate a broad pool of qualified personnel.

Education

- (1) Set up new channels and frameworks for collaboration with local universities and NGOs well-versed in local needs, and encourage broader participation by such organizations.
- (2) Establish broader channels for the recruitment and cultivation of essential personnel, including those outside the education field.

Health Care

- (1) Bear in mind that comprehensive approaches and collaboration with local citizens, communities, and health workers form the foundations of effective PHC.
- (2) Gather essential resources for the establishment of self-reliant health care systems powered by the development of appropriate technologies.

The Environment

- (1) In the interest of heightening the effectiveness of aid, form networks with research institutions, universities, professional societies, and experienced local governments and NGOs.
- (2) Strive to cultivate a broader base of aid personnel resources by codifying Japanese experiences in assistance.

Though the sectoral studies did not specifically stress this point, from the perspective of fostering economic growth through participation in the globalization process and striving to boost opportunities for employment, emphasis also should be placed on the comprehensive approach led by the private sector. Corporate activity backed by trade and foreign direct investment can contribute to economic growth in the developing world, and can expand job opportunities in the process. On the other hand, exploitative trade practices and environmentally shortsighted manufacturing activities can be constraints to sustainable economic growth. Also, though technology transfers conducted through private corporations can contribute to productivity gains, the recipient country is still exposed to the danger of brain drain, i.e., an exodus of the personnel who mastered the new technology in question. Bearing these two sides to corporate involvement in mind, it will conceivably be necessary to search for approaches within the context of the NDS that allow private corporations to actively contribute to technological advances in the developing world.

Under its title, "Participatory Development," the *Report of the Council on ODA Reforms for the 21st Century*⁽²⁷⁾ proposes stronger collaboration in ODA affairs by a wide variety of players, including NGOs, universities, think tanks, consultants, local governments, and private corporations. That proposal is consistent with the ideals underpinning the NDS. Pursuing that goal, however, will demand a stronger set of incentives that encourage private and nonprofit organizations to become more actively involved in the aid process. The public sector will be expected to effectively integrate such incentives into its ODA programs, thereby engineering mechanisms for comprehensive contributions to poverty alleviation in the developing countries. Attention should be addressed, however, to the

⁽²⁷⁾ The final report released in January 1998 by the Council on ODA Reforms for the 21st Century, a consultative group set up in April 1997 by the Ministry of Foreign Affairs and assigned the mission of discussing and debating the future role of ODA and the need for sweeping reforms.

question of whether the abilities of multiple participants can be effectively and fully harnessed for the purpose of providing assistance suited to the satisfaction of developing country needs. Though NGOs, private companies, and other participants in the aid process will be expected to act on their own initiative, mutual understanding and efforts in information-sharing will conceivably be instrumental in helping them live up to that role. It is crucial that their activities fully complement ODA projects and thereby contribute to the achievement of aid objectives.

5. Country Studies

The Study Committee examined approaches to the implementation of the NDS in three developing countries: Zimbabwe, Ghana, and Cambodia. This section presents the general findings of each country investigation in three parts: the key issues, targets of the NDS, and recommendations. Working from that foundation, we then explore the frameworks for Japanese ODA.

5.1 Zimbabwe

5.1.1 Issues for Zimbabwe

Prolonged stagnation has been the biggest single problem plaguing the Zimbabwean economy. Aside from a brisk expansion phase stretching from the late 1960s into the first half of the 1970s, and another short three-year burst (1979-1981) around independence, economic growth in Zimbabwe has consistently been unable to keep pace with growth in the population. In terms of the developmental stage of its manufacturing sector, Zimbabwe ranks as one of Africa's leading industrial countries, after South Africa and Mauritius. As a newly industrializing country, it has the infrastructure to produce a wide range of goods. For an African country, Zimbabwe has been endowed with a relatively attractive set of economic conditions; protracted economic stagnation is the prime reason for the decline in per-capita national income, which now compares with that of many low-income countries. This was the economic backdrop that compelled Zimbabwe to embark on a program of structural adjustments in the early 1990s. Unless the situation improves, the country can expect to witness an uninterrupted downtrend in per capita national income. First and foremost, it must act to remove the bottlenecks to growth and place its economy onto a renewed, firm expansion course. This is by far the most pressing challenge the country now faces.

Zimbabwe was one of the countries slowest to adopt a structural adjustment program. The free market principles underpinning that program were entirely new and unfamiliar turf for the country's government. In fact, the country has clung firmly to a centralized economic system dating all the way back to the days of white minority rule prior to the 1980s. Socialist ideology has been a strong influence on the administrations that have governed the country since then. Within that light, the framework for reform that was announced in 1991 counted as something of a turning point in the country's economic history. This event overturned the core philosophy of public sector expansion and economic intervention that had predominated to that point, injected fresh momentum into the private sector with steps in market liberalization and reform, and set the stage for transition to a system designed to boost public welfare through economic expansion.

Though the level of ODA flowing into Zimbabwe rose steadily in the 1990s, that trend was an outcome of structural adjustment-related arrangements that the Zimbabwean government had worked out with multilateral lending institutions. In view of Zimbabwe's economic record to date, the international community made the right choice in lending support to the country's efforts in structural adjustment — a process that only recently got under way. For the present, assisting Zimbabwe with its structural adjustment drive will conceivably remain the key priority of development assistance.

It will be critically important, however, to clarify the relationship that this priority has to the NDS adopted in 1996, and, within the context of that strategy, to achieve a consensus of understanding for the country-specific approach taken toward Zimbabwe. The reason is as follows: provided there is a clearly defined long-range role for development and development assistance over the next 20 years, naturally the transitional process of structural adjustment will be incorporated into that role, thus enabling Zimbabwe to pursue structural reforms that offer it a way out of its current impasse.

In theory, structural adjustment programs comprise a set of policies and actions designed to boost administrative efficiency by overhauling the bloated and gridlocked public sector apparatus, thus reviving the true forces of development and growth and allowing them to take root and thrive within a market-driven system. The NDS underlines the importance of growth oriented-partnerships backed by a robust private sector, local ownership, and citizen participation. If the targets of that strategy are to be achieved in Zimbabwe, it will be absolutely essential to have the bottlenecks to growth cleared away by a robust private sector and to significantly expand the scale of GDP. Both of those goals are entirely consistent with the fundamentals of the NDS. In fact, a better understanding of the NDS itself could be expected to add clarity to the objectives of the structural adjustment process.

5.1.2 DAC Goals

(1) Goals as Economic Well-being

-- A reduction by one-half in the proportion of people living in extreme poverty by 2015.

In 1995, the Total Consumption Poverty Line (TCPL) in Zimbabwe measured US\$240, a level even lower than the World Bank's established boundary for absolute poverty (US\$270). Yet even by the lower TCPL criterion, as much as 62% of the country's population is poor. Aiming for the DAC target would mean bringing this down to a level of 31% or less by the year 2015.

Per capita GNP measured US\$540 in 1995; also, the level of economic inequality in Zimbabwe is higher than average for most low-income countries (it had a Gini coefficient of 52.8 in 1990). As mentioned above, the majority of the population lives below the poverty line, which indicates that social programs of income redistribution would be ineffective in alleviating poverty. Conceivably the most effective measure would be to achieve sustained economic growth that is in the public's interest, thereby expanding the overall scale of the economy itself. Given that the poor and other socially disadvantaged groups often bear an inordinately heavy share of the costs associated with the structural adjustment process, Zimbabwe must move to build effective social safety nets, for instance, by launching action programs in poverty reduction. Income growth, however, should be the prime goal of development policy from beginning to end. It is imperative that the country move forward with the structural adjustment process and promote industrialization. In terms of strategy to reduce poverty, creating a more attractive market climate for domestic and foreign capital and small business must be understood as the bottom line.

Small farm households in rural communities account for 67% of Zimbabwe's poor population. Unless action is taken to dramatically boost their income, Zimbabwe will not achieve the DAC goal of halving the proportion of its population that is poor. Conditions for farm cultivation in many rural districts are already undesirable. On top of that, much of the

farmland in cultivation has been strained to the limit, with reduced soil fertility and weak resilience to drought. To address these problems, Zimbabwe should diversify its crop production and end its overdependence on maize, breed new strains of maize that are more resistant to dry conditions, and develop and improve irrigation infrastructure in rural communities.

Additionally, new steps should be taken to remedy the inequalities in land ownership that have persisted since the days of white minority rule. Less than 5% of the arable land controlled by large plantations is currently in cultivation; as this reality illustrates, Zimbabwe has yet to tap one of its most precious natural resources: its vast acreage in arable land. Putting that land into productive cultivation will be essential to the goal of cutting poverty in half. The Commission of Inquiry into Appropriate Agricultural Land Tenure Systems has already issued a highly welcome and workable proposal for land reform. That proposal calls for the introduction of a progressive land tax that would encourage large landowners to split up their holdings and put much of the idle farmland back onto the open market. In effect, the objective is to foster the formation of a market for agricultural land, in the process making it easier to liquidate plantation holdings. As such, the proposal has earned the endorsement of the Commercial Farmers' Union (CFU), and has been accorded high marks by the World Bank.

(2) Goals as Social Development

Education: Make primary education universal in all countries by 2015.

Demonstrate progress toward gender equality and the empowerment of women by eliminating gender disparities in primary and secondary education by 2005.

Following independence, Zimbabwe year after year continued allocating 15% of its total budget — roughly 8–9% of GDP — for education-related outlays. The number of schools and teachers alike multiplied at an astonishing pace, and primary school attendance reached 100% in gross terms, and even above 80% on a net basis. However, the budget priority assigned to education eventually began to burden the economy as a whole and function as a bottleneck to economic growth. By the year 2000, the Zimbabwean government aims to achieve a net primary school attendance rate of 100% and narrow the gender disparity in school attendance to 1%.

Health Care: Reduce the mortality rate for infants and children under age 5 in the developing world by two-thirds the 1990 level by 2015.

: Reduce the maternal mortality rate by three-fourth the 1990 level by 2015.

: Ensure access through the primary health care system to reproductive health services for all individuals of appropriate ages as soon as possible, and no later than the year 2015.

In 1990, Zimbabwe had an infant mortality rate of 87 per 1000 and a maternal mortality rate of 283 per 100,000 (according to a 1994 demographic and health survey; statistical data vary significantly depending on the indicator measured). The government has set target infant and maternal mortality rates of 58 and 200, respectively, by the year 2000. In the eyes of some, however, Zimbabwe will not be able to attain those targets for several reasons. In particular, HIV infections and AIDS have become a serious problem in the country, and by some estimates, 75% of all infant deaths in the next century will be AIDS-related. Over 20% of the entire population is already infected with HIV. In cumulative terms, as many as

1.9 million Zimbabweans are expected to die from AIDS by the year 2005. The country has put various AIDS prevention programs into effect with backing from WHO, UNICEF, USAID, SIDA, and DANIDA.

(3) Environmental Regeneration and Sustainability

-- Implement national strategies for sustainable development in all countries by 2005, to ensure that current trends in the depletion of environmental resources are effectively reversed by the year 2015.

Zimbabwe faces an array of environmental problems ranging from overlogging and topsoil erosion to pollution from farm chemicals, mining runoff, and industrial waste. Rural communities have borne the brunt of these problems. Topsoil erosion in particular has spawned a vicious cycle by undermining farm productivity, which in turn aggravates conditions of poverty for small-scale farming households. The chief cause of topsoil erosion itself is overlogging, a practice attributable largely to local citizens who do not have access to alternative forms of fuel. Deforestation and the contamination of water resources by chemical fertilizer, moreover, have contributed to an increasingly serious shortage of safe drinking water. The main victims of environmental degradation, though, are the citizens living in rural communities. That reality indicates that environmental programs will need to be tightly interwoven into the fabric of rural life and pursued with active citizen participation.

5.1.3 Frameworks for Japan's Assistance for Zimbabwe

5.1.3.1 Basic Perspectives

The NDS appears to have been guided by a humanistic perspective on development. In particular, it presents the view that no matter how strong the pace of economic growth, progress in the developmental arena will not be forthcoming unless the indicators of development are revised: for instance, through the proposal of a unified set of alternatives to the conventional economic growth rate. Every form of development assistance, including purely economic support, will be considered justifiable only if it aids the task of redefining the indicators of developmental progress. That is why aid should contribute equally to the interests of national development and public welfare.

It is recommended that the following viewpoints guide Japan in its quest to help Zimbabwe attain the goals of the NDS.

- *Maintenance and expansion of various social policies*

Various programs are already under way in Zimbabwe, including the Poverty Alleviation Action Plan and the District Environmental Action Programme as well as the National Programme of Action for Children and the National Health Strategy Programme. Assistance for these programs should be given priority; in addition, Japan would be advised to explore the utilization of nonproject grants in tandem with assistance for the structural adjustment process. Such assistance will be immensely valuable in providing social safety nets to protect the poor and other disadvantaged groups.

- *Support for economic growth*

Zimbabwe is now financially strained and seriously dependent on injections of ODA. Efforts to strengthen the national economy itself will be essential if the country is to break

out of this situation and improve its chances for long-term, self-sustained growth. To that end, projects in economic infrastructure and in productive sectors that contribute directly to gains in national income will be vital. Japan should place priority on assistance for such projects.

- Support for structural adjustment

Despite its enormous potential, Zimbabwe has been set back for quite some time by stalled economic conditions, for which its bloated and inefficient public sector is largely to blame. The structural adjustment process is aimed at relieving the country of this bottleneck to growth. Many Zimbabwean corporations are quite advanced. Also, the democratization of South Africa has contributed significantly to the economic vitality of the southern African region as a whole. These facts testify to the potential for economic growth led by the private sector. Aid to the private business community will be an important element of the framework for broad-based partnerships.

- Support for sustainable development

Environmental depletion and deterioration in the form of deforestation, soil erosion, and water resource contamination have become bottlenecks to gains in income for the black farming households that account for the vast majority of Zimbabwe's poor. They also form barriers to the development of tourism, a sector that witnessed rapid growth in the wake of South Africa's democratization. Assistance for projects in environmental regeneration and resource conservation deserves priority.

5.1.3.2 Priority Areas

- Rural development

The standard of public welfare in Zimbabwe is essentially determined by the 70% of the population that resides in rural areas, and particularly black households in communal districts. Rural development that is focused not in agriculture as a productive sector, but in small farming villages as concentrations of poverty, will be a challenge demanding top priority. To that end, efforts in the following four areas will deserve emphasis:

- i. The development of irrigation infrastructure (with attention to environmental impact assessments) that targets small black farming households that otherwise have to rely on irregular rainfall
- ii. Technical assistance focused in transferring agricultural technologies to black farming households and developing drought-resistant grain crop strains
- iii. Concessional loans to small farmers
- iv. Enhancements in road networks, storage silo facilities, and other elements of farm infrastructure, thus contributing to the improved distribution of farm produce

- Cultivation of new industries

Providing stimulus to the private business sector would conceivably create more job opportunities for the poor and contribute to an improving trend in national finances. Given this perspective, priority should be placed on the following:

- i. Occupational training programs that improve the ability of individuals to earn enough income to support themselves financially

- ii. The cultivation of small business enterprise, particularly through support for the startup and success of new ventures by black entrepreneurs acting on fresh business opportunities
- iii. The creation of export processing zones that capitalize on Zimbabwe's strategic position adjacent to South Africa, and as an important hub within the regional and international transportation web
- iv. Development of the industrial base and other elements of economic infrastructure

• Social sector development

Zimbabwe has policy frameworks in place for the fields assigned priority by the NDS. It is recommended that the emphasis of assistance be oriented toward programs in these areas, and guided by the following three priorities:

- i. Support for education-related programs, such as those focused on improving school attendance and educational quality
- ii. In addition to conventional forms of assistance Japan has provided, support for undertakings in reproductive health, primary health care, and other public health programs, as well as support for efforts to compile essential statistics and develop a better understanding of current conditions and trends
- iii. Support through international aid coordination frameworks for Zimbabwe's HIV/AIDS countermeasures organization (the NACP) and AIDS prevention programs

• Environmental conservation

In striving to achieve sustainable economic growth, Zimbabwe cannot afford to neglect the environment. The following three areas deserve priority:

- i. The supply of energy substitutes for firewood (logging of forests for firewood factors strongly behind the trends in deforestation and declining topsoil fertility.)
- ii. The establishment of a national environmental conservation strategy
- iii. Support for rural development and other forms of development based on a multi-sectoral approach that devotes adequate attention to the country's environmental resources

• Other priority areas

In view of the fact that NGOs have been instrumental in promoting public welfare in Zimbabwe, Japan should enlarge the assistance that it provides for NGO-led activities.

5.1.3.3 Challenges and Considerations

• Respect for Zimbabwe's ownership: Vision 2020

The long-term program, Vision 2020, sets various development targets for achievement by the year 2020, and as such, seems consistent with the NDS. It would be possible to adopt a more selective approach toward Zimbabwe in terms of the NDS if donors pledged support for Vision 2020 and Zimbabwe pledged to honor the objectives of the NDS in return.

• Broader partnerships that include NGOs

Japan should open the door wider to partnerships with local NGOs that have taken the initiative as organized expressions of the commitment to responsible ownership. Fur-

thermore, it should strive to strengthen the ties between partnerships and ownership by broadening the opportunities for contact between Japanese assistance personnel and the Zimbabwean people.

- Comprehensive approaches that offer economic stimulus

As a region of growing business opportunity, southern Africa is now in the process of developing a more attractive climate for investment. Comprehensive measures of assistance to the private business sector should be studied while gathering domestic and foreign data on Zimbabwean economic affairs.

- Frameworks for the coordination and evaluation of assistance

Zimbabwe's government has been hesitant about international efforts in aid coordination that involve the World Bank's Consultative Group. Still, aid coordination will be essential if the NDS is to be put into effect on a cooperative basis. Also, in terms of the emphasis on achievement, it will be necessary to set up a forum of some kind for aid coordination if projects are to be suitably evaluated.

- Policy dialogue

Effective economic stimulus has become a pressing challenge for Zimbabwe. Even so, it would appear to have veered far off course in terms of trying to achieve that stimulus through globalization. For example, the government administration currently in power has announced certain policies and initiatives on land rights and localization that essentially run counter to the goal of economic liberalization, and that have become a source of new international tensions. It will be necessary to seek solutions to this situation through closer, sustained policy dialogues.

- Consideration for good governance

Living conditions for the average Zimbabwean have steadily deteriorated. As a consequence, the public has become increasingly discontent with the current government. The voting rate has dropped, and antigovernment demonstrations have grown widespread. Although the absence of a strong opposition party suggests little is likely to change on the political front anytime soon, it would probably be wise to begin speculating about the post-Mugabe era. In addition, care should be taken not to allow the NDS to be discussed as a vehicle of financial support for the Mugabe government's social policies and programs.

5.2 Ghana

5.2.1 Issues for Ghana

During a period of military rule stretching from 1983 to 1992, Ghana implemented a model program of structural adjustments under World Bank supervision. In 1992, the country took steps to end military rule and become a parliamentary democracy, and held free and fair parliamentary elections in 1996. Compared to other African countries, Ghana has demonstrated impressive inroads in the structural adjustment arena. Nonetheless, its economy has been languishing in a phase of slow growth for some years now. Following is a summary of the problems facing the country.

- *A heavy dependence on agriculture with economic gaps between the northern and southern regions*

Ghana is a classic example of a monoculture-based economy. Its principle export products are cocoa and timber. Significant disparities set the resource-abundant south apart from the resource-poor north. The country is heavily dependent on agriculture, a sector that accounts for 48% of GDP and employs 48% of the national labor force. However, most farming operations are small in scale; annual crop yields are strongly influenced by weather patterns and the amount of rainfall, and as such, are subject to broad ups and downs. The manufacturing sector accounts for only 10% of GDP; in this sector, too, the disparities between the northern and southern regions of the country stand out. In effect, the north has been marginalized.

- *Intensifying rural poverty*

In 1970, 6.12 million Ghanaians lived in rural areas; by 1990, the rural population had climbed above 10 million, and by some estimates, it is destined to reach 14.82 million by the year 2010. Rural Ghana has been burdened by an increasingly serious problem in the meantime: explosive growth in the number of small and landless farming households, coupled with spreading conditions of absolute poverty among small farming households that find it difficult to raise even enough produce for their own subsistence. Attention must be devoted to poverty in the northern savanna zone in particular.

- *Poverty countermeasures*

To alleviate poverty, the Ghanaian government has adopted several policy goals: stronger economic growth, heightened employment driven by the implementation of large infrastructure projects, and macroeconomic stabilization. In particular, it has placed emphasis on a program of comprehensive rural development that is designed to address rural poverty, improve the management of small farm ventures, and create more job opportunities by putting more arable land into cultivation. It should be noted, though, that the entire program seems to be conditioned on unrealistically high levels of economic growth.

- *Vision 2020*

The Ghanaian government has issued *Vision 2020: Long-Term Development Objectives* a “people-centered” development program that focuses priority on five key sectors: human development, economic growth, rural development, urban development, and enabling environment. Though the program is a clear expression of the government’s commitment to developmental ownership, it suffers from various drawbacks, including an overabundance of component initiatives and an absence of definite numerical targets for achievement.

- *A heavy dependence on foreign aid*

Ghana’s foreign debt has ballooned over the past 15 years; in 1995, it was equivalent to 95% the scale of GNP, and 3.67 times as large as the value of the country’s exports. Outstanding obligations to multilateral institutions accounted for 51% of Ghana’s entire foreign debt that year (compared to an average of 15% for Africa as a whole). As these figures illustrate, Ghana is extremely dependent on foreign aid.

5.2.2 DAC Goals

(1) Goals as Economic Well-being

About one-third of the entire Ghanaian population lives below the poverty line, with 75% of the poor living in rural areas. Poverty is most pronounced among small farming households that raise food crops; 39% of those households are poor. Farming households that raise cash crops for export count as the second-largest group, with 37% living in poverty. Self-employed nonfarm households are the third-largest, at 25%. Although Vision 2020 declares poverty reduction as one of its goals, it does not set any explicit numerical targets for that purpose.

Ghana's growing rural population has been striving to expand farmland by logging forested areas and by using cattle-grazing grassland areas as land for crop cultivation. However, despite the natural limits of these approaches, the number of small and landless farming households has been climbing sharply. In the northern savanna zone, poor environmental conditions have made cash crop cultivation extremely difficult. Most farming households for that reason have long relied on food crop cultivation for subsistence purposes. The expansion in the number of farming households, however, has exacerbated the scarcity of cultivable farmland; as a result, many farmers in the north have become migrant laborers for cocoa plantations or gold mining operations in the south. Rural poverty in the north has also been aggravated by increasingly severe drought conditions for some time now. This, too, has prompted more and more farmers in the northern savanna zone to seek income as migrant laborers in the south.

Regional conflicts are another factor that has to be taken into full consideration when exploring the issue of poverty in Ghana. The north and south differ not only in terms of their natural vegetation, but also in terms of ethnic culture. Religious differences set apart Muslims from Christians and historical differences in terms of awareness and political outlook have long divided the center (the south) from the periphery (the north). Putting poverty alleviation programs into effect demands that attention be devoted to an array of related political, economic, religious, and cultural factors.

The World Bank's poverty reduction program for Ghana comprises five key components, one of which emphasizes the northern savanna. In particular, it notes that the northern savanna is the country's most impoverished zone, and declares that efforts will be made to directly assist the poorest citizens and other socially vulnerable groups, primarily through steps to improve access to education and primary health care services, enlarge investments in rural infrastructure, and increase financial assistance to existing investor groups.

(2) Goals as Social Development

Primary Education

Between 1980 and 1993, primary school attendance in Ghana dropped from 89% to 83% for boys, and from 71% to 70% for girls. Secondary school attendance during the same period fell from 51% to 44% for boys and from 31% to 28% for girls. The secondary school dropout rate has become quite serious, particularly among girls. Interestingly, the number of schools increased in the meantime. This paradoxical phenomenon of "more schools, less attendance" deserves closer attention, and seems to be attributable to a variety of causal

factors, including failure to build enough secondary schools to keep pace with the growing student population; the dwindling ability of poor households to shoulder the cost of education for their children; heightened pressure on children to quit school and engage in wage labor; and weakened government incentive to expand budget outlays for education.

Aside from the quantitative declines in attendance, Ghana has also experienced a serious decline in educational quality. According to an education-related sampling survey conducted nationwide in the 1993/94 fiscal year, only 3.3% of all students passed their English examinations (13.2% in the capital city, Accra). Furthermore, only 1.5% passed their mathematics examinations (boys and girls in urban areas: 3.2% and 2.5%, respectively; and in rural areas, 0.9% and 0.6%, respectively), an extremely low share. These qualitative setbacks are attributable to several factors, including insufficient education outlays per student, extremely inadequate school facilities, a scarcity of qualified teachers, low levels of teacher training, and poor teacher morale.

In 1987, the Ghanaian government allocated essential budget resources for, and implemented, a program of educational reform that sought to achieve a school attendance rate higher than the population growth rate and improve educational quality by bringing school curricula in line with social and economic expectations. In 1992, it enacted a program of Free Compulsory Universal Basic Education (FCUBE), and announced that that program would be based on three underpinnings: namely, improved educational access and participation, improved quality of education, and strengthened education management. Elements of the FCUBE program have also been integrated into Vision 2020, and the country has plans to pursue FCUBE goals on a continuing basis. The principles behind the FCUBE program are consistent with the NDS; hopes are that Ghana will therefore assume a stronger ownership role in the development of its educational sector.

Stronger ties between schools and their communities will be crucial to the effective implementation of the FCUBE program. Curricula and extracurricular programs for each school should adequately reflect the attributes and needs of the local community. Consideration should be devoted to the introduction of curricula that incorporate cleanup and grass-cutting activities for school grounds and their surroundings, simple school repairs, school fund-raising campaigns, extracurricular vocational training programs that employ local artisans as instructors, and extracurricular classes for girls in tourism-oriented industrial arts.

Health Care

In 1990, the mortality rate for infants stood at 86 per 1,000, and for children under age five, 140 per 1,000. The former had fallen to 79 by 1994, and the latter, to 130 by 1995. Even so, UNICEF still considers Ghana a country with a high mortality rate for children under age five. Also, there are substantial gaps in the infant mortality rate between different regions of the country as well as different social classes. For example, while infant mortality measures 58 in Accra, it is over twice as high in the northern region, at 114. According to the UNDP *Human Development Report* for 1997, the maternal mortality rate in Ghana measured 740 per 100,000. That is a statistically huge deviation from the value of 214 obtained by a 1993 survey on maternal mortality. According to the latter survey, the maternal mortality rate was 98 in the Volta region (less than half the national average) and 452 in the upper west region of the country (over twice the national average). These figures point to exceptionally broad regional disparities.

The high infant mortality rate is chiefly attributable to diseases afflicting the newborn and to the quality of care at the time of childbirth. Malnutrition and its complications, e.g., anemia and exhaustion, have been driving the rate up. However, these causes are preventable. Attention should be drawn to the preventive potential offered by effective educational programs for mothers and the dissemination and utilization of health care services. Urban and rural areas differ significantly in terms of their utilization of oral rehydration therapy and the level of education provided to mothers. It seems imperative, therefore, that aid programs in the health care arena place more priority on the needs of women. Those programs should incorporate a broader-based perspective attentive to the importance of ensuring women improved nutrition and better access to economic resources and educational opportunity.

The Vision 2020 program places importance on primary health care, with attention to eight essentials: health education; food supplies and nutritional intake; safe drinking water and basic public hygiene; family planning, including maternal health care services; preventive vaccination; the prevention and treatment of local disease epidemics; proper care for common diseases and physical impairments; and the acquisition of essential drugs. Additionally, it emphasizes the importance of steps not only to reduce the infant, under-five, and maternal mortality rates, but also, to improve the access of the poor to social and economic infrastructure. In effect, Vision 2020 is consistent with the NDS objectives in the dimension of health care as well.

(3) Environmental Regeneration and Sustainability

At the beginning of this century, Ghana had 8.2 million ha of forest land. By 1989, its forests had dwindled to about one-fourth as much: 2.1 million ha. From 1965 to 1989, the country's forest disappeared at an annual pace of 0.8%. Several factors were behind that trend: the exploitation of forest resources for timber exports, shorter fallow periods for lands under slash-and-burn agriculture (chiefly a consequence of rapid population growth), increasingly frequent reliance on forest brush burning for hunting purposes, open-range cattle grazing, and logging for firewood. Overgrazing and slash-and-burn agriculture have accelerated soil erosion in the dry savanna areas, exposing as much as 35% of Ghana's land to the threat of desertification. Soil erosion has progressed at an astonishing pace near many human settlements, in some cases carving deep V-shaped gullies out of the topsoil layer.

Environmental problems have also become more intense in many urban areas. The influx of people from rural areas has spawned sharp urban population growth. Though the urban population growth rate averaged 3.2% per annum from 1965 to 1980, it averaged 4.2% over the decade ended in 1990. Consequent conditions of overcrowding and poor sanitation have significantly heightened the exposure of poor citizens in slum districts to the risk of infectious disease. City markets have long been the principal hubs of merchandising and commerce. However, because these areas are usually filled to capacity with vendors and shoppers, toilet facilities are unclean and garbage disposal is slow. These conditions are a source of putrid air and infectious disease.

Vision 2020 underscores attention to an array of environmental issues, including deforestation, desertification, soil erosion, garbage disposal, erosion in coastal areas, and pollution of the atmosphere, the seas, soil, and water. Though it is estimated that solutions to these problems will demand funding on a scale equivalent to as much as 4% of the coun-

try's GDP, the government has moved to address the issues by setting up a new Ministry of Environment, Science and Technology (MEST).

5.2.3 Frameworks for Japan's Assistance for Ghana

5.2.3.1 Basic Perspectives

The Ghanaian government's Vision 2020 program is a long-range, 25-year undertaking that will stretch from 1996 to 2020. Its priorities are human capital development, economic growth, rural development, urban development, and enabling environment. Several of these areas have also been addressed by the NDS, including the eradication of absolute poverty, enhancements to the education system, reductions in the infant, under-five, and maternal mortality rates, and the protection of ecosystems and environmental resources. In this respect, Vision 2020 appears to be strongly consistent with the principles shaping the NDS. Furthermore, the Ghanaian government has been actively involved in Sectoral Investment Programs (SIPs) under the supervision of the World Bank. SIPs comprising efforts in the fields of education, health care, and road infrastructure are already under way, and others concerned with agriculture, the environment, and poverty are being prepared for implementation. Japan has targeted Ghana as an African country of priority for assistance in the next century, and is determined to help Ghana fully satisfy the goals of the NDS.

Japan has been providing aid to Ghana for quite some time. That record and the lessons learned were summarized in a country study report that JICA released in February 1995. Though that report was published prior to the announcement of the NDS in May 1996, in terms of its basic viewpoints on assistance to Ghana, it is in accord with the NDS. The position taken by our own Study Committee, moreover, may be described as an extension of those viewpoints. The cultivation of industry with a view to self-reliant development is one core recommendation, and another is the promotion of social service enhancements and the participation of socially disadvantaged groups in the development process.

Nurturing a healthy private sector on the basis of free market principles is of paramount importance to the goal of cultivating an industrial sector capable of helping Ghana achieve self-sustained economic growth. To that end, it has been recommended that priority be assigned to the cultivation of small-scale farming ventures and small nonfarm business enterprises, and that urgent action be taken in the arenas of human capital development and economic infrastructure to establish a climate conducive to productive private sector business activity.

Social development, the development of human capital, and health care are three areas described as essential to the promotion of social service enhancements and the participation of socially disadvantaged groups in the development process. The JICA report makes a number of recommendations in these areas. Relating to social development, it states that assistance should be provided to specifically targeted groups after the domestic disparities have been clearly identified. Additionally, priority should be assigned to improved social services and market access. In the arena of human resources development, it urges that action be taken to improve primary education, sustain efforts in educational reform, and devolve more administrative power to the local government level. On health care, priority has been assigned to infrastructure projects aimed at improving primary health care and public hygiene in rural areas. A variety of strategies was also emphasized

for the solution of population-related pressures: e.g., improved maternal health care and family planning, the prevention of infectious diseases (notably AIDS), and better nutrition for the poor, women, and children.

5.2.3.2 Priority Areas

- *Macroeconomic development planning*

Japan should provide support on several fronts for the development of a market economy. In addition to the assistance it has furnished so far to help Ghana pay off its foreign debt, Japan should also assist in the formulation of policies for the promotion of small business enterprises, financial system reform, improved central and local government capacity to plan and implement development projects, the formulation of development projects aimed at remedying regional disparities, the promotion of stronger dialogue with attention to the development records and experiences of Japan and other East Asian countries, and the creation of a more attractive business climate through revisions to the commercial code. In taking these steps, it would be advisable to devote consideration to the possibility of working together with local personnel who are familiar with Japanese ODA policies and programs.

- *The agriculture, forestry, and fishery sectors*

Long-term assistance should focus on the formulation of agricultural policy and enhancements in Ghana's ability to conduct agricultural research and development. Over the short and medium term, Japan should assist in undertakings designed to augment the assistance available to farming households. Such undertakings include projects for irrigation infrastructure development, the expansion and modernization of infrastructure for farm, forestry, and marine product storage, processing, and distribution, the export of non-traditional crops, the dissemination of improved crop strains, and technical assistance for the utilization of productive factor inputs. In the process, priority should be placed on comprehensive programs of agricultural research for the impoverished northern savanna zone, and on forms of assistance capable of easing the burden of labor on rural women.

- *Infrastructure*

Ghana should be given more assistance to restore and upgrade its rural and urban road networks and bridges; in particular, it needs help building rural highways and access road networks in the savanna zone that will stay open to traffic on a year-round basis. Projects to develop and maintain Ghana's national highway system will also be vital, given that many of its key roads now serve as international transportation links into landlocked countries nearby. In terms of helping alleviate poverty, it will also be important to provide assistance for the development and expansion of city markets that serve as thriving hubs of commercial distribution, sources of employment, and seedbeds of entrepreneurial vitality.

- *Manufacturing*

In the interest of expanding opportunities for employment outside the farm sector, stress should be placed on efforts to establish organic links between the manufacturing and farm, fishery, and forestry industries, and assist in the storage and processing of farm and fishery products as well as the manufacture and distribution of wood products. Traditional handicrafts and manufacturing operations in the informal sector also deserve assistance.

- Education

Projects for the construction of primary and secondary school buildings should be driven by a consideration for local materials sourcing and citizen participation. Also, to foster the spread of primary education in rural districts, more assistance should be provided for the construction of teacher dormitory facilities. To help develop a large pool of qualified teachers, Japan should expand the provision of technical assistance and essential materials and equipment for teacher training purposes. It will be critically important to put the NDS into effect while fully bearing in mind the regional differences in educational opportunity.

- Health care

Assistance in the health care field should be concentrated in the following four priority areas:

- i. Primary health care with a focus on the provision of maternal health care and family planning services
- ii. Infectious disease (particularly AIDS) surveys and the development of frameworks for medical examinations
- iii. Campaigns for improved maternal health care and nutrition in the northern zones
- iv. Collaboration in research with health care administration

- Environmental issues

Assistance in the environmental field should be concentrated in five priority areas:

- i. Forest preservation and measures against desertification
- ii. The promotion of social forestry programs for the supply of firewood and the sustained production of tree seedlings
- iii. The formulation of afforestation programs for the replanting of deciduous forest belts in the south, and the establishment of protected forest areas in the northern savanna zone
- iv. Improvements in the urban environment (improved garbage and wastewater treatment in particular)
- v. Legal mechanisms, monitoring frameworks, and technologies to deal with pollution from mining operations

5.2.3.3 Challenges and Considerations

- Reduction of regional disparities

The transition to a free market economic system has been accompanied by widening regional gaps. In the process of devolving power to the local level, it seems highly conceivable that Ghana could trigger heightened political instability. Priority should be placed on aid aimed at reducing the country's regional inequalities.

- The multisectoral approach

The multisectoral approach comprising initiatives on several different fronts has proven effective in alleviating conditions of poverty. Nonetheless, it is essential that the relationships between core projects and complementary projects be clearly defined at the outset.

- *The comprehensive approach*

Poverty alleviation also demands stronger complementary ties backed by the active participation of developing countries, multilateral institutions, and other stakeholders. Developing stronger ties, however, requires excellent abilities in coordination and management — something that many African countries generally do not have. Ghana should be given assistance aimed at strengthening its abilities in this area.

- *The country approach (respect for local communities)*

In planning and implementing projects for rural development, social development, and gender equality, it will be imperative to devote enough attention to the social and cultural aspects prevalent in the regions targeted. Respect for local communities will be a vital first step toward the effective promotion of participatory development.

- *Local staff expansion and the cultivation of regional experts*

As already noted, Japan has targeted Ghana as a priority African country for the provision of ODA. Nonetheless, understaffed conditions have become a bottleneck to the activities of its locally-based diplomatic and aid agency offices in Ghana, e.g., by hampering their collection of useful information on Ghanaian affairs and preventing their personnel from attending donor conferences. Embassy survey officers and JICA project planning and survey personnel should be enlisted to train enough regional experts as soon as possible. In addition, efforts should be made to actively recruit aid personnel with experience in Ghana.

5.3 Cambodia

5.3.1 Issues for Cambodia

After reaching a peaceful settlement to its civil war, Cambodia endeavored to rebuild with the help of international assistance. Shaking off the aftereffects of a protracted era of war is currently the country's most formidable challenge. Doing so will involve the urgent task of resettling the multitudes of refugees uprooted by war, removing the huge numbers of land mines that have caused so many civilian casualties, and reviving the impoverished agricultural sector — long the locomotive force of the Cambodian economy. However, political changes in July 1997 sparked a renewed atmosphere of turbulence. Though the current government should be leading the country back onto a path of reconstruction and rehabilitation, it is still far from establishing a record for good governance, and has yet to lay the groundwork for steps toward dealing with various development issues. If Cambodia is to assume a role of effective ownership as expected within the context of the NDS, it must first reach a solution to the civil strife and establish a foundation for lasting peace.

In terms of rehabilitation and development, the issues for Cambodia can be summarized into five categories.

- *Poverty alleviation*

In its 1997 *Human Development Report*, the UNDP assigned Cambodia a human development index ranking of 153rd out of 175 countries evaluated. According to the findings of a survey conducted in 1993–94, an estimated 39% of the population was living below the poverty line, and fully 46% of all farming households were poor. The protracted civil

war destroyed most of Cambodia's agricultural infrastructure; farm productivity has fallen sharply, and the country has yet to attain self-sufficiency.

- Creation of employment opportunities in rural area

About 85% of all households are in rural areas and engaged in farming. Many of the young Cambodians who were born during the baby boom that began in 1979 are now entering the job market. Large numbers of demobilized troops have returned to their villages, adding to concerns about a sudden upturn in population pressure at the rural level. Creating new rural job opportunities has thus become a pressing challenge.

- Export industry development

Promoting industry will be essential to the task of providing workplaces to accommodate the boom in demand for jobs. However, the domestic market is still tiny, and on top of that, the vast majority of companies are small, family-run businesses. To foster its industrial advancement, Cambodia for now has little choice but to lure in more foreign direct investment and utilize that resource to build an export-oriented industrial base.

- Reconstruction and development of economic and social infrastructure

Due to the drawn-out era of warfare, the deliberately destructive policies of the Pol Pot regime, and the extreme fiscal strains of following years, Cambodia's social and economic infrastructure remains incomplete. It is urgent that work in the economic infrastructure arena get under way quickly if the country is to create jobs for its rural labor force and spur the growth of new, export-oriented industrial sectors. Social infrastructure projects for the construction of community health centers and the supply of safe drinking water, moreover, will be essential to the task of improving public health conditions nationwide.

- Land mine removal

For over two decades stretching from the end of the 1960s, an enormous number of land mines were planted throughout Cambodia, drastically limiting the land area available for cultivation and other purposes. Worse, in terms of the losses in life, bodily limbs, and productive labor, these devices have imposed a heavy social burden that seriously impairs Cambodia's development potential.

5.3.2 DAC Goals

(1) Goals as Economic Well-being

Though its real GDP grew at an average annual pace of over 6% following the Paris peace accord of 1991, Cambodia today is still one of the world's poorest countries. According to World Bank estimates based on data obtained from a socio-economic survey in 1993–94, 39% of the entire population is living below the poverty line. That survey, however, did not cover the 35% of the population then living in contested areas. There is good reason to believe, therefore, that the extent of poverty in rural Cambodia has been understated, and that actual conditions have not been clearly identified.

In 1994, the Cambodian government put together a National Programme to Rehabilitate and Develop Cambodia (NPRD) that has several medium to long-range goals, including the creation of a fair and peaceful society and the achievement of higher standards of living through stronger economic growth. One component of this NPRD framework is the First

Socioeconomic Development Plan 1996-2000 (SEDP). The SEDP is based on the awareness that poverty is the root cause of Cambodia's social and economic ills, and that steps to reduce and eradicate poverty are a challenge of utmost importance that the government should urgently address.

To alleviate poverty, the government has emphasized rural development on the understanding that easing poverty at the rural level is a matter of top priority. To that end, stress has been placed on agriculture-led industrial development, the development of economic infrastructure, and improvements in education and health care. The SEDP incorporates measures in poverty alleviation that target the vulnerable groups (including the physically impaired, war refugees, and females who head households), small landowners, and skilled or financially strained workers in the informal sector. Though improvements in many areas will be a precondition for implementation of the NDS in Cambodia, the NPRD and SEDP deserve emphasis as undertakings consistent with the orientation and goals of the NDS.

(2) Goals as Social Development

• *Primary Education*

Shortages of skilled human resources have become one of the most serious constraints to social development in Cambodia. The Pol Pot regime (1975-1978) totally rejected the country's traditional cultural values and social systems and forced a complete break with intellectual tradition as well. As a result, Cambodia lost large numbers of educators, doctors, and other professionally trained personnel.

In terms of educational background, 27.3% of the population (15.0% of men and 37.5% of women) aged 15 or older has had no education at all. Citizens aged 25 or older who are considered to have completed their education spent an average of 3.5 years in school (3.7 years for men and 2.5 years for women). These findings suggest that 65.3% of the population (82.0% of all men and 51.0% of all women) aged 15 or older are literate. In general, access to education remains limited and marked by significant inequalities along gender lines.

Several objectives for attainment by the year 2000 have been declared under the SEDP banner: boosting the primary school attendance rate to 90%, erasing gender inequalities in primary school education, and lifting the ratio of girls in the total middle school student population to at least 45%. These targets are consistent with the goals of the NDS itself. Expanding the level of primary education will be an extremely vital task in Cambodia, given that children under 14 years old now account for a significant 44% of the entire population.

• *Health Care*

Cambodia has a number of population-related problems. For one, the population itself has been expanding at a rapid 3.0% pace for some years now. Additionally, in terms of composition, it is demographically lopsided, with an extremely small percentage of men in the 40-44 age bracket and of men and women in the 20-24 age bracket.

By UNDP estimates (published in the 1997 Human Development Report), Cambodia has infant, under-five, and maternal mortality rates of 112 per 1,000, 174 per 1,000, and 900 per 100,000, respectively. Although the SEDP does not set any specific numerical targets for future improvements in these indicators, per se, it does call for the attainment of

several other targets by the year 2000, as listed below, and in that respect seems consistent with the goals of the NDS.

- i. Ensure that at least 80% of the population receives immunization vaccination against polio, neonatal tetanus, and measles.
- ii. Have all health centers and referral hospitals provide obstetric services, and ensure that 80% of all urban and 40% of all rural childbirths are attended by trained health personnel. Boost prenatal care and tetanus for pregnant women by 50% above 1995 levels.
- iii. Ensure all provincial and community-level health centers and referral hospitals are equipped with basic essential drugs; appoint qualified nurses and midwives to health centers, and qualified doctors and medical assistants to referral hospitals.

(3) Environmental Regeneration and Sustainability

Cambodia's forest resources were once the country's principle source of revenue. Those resources, however, have been rapidly depleted and their quality undermined by a variety of policy-related factors: in particular, the tacit approval of illegal logging, ambiguities in the licensing procedures for logging operations, the repeated enforcement and repeal of bans on timber exports, and the arbitrary provision of exemptions from export duties. To put an end to these practices, in July 1996 the Cambodian government inaugurated the National Committee for Forest Policy and the following October established a set of forest resource management policies with assistance from the World Bank, the Food and Agriculture Organization (FAO), and the UNDP. Those measures are intended to facilitate the sustainable development of Cambodia's forest resources and accurately identify the amount of earnings earned on timber sales. Among its targets for attainment by the year 2000, the SEDP calls for new plantation of 5,000 hectares every year, and a forest coverage rate of 40-50% of total national land. Other environmental issues considered to deserve emphasis include efforts to effectively manage water, coastal, and fishery resources as well as the Tonle Sap ecosystem. Suffice it to say, however, that industrial development will confront the country with an array of new environmental pressures in the years ahead.

5.3.3 Frameworks for Japan's Assistance for Cambodia

5.3.3.1 Basic Perspectives

Indochina is now a part of the ASEAN community and, as an important partner for Japan, considered to be a region that deserves assistance priority. In point of fact, Japan has been furnishing assistance in various forms to Cambodia through UNTAC since the Paris peace accord of October 1991. Also in January 1993, then-Prime Minister Kiichi Miyazawa proposed the "Forum for Comprehensive Development of Indochina", and it is hoped that Cambodia will not be marginalized by or left out of plans for the Greater Mekong Delta Initiative.

Good governance will be an initial precondition for lasting peace, reconstruction, and development in Cambodia. Support for good governance should be the starting point for Japanese assistance to Cambodia. Emphasis in particular should be placed on efforts to establish a modern legal system and to reform the public sector.

The First SEDP outlines Cambodia's initiatives for the achievement of various national development goals. The SEDP emphasizes the goal of poverty reduction, and in

that respect is consistent with the ideals underlying the NDS. In providing aid to Cambodia, Japan should demonstrate respect for the SEDP and help facilitate its implementation.

5.3.3.2 Priority Areas

- Land mine removal

Clearing the countryside of land mines will be essential if business activity is to be conducted on a nationwide scale and assistance programs are to be put into full effect at the rural level. To that end, it will be necessary to continue furnishing financial assistance and equipment to the Cambodian Mines Action Center (CMAC). Also, in some districts, mine removal operations should be treated as integral components of assistance. Another approach would be to train demobilized soldiers in mine removal techniques and engage them in the task of land mine clearance, in the process promoting their return home.

- Democratization and good governance

The goal of good governance will demand steps to improve the legal system and reform the public sector. To that end, Japan will conceivably be able to assign experts to Cambodia and conduct training programs for Cambodian government personnel either in Japan or in third countries. Establishing an effective judicial system will be essential to the transition from military rule to the rule of law, and Cambodia will need assistance for that purpose. The task of public sector reform will require that assistance be furnished for programs of personnel training and in the interest of securing employment for redundant civil servants and military personnel.

- Development of economic and social infrastructure

Improvements in economic and social infrastructure rate as the biggest challenge confronting Cambodia at present. The next most important task will be to develop the economic infrastructure essential to the promotion of economic growth and private investment (e.g., water systems, irrigation systems, electric power facilities, road networks and bridges, rail networks, airports, and communications networks). Efforts to build and enhance social infrastructure will be focused chiefly in personnel training, the development of facilities for urban functions in Phnom Penh and other cities, and the laying of infrastructure for the provision of health care and education services. Multipurpose dam projects for the utilization of water resources (e.g., for irrigation and hydroelectric generation) will be another economic infrastructure theme.

- Environmental management

To forestall environmental damage from the implementation of large scale development projects, Japan should place priority on assisting Cambodia in preparing data base for forest and fisheries resources, establishing effective monitoring system, and formulating sustainable management programs.

5.3.3.3 Challenges and Considerations

- Policy dialogue

Cambodia faces an array of development-related issues and has been receiving assistance from various foreign donors and aid organizations. For this reason, aid coordination

has become crucial to the task of assigning projects priority, clarifying role-sharing arrangements with donors, and in other ways striving to boost the effectiveness of aid. In this respect, it is essential that Cambodia and its foreign donors seek closer policy dialogues with each other, and that donors actively strive to share information and harmonize their policies and programs.

- *Support for NGOs*

Many NGOs are now active in Cambodia; some have amassed extensive experience as aid organizations there, and others have focused their activities in specialized fields. Japan should support these NGOs in their operations and actively strive to draw on their experience.

- *Utilization of locally experienced personnel*

Many former Cambodian refugees and their families have become naturalized Japanese citizens and have earned credentials as professional engineers. In view of their intuitive insights into Cambodian culture, Japan should consider enlisting them as aid personnel. In addition, to offset shortages of Cambodian personnel needed to put assistance programs into effect, Japan should provide active support for counterpart training programs, including financial assistance to cover training expenses. Various obstacles currently block the extension of aid programs into rural areas. As one measure to address this problem, Japan should study the idea of inviting rural personnel to take part in training programs based in Phnom Penh.

- *South-south cooperation*

It seems advisable that Japan actively promote third-country training programs and assignments of third-country experts in the fields of agricultural technology and tropical medicine.

5.4 Country Study Implications for Japan's ODA

In the preceding sections, the Study Committee focused on Zimbabwe, Ghana, and Cambodia as three case studies for implementation of the NDS. The importance of international aid coordination, the country approach, and the results-oriented approach for each of these countries has already been mentioned. Though the multisectoral and the comprehensive approaches are also important, both tend to be treated as methodologies for the implementation of assistance; they have already been discussed in 4.5 owing to the heightened emphasis they were given in the sectoral studies. In this section, we explore the ramifications for Japanese ODA posed by the need for international coordination, country approaches, and results-oriented approaches, with attention to the three countries examined earlier.

Though Japan has become a leading donor country in its own right, it is not necessarily prepared to assume the responsibility of providing assistance on a single-handed basis. In fact, it is essential that Japan strive to supply effective ODA by working in tandem with other donor countries and multilateral institutions. In that respect, aid coordinated on a multilateral basis will be crucial to the provision of aid to any given recipient country. Furthermore, in terms of putting the NDS into effect, the preceding discussions on the three countries in question made it clear that the development needs and aid initiatives deserv-

ing priority vary significantly between countries due to differences in political, economic, social, and natural conditions. This reality underscores the value of the country approach in shedding light on the needs of each individual country. The joint development projects that a developing country and its foreign donors pursue in the interest of fulfilling expressed development needs should be evaluated in terms of the NDS goals and, if necessary, revised accordingly. The results-oriented approach is one reliable strategy for the attainment of those targets, and as such, deserves recognition as a useful means of boosting the overall effectiveness of the country approach.

5.4.1 Multilateral Aid Coordination for Specific Countries

In terms of the NDS alone, multilateral coordination has assumed various forms. For one, through comprehensive efforts in coordination, developing countries and donor institutions and countries have gathered together and pursued the collaborative task of drafting, approving, and implementing elements of the new strategy. Second, multilateral coordination has also been utilized to implement the NDS in specific countries. In this respect, it involves work on several fronts, including the formulation of national programs consistent with the NDS, program implementation-related role-sharing arrangements for the recipient country and its foreign donors, project coordination and adjustments in the field, and efforts in project monitoring and feedback. Comprehensive forms of coordination were discussed within the context of the sectoral studies in 4.5. In this section, we examine multilateral aid coordination for individual countries.

We begin with a list of points considered pertinent to the multilateral aid coordination for Zimbabwe.

- i. Although the Zimbabwean government has been hesitant about efforts in coordination that involve the World Bank's Consultative Group, multilateral coordination will be essential to the pursuit of the NDS goals in Zimbabwe.
- ii. *Vision 2020* is a long-term development plan put into effect by the Zimbabwean government and aimed at achieving various development targets by the year 2020. Donors should pledge their cooperation to this program, and Zimbabwe should honor the principles of the NDS and commit itself to stronger levels of coordination.
- iii. Assistance should be provided through efforts in multilateral coordination for the structures (the NACP) and policies (AIDS prevention programs) that Zimbabwe has set up to combat the spread of HIV infection and AIDS.

Like Zimbabwe, Ghana has enacted a long-term Vision 2020 plan of its own, and thus coordinating aid with that plan will be vital. The Ghanaian government has been an ardent supporter of SIPs; it has implemented SIPs in the education, health care, and road construction fields, and is now preparing to launch additional SIPs in the agricultural, environmental, and poverty alleviation fields. Priority should also be placed on aid coordination for these undertakings.

Though it has many foreign donors, Cambodia faces an array of challenges, including a need for multilateral aid coordination aimed at finding a solution to its civil war and setting the stage for lasting peace. To that end, Cambodia and its foreign aid donors should

engage in closer policy dialogue. Moreover, donor countries and other players in the aid field should actively strive to coordinate their views and share valuable information with each other. In these and other areas, emphasis should be placed on clarifying the role-sharing arrangements between Cambodia and the collaborators in its development. In terms of putting the NDS into effect, efforts in multilateral coordination will be crucial to the task of solidifying Cambodia's ownership role, clearing away land mines, and pursuing postwar rehabilitation programs.

Significant differences distinguished conditions in the three countries examined by this Study Committee. Ghana stood out for the consistently ardent support it has shown toward multilateral aid coordination for its own national development. By contrast, Ghana has been relatively cool toward assistance backed by multilateral coordination. In Cambodia, multilateral coordination will be extremely valuable to the goals of postwar reconstruction and the establishment of developmental ownership. In terms of putting the NDS into effect, it will be necessary to clearly identify trends toward the realization of the NDS through general efforts in aid coordination, and on that basis adopt flexible approaches to multilateral coordination suited to the conditions of each developing country.

In any given developing country, efforts in multilateral coordination will typically proceed on several different fronts: from the formulation stages for national policies and programs down to the project implementation stage under local field conditions. Coordination on a daily basis will become increasingly important as projects approach the implementation stage, and to that end, flexibility will deserve even stronger emphasis. To accommodate the demands of multilateral coordination on several different levels, it seems advisable that Japan take steps to develop and refine its own frameworks for aid coordination. That viewpoint applies not only to ODA, but also to NGOs, private corporations, municipal government agencies, and other players in the aid field.

5.4.2 The Country Approach

Compared to most other African countries, Zimbabwe has a well-developed industrial base. However, it can expect to witness a continued decline in per capita national income as long as current economic trends persist. First of all, it is essential that steps be taken to remove the constraints to growth and place the country back onto a firm growth track. These are the most urgent development issues confronting Zimbabwe now, and to address them, priority has been placed on assistance for undertakings in structural adjustment. On the issue of poverty, unless progress is made toward easing conditions of poverty for the black farmers based in rural communities who together account for fully 67% of the population living below the poverty line, Zimbabwe will have little hope of meeting the targets of the NDS. Given that prospect, importance should be assigned to improving access to land ownership, reviving and developing the increasingly unproductive agricultural sector, and fostering the regeneration of environmental resources. HIV infection and AIDS have become serious problems; by some estimates, an astonishing 75% of all infant deaths will be AIDS-related in the next century. It is doubtful that the government will be able to attain its goal of lowering the infant mortality rate.

Ghana is still industrially underdeveloped and heavily dependent on agriculture, a sector at the mercy of the weather and thus prone to severe ups and downs. Its rural population has been expanding sharply together with the number of small farm households and

landless tenant farmers. Worsening conditions of absolute poverty burden many small farmers who find it difficult to raise enough even for their own subsistence. This is considered the weightiest development issue facing Ghana now. Serious inequalities divide the northern and southern regions of the country. In particular, poverty among very small-scale farmers who cannot even support themselves in the northern savanna zone demands close attention. The basic orientation of development has been directed toward the cultivation of a self-sustained industrial sector, with emphasis on small-scale farming and small- and medium-sized business enterprises, and the promotion of improved social services and participation by socially vulnerable groups in the development process, with emphasis on social development, human resources development, and improved health care.

Cambodia faces the pressing task of extricating itself from the aftereffects of a protracted period of civil war. Priority has been placed on resettling the multitudes of refugees uprooted by war, mitigating the harm from massive numbers of buried land mines, and reviving the exhausted farm sector that once served as the core of the national economy. Also, chronic political turbulence has further hindered the country from building a foundation of good governance for the reconstruction process. To deal with these problems, Cambodia must first strive to assume an ownership role based on the NDS. Additionally, priority should be placed on the task of reconstructing and rehabilitating economic and social infrastructure — essential conditions for progress along the development path.

The three countries discussed above differ substantially in terms of their development challenges and priorities for action. The most significant, albeit obvious, truth emerging from the country studies is that developing countries differ significantly in their development needs and the initiatives on which aid priority should be placed.

Operating through its frameworks for different types of assistance and assistance sectors, Japan has over the years provided assistance to many developing countries for projects in economic infrastructure, including the construction of dams, communications networks, and roadways. On the social infrastructure front, it has also extended assistance for the construction of schools and hospitals. These forms of assistance were guided by an emphasis on the development of sectoral infrastructure ('hardware'— construction of facilities etc.), and to that end devoted most of their attention to such factors as demand forecasting, design, cost accounting, and economic and financial analysis. However, various factors suggest that they have been lacking in terms of their enlistment of the country approach, which typically focuses attention on the needs of households or consumers. First of all, they have been oriented toward physical aspects — 'hard' technology that was easy to assimilate. Secondly, even in terms of the non-physical, 'soft' technology of demand forecasting and economic and financial analysis, they were not driven by a commitment to fully consider the lives of local people.

Influenced as it was by the 'hard' infrastructural orientation of assistance in the above-noted sectors, Japan gradually expanded its ODA budget, reinforced its frameworks and agencies for aid project implementation, and in the process cultivated a growing pool of aid personnel. At the implementation stage, consultants, civil engineering firms, and other technically-oriented organizations have assumed a leading role. Though recent years have seen an increasing number of government agencies, universities, and consulting firms become directly involved in social development, environmental management, and other

aspects of 'people-oriented' development, their presence remains comparatively marginal. In general, few have so far amassed much experience in this particular domain.

From the vantage point of making developing country needs the basis for assistance, it seems highly advisable that Japan adopt the country approach as the foundation for its own assistance system, as recommended by the report of the Council on ODA Reforms for the 21st Century. Nonetheless, given the current nature of the Japanese assistance system, as indicated above, it would be constrained by a lack of personnel and amassed experience even if steps were taken to reorganize it into something better suited to the country approach. Putting that approach into practice will demand that the Japanese assistance system be equipped with the following functions and personnel to employ them. It will be imperative to develop essential structures and training programs for this purpose.

- i. Identify the cross-sectoral problems and needs of the targeted developing country and formulate Japanese assistance policy within the context of international role-sharing arrangements. Though it will be necessary to honor the long-term or five-year development plans that such countries often have in effect, Japan should also have the ability to determine whether those plans are viable.
- ii. In line with its own aid policies, Japan should seek policy dialogues with the developing country as well as multilateral coordination with other donors, and select aid projects for implementation.
- iii. Noting the structures that the developing country has in place for project implementation backed by local people's participation (and, as necessary, frameworks for multilateral coordination), apply a comprehensive approach and devise implementation frameworks for selected assistance projects.
- iv. Utilizing a comprehensive approach, strive to harmonize the cross-sectoral components of each project, work out details with all project participants, and put the project into effect after obtaining timely input.
- v. Periodically monitor each project under way, evaluate its progress toward defined goals, and pursue necessary countermeasures to deal with any problems uncovered.
- vi. Working within the context of multilateral coordination, monitor and evaluate development efforts in the recipient country, and then evaluate the Japan's aid contribution and feed back the fruits into the assistance activities.

Self-sustained development is one of the key points of the NDS. Though the strategy itself aims to foster self-sustained development on the basis of a comprehensive approach led by people's participation, judging from past experience, it will be extremely difficult to expect many of the low-income countries (and particularly LLDC) to achieve that goal. In the education sector, it has been proposed that aid donors consider providing financial assistance to offset education budget shortfalls, and in other ways strive to boost the overall effectiveness of aid. On the other hand, in the health care sector, it has been pointed out that virtually no developing country as yet has the capacity to implement PHC strategies on its own despite sweeping reductions in the mortality rate for children. The core philosophy behind Japanese ODA is 'self-reliance', that is, ownership. Though developing countries are being urged to assume the ownership of their own development, in the context of implementing the NDS, it will also be necessary to take conditions in each developing country

under careful consideration. Furthermore, depending on those conditions, it may prove necessary to adopt a more flexible approach regarding the connections between 'self-reliance in principle' and the 'financing of current expenditures'.

The foregoing discussion explored the ramifications of the country approach for Japan's ODA, with attention to three developing countries. It should be noted, however, that the NDS aims to reduce poverty throughout the developing world, and in that sense, targets poverty-related issues not only in low-income countries (especially LLDC) but also in median-income countries. As it happens, most of the higher median-income countries have already become a part of the economic globalization process, expanded their economies and improved their national finances, and in other ways set the stage in budgetary terms for certain areas or groups to deal with the issue of poverty on their own. This should eventually allow foreign donors to limit their assistance for efforts in poverty alleviation to specific situations (i.e., help with environmental problems) and utilize the country approach chiefly for the purpose of deciding whether assistance is necessary or not.

Although some low- and medium-income countries have become involved in the economic globalization process, in others widening economic disparities divide rural areas from the urbanized capitals that now function as engines of economic growth. Many countries, moreover, face issues in poverty attributable to urban overcrowding or the marginalization of specific areas from the development process. Countries at this stage of their development typically allocate a sizable share of their national budget for economic gains particularly by their capital regions, and make only piecemeal attempts to deal with the issue of poverty at the rural level. Though low-median-income countries will conceivably demand a more varied array of assistance for poverty alleviation than will high-median-income countries, the fact remains that many developing countries have already launched initiatives of their own in this area. For that reason, it will probably be necessary to provide assistance on a more selective basis that reflects conditions in each recipient country, and in terms of identifying those conditions, emphasis will likely be assigned to the country approach.

5.4.3 The Results-oriented Approach

As indicated at the beginning of section 5.4, the results-oriented approach is considered to be one dimension of the country approach. Putting results-oriented approaches into effect and achieving their objectives will demand that attention be devoted to the following: (1) investigations of local conditions through fact-finding poverty surveys, and the establishment of monitoring systems; (2) progress made toward defined targets; (3) evaluations of each activity, with provision of feedback; and (4) recommendations concerned with approaches or strategies for the implementation of Japanese assistance.

(1) Poverty Surveys and Monitoring Systems

Not all the existing data on the seven goals of the NDS reflect actual conditions. This reality is underscored by wide deviations in the findings of surveys into the maternal mortality rate in Zimbabwe and Ghana, and by the fact that poverty survey in Cambodia has not covered contested areas that account for as much as 35% of the entire population. It is imperative that accurate data be gathered on the core set of indicators of development progress DAC proposed in February 1998. Furthermore, monitoring frameworks will inevitably be needed for the collection of such data on a continuing basis in the years ahead.

(2) Progress toward Defined Goals

Zimbabwe and Ghana have implemented Vision 2020, and Cambodia, a National Program to Rehabilitate and Develop Cambodia (NPRD). Both are designed to foster social and economic development over the medium and long term. Though they can both be described as basically consistent with the principles underlying the NDS itself, they lack internal provisions for evaluations of interim progress or adjustments that may be necessary to put them back on track toward final goals. These shortcomings will conceivably demand that steps be taken to establish mechanisms allowing for evaluations of progress toward final goals, and to train personnel for the technical operations that task will entail.

(3) Evaluations and Feedback

To achieve the targets of the NDS, it will be essential to comprehensively evaluate the related activities of developing countries and their foreign donors, and provide feedback designed to contribute to their efforts. At the same time, though, it will be necessary to develop evaluation systems suited for this purpose. To that end, 'trial and error' research and development work backed by multilateral coordination will be indispensable. Moreover, utilizing evaluation findings to provide effective feedback will in turn demand stronger partnerships between developing countries and their foreign donors, as well as better aid coordination by foreign donors themselves.

(4) Recommendations for Japan's Assistance Frameworks

Japan will face the necessity of mapping out its future aid policies and actions for developing countries on the basis of multilateral aid coordination, reflecting its contributions to date as determined through evaluations of its assistance activities. Given that the evaluation systems it currently has in place are basically designed for use on a project-by-project basis, Japan will also find it imperative to develop systems for sectoral and country evaluations in tandem with the development of evaluation systems described in the preceding paragraph.

Japan also will conceivably need to respond to the NDS recommendation for results-oriented approaches by placing extra emphasis on the establishment of systems designed evaluate Japan's own aid programs and projects. It will be necessary to pursue evaluations of individual projects alone, sectoral evaluations encompassing all individual projects, and country evaluations of consolidated progress toward the seven NDS goals in all four assistance sectors combined. Though Japan has publicized the findings of sectoral and country evaluations in the form of the Ministry of Foreign Affairs economic cooperation evaluation reports and JICA/OECF project evaluation reports, to date those evaluations have been limited in terms of the countries they addressed and the availability of accurate quantitative data. Refining and widening the reach of its country evaluations would help Japan strengthen its implementation of the country approach. This will be one of the most important challenges Japan faces in putting elements of the NDS to work.

6. Frameworks for Japan's Assistance in the Context of the DAC's New Development Strategy

Basic Perspectives

Respect for ownership: assume a developing country a central role in the NDS

Emphasis on multilateral coordination in an age of globalization

Support for balanced development in terms of growth and income equality

Emphasis on establishment and reinforcement of good governance

Emphasis on country approach

Assistance priority for countries committed to implementation of the NDS

Development of frameworks for implementation of Japan's assistance in keeping with the NDS

Assistance Approaches

Multilateral aid coordination

- Appropriate accommodation of SIPs
- Emphasis on country and results-oriented approaches
- Ongoing participation in local assistance coordination frameworks

The country approach

Implementation of assistance studies and policy dialogues, formulation of assistance programs and projects, etc., led by assistance agency offices based in target country

The results-oriented approach

- Support for efforts to accurately identify conditions of poverty
- Establishment of systems for evaluation of assistance coordination, multisectoral approach, and comprehensive approach

The multisectoral approach

The accumulation of experience in dealing with issues at the country (planning stage), district (frameworks for implementation), and community levels

The comprehensive approach

- Access to recruitment channels and lists of personnel ready to participate in assistance programs
- Formation of collaborative ties
- Accumulation of experience in defining scope and desirable patterns for the comprehensive approach

Preparations for Implementation

Issues facing the Japan's assistance system

- Establish frameworks for the effective continuation of multilateral aid coordination.
- Facilitate the utilization of country approaches aimed at satisfying the development needs of individual countries.
- Equip personnel with the skills to pursue a multisectoral approach to the satisfaction of development needs.
- Foster the creation of networks for comprehensive approaches that allow for the effective linkage of ODA with other assistance resources.
- Step up sectoral and country evaluations that address factors beyond the scope of individual project evaluations.

Assistance frameworks that reinforce the country approach

- Revision of assistance frameworks for different sectors and types of assistance
- Developing human capital which will be engaged in multilateral aid coordination and the application of the country approach
- Development of practical methods for implementation of multisectoral and comprehensive approaches and sectoral and country evaluations

In the preceding three chapters, we presented an overview of the NDS (Chapter 3) and explored the ramifications for Japan's assistance posed by the findings of various sectoral studies (Chapter 4) and by three country studies on Zimbabwe, Ghana and Cambodia (Chapter 5). Details of the sectoral and country studies are presented in Volumes 2 and 3. Within the context of making the NDS a key underpinning of Japan's assistance policy, in this chapter we wish to discuss basic perspectives (6.1), approaches (6.2), and enhancements to frameworks for the assistance implementation (6.3).

It should be fully considered in implementing the NDS to clarify the common points between Japan's sector-wise and scheme-wise assistance framework and the NDS's emphasis that "the developing country is the necessary starting point for organising co-operation efforts, through relationships and mechanisms that reflect the particular local circumstances". From that perspective, institutional and organizational stress should be placed on multilateral aid coordination and the country approach. In effect, the primary task of importance will be to actively participate in frameworks for the multilateral coordination of aid relevant to the NDS, adopt the country approach as a foundation for action, and from that foundation strive to craft mechanisms capable of tuning assistance to actual conditions in each recipient country. If mechanisms of that kind can be effectively applied, it should be possible to devise efficient methodologies for the results-oriented, multisectoral, and comprehensive approaches by systematically amassing experience with various types of assistance at the operational stage. A second theme of importance to the implementation of the NDS will be that of building systems that actively harness the lessons of experience for future international cooperation.

6.1 Basic Perspectives Concerning the DAC's New Development Strategy

Perspective 1: Help developing countries assume a central role in putting the NDS into effect; emphasize ownership by developing countries.

Drawing general conclusions from progress that has been made in the development arena, the NDS declares that development assistance can do no more than complement the efforts made by the citizens, organizations, institutions, and governments of developing countries, and that ownership by developing countries will accordingly be of the utmost importance to the achievement of sustainable development. This emphasis on ownership effectively reaffirms the assistance philosophy that Japan has cultivated through years of experience. Ownership by definition demands that each developing country assume the initiative in putting together and implementing its development strategies and promoting the participatory development and good governance that are essential to that end. The notion of ownership assigns developing countries a central role in the implementation of the NDS, and is the basis for all the ideas and approaches that strategy sets forth. Ownership should have priority, and assistance should be provided to help developing countries achieve it.

Perspective 2: Emphasize multilateral aid coordination within the context of globalization.

Stability and growth in the developing world have become global issues. The problems of any given country or region have a tendency to quickly evolve into problems for the entire world. Conversely, the economic activities of the industrialized world and their consequences have an influence on structural and environmental issues in many developing

countries. All countries should have opportunities to enjoy the benefits of globalization. Therefore, it seems imperative that the globalization process be effectively managed in a fashion that allows it to contribute to economic growth and poverty reduction throughout the developing world. In terms of assuring that globalization brings real advances in the developing world, multilateral aid coordination by developing countries, multilateral institutions, and donor countries, and by multilateral institutions and donor countries themselves, will be increasingly important. In many developing countries, Japan is either the top assistance donor, or one of the top assistance donors. Given that position, Japan should place special emphasis on the multilateral coordination of aid so that it may continue to make active contributions to stability and growth throughout the developing world.

Perspective 3: Encourage a better balance between growth and the distribution of income.

Growth and improvements in the distribution of income and other indicators of social development are all tightly interrelated. The potential for sustained growth will be stronger if growth is accompanied by an improved balance in the distribution of income. Conversely, a deterioration in that balance will have a socially destabilizing effect and put sustainable growth out of reach. Policy disarray in this area has been commonplace; for example, many countries have pursued development in the absence of a grand design or have adopted policies that emphasized growth over income equality. Assistance aimed at rectifying this situation through country studies and policy dialogue will be valuable. In addition, Japan will find it imperative to draw on the record that it and other Asian countries have established with respect to balancing the priorities of growth and income equality, and on that basis step up its assistance for efforts in policy formulation. Improving the distribution of income will demand an emphasis on projects in social and rural development that benefit the poor.

Perspective 4: Stress measures to establish and reinforce good governance in developing countries.

Stronger governance backed by democratic and free market principles will also be crucial to the goal of fostering growth and an improved distribution of income. Better governance can be expected to heighten confidence in developing-country governments and their policies. Further, governments that have earned the public trust in that respect will be better positioned to institute policies capable of fostering growth in tandem with an improved balance in the distribution of income. The creation and empowerment of a democratic society is a foundation for good governance on a sustained basis. Efforts to foster participatory development, moreover, will help to improve the sustainability of assistance projects. Continuing policy dialogues and monitoring programs driven by multilateral coordination can be expected to encourage and strengthen the commitment to good governance, and ultimately, ownership by developing countries.

Perspective 5: Stress country approaches tailored to the situation in each developing country.

Developing countries vary significantly in terms of the impact from globalization, their progress in achieving a balance between growth and the income distribution, and their success in establishing good governance on a foundation of democratic and free market principles. Although the NDS defines a basic framework and targets for the reduction of poverty,

it seems imperative that they be implemented in a form adapted to actual conditions in each developing country, as determined through adequate study. Japan has long relied on implementation frameworks designed to assist specific sectors or provide specific types of assistance. Its level of success in effectively integrating those approaches on a timely basis to accommodate needs at the country level will be key to its implementation of the NDS. Hence, within the context of assistance frameworks as well, Japan should place top priority on the country approach.

Perspective 6: Assign priority to countries that have expressed a commitment to the implementation of the NDS

Implementing the NDS will demand that developing countries have an adequate understanding of the strategy itself, and that they express a strong commitment toward adopting it as a core policy. In selecting countries for implementation of the NDS, Japan should place priority on those that have expressed their readiness to put elements of the strategy into effect. Needless to say, it should be possible to implement the core principles of the NDS even in countries that have not expressed a strong commitment. Encouraging such countries to integrate strategy principles into their policies will be desired.

Perspective 7: Tailor Japan's assistance frameworks for the NDS implementation

Japan's assistance framework so far has been sector- and scheme-wise. Assistance with a cross-sectoral package to reflect each local circumstance for poverty alleviation in developing countries requires the enabling institutional design and sufficient preparation: 1) to strengthen the country-approach to realize the suitable poverty alleviation; and 2) to improve the assistance framework which enables the multisectoral approach aimed at poverty alleviation with cross-sectoral packaged assistance.

6.2 Implementation of the Approaches in the DAC's New Development Strategy

Implementing the NDS will require that Japan faithfully apply the five approaches that the Strategy emphasizes: i.e., multilateral aid coordination, the country approach, the results-oriented approach, the multisectoral approach, and the comprehensive approach. However, it has to be born in mind that Japan has long pursued its assistance activities within a framework that essentially arranged assistance by sector or type. That background indicates that Japan has not amassed enough experience or trained enough personnel to apply the above five approaches in earnest. Japan will face the necessity, therefore, of developing in several stages the frameworks, methods, and human resources that will facilitate the effective implementation of each approach while considering its current ability to engage in the activities that each approach demands.

6.2.1 Multilateral Aid Coordination

The NDS has been approved by the OECD/DAC at large and is slated for implementation, with multilateral coordination as the first step. These points accordingly demand that Japan assign efforts in multilateral coordination special priority. Recent years have seen a number of African countries implement Sector Investment Programs (SIPs) under the initiative of the World Bank. Given their weighty significance vis-à-vis implementation of the

NDS, it seems imperative that Japan be prepared to help coordinate assistance for SIP-related undertakings as well.

Multilateral aid coordination will conceivably require a stronger emphasis on the results-oriented and the country approaches. Utilizing the country approach to formulate assistance projects and put assistance plans for a given target country into effect, it will be necessary to enlist personnel who are familiar with the social, economic, administrative, and fiscal realities of the target country. On top of that, Japan will need to pay attention to fiscal trends and cultivate the ability to formulate optimally effective strategies and projects consistent with the NDS, particularly within the context of comparative evaluations on a multisectoral basis. To apply the results-oriented approach to the NDS implementation, Japan will above all need to develop general frameworks for the purpose, including mechanisms for monitoring and the compilation of statistical data on poverty. That task, however, will entail having access to a pool of personnel with the requisite abilities in expertise support. It is therefore advisable that Japan assume the initiative by appointing appropriately qualified personnel and actively participating in the multilateral aid coordination.

Japanese diplomatic and aid agency offices in developing countries should remain actively and continuously involved in workshops and other occasions for aid coordination. In that role, they will be capable of gathering information on assistance studies, helping put assistance programs into effect, and formulating projects for implementation of the NDS. Though it will be important to have the same teams of personnel participate in workshops and other coordination-related forums on a continuing basis, as a means of maintain a pool of qualified personnel for that purpose, Japan should consider the approach that some other donor institutions and countries have taken: namely, contracting consultants and NGOs.

Many opportunities exist for coordination on a daily basis, in addition to those provided through the channels described above. To facilitate better efforts in multilateral coordination in the years ahead, Japan will probably face the necessity of recruiting and training the essential personnel and adopting flexible mechanisms that allow it to act on fresh opportunities for coordination as they emerge.

6.2.2 Country Approach

As noted in the section on basic perspectives above, it will be essential to apply the country approach echoing development strategies formulated in keeping with target country circumstances if the goals of the NDS are to be achieved by developing countries that have expressed a commitment to that end. Implementing country approaches of this kind and in line with the principles of developing country ownership and partnerships with donor countries will be conditioned on the formulation of and the power to carry out a grand design for national development that assigns appropriate importance to the DAC goals. To accomplish this, Japan will need to strengthen its policy dialogues with recipient countries, enlarge the scope of its country studies, and utilize the outcomes of those efforts to assist developing countries at the policy-making and project implementation stages.

Local assistance agency offices should be equipped with more authority and functional capacity, for they will be expected to assume an increasingly active role in the conduct of assistance studies, the pursuit of policy dialogue, the conceptualization of assistance plans, and the formulation of assistance projects. These observations are rooted in the conviction

that assistance should be planned and put into action by the personnel and organizations most familiar with recipient country needs.

Japanese assistance agency offices abroad will also be expected to explore the feasibility of candidate assistance projects, including coordinated ventures, by harnessing diverse channels of access to the latest data on target country affairs and thereby developing an accurate grasp of conditions nationwide and at the district level. Putting together assistance projects that meet target country needs will naturally demand steps to identify those sectors deserving special priority. Furthermore, from the standpoint of satisfying observed needs, it will be necessary to suitably mix together several different types of assistance. To heighten the viability of assistance projects, Japanese assistance agencies must seek desirable ties with their counterparts in the target country, including citizen groups and NGOs. As a donor country that has long preoccupied itself with specific sectors or types of assistance, Japan probably has less experience and fewer human resources in this area than in any other.

Compared to traditional assistance systems that operate from the top down, locally oriented systems are better capable of allowing close policy dialogue through offices permanently based in the target country. Additionally, by positioning local staff in the target country, they facilitate efforts to identify assistance needs at the district level and allow for sustainable relationships, which are helpful to counterparts in the target country. On top of that, given their ability to harness local and international networks, local offices are in a position to devise plans for more effective injections of assistance resources. It seems advisable that the overseas offices of Japan's assistance agencies and diplomatic corps make active use of these strengths. Japan is slated in FY 1998 to have assistance offices abroad begin conducting small-scale development surveys, which should serve as a useful means of providing indirect support for the operations of those offices. Furthermore, in view of their value as powerful tools for implementation of the NDS, Japan would be advised to enlarge these surveys in the years ahead.

It seems reasonable to assume that the country approach, as implemented by Japanese assistance agency offices abroad, will assume a variety of patterns or modes reflective of the conditions or development needs of each target country. From the standpoint of devising systems to actively harness the lessons of past experience for future undertakings in assistance, it will be important to assemble the independent experiences of local offices in applying the country approach, and classify them into several categories or patterns. That exercise would be useful in extending the scope of the NDS implementation to other countries, and the compilation process itself could be actively employed as a means of personnel training.

6.2.3 Results-oriented Approach

The NDS amounts to an international assistance coordination framework that is centered on the country approach (for the satisfaction of development needs at the country level) and that calls for the broad-based injection of essential assistance resources with an eye to balanced improvements in all sectors with a bearing on people-centered development. The results-oriented approach is the arrangement by which all these efforts will be effectively implemented in the interest of fulfilling the goals of the NDS. Backed by activities in multilateral coordination, it will be necessary to utilize the results-oriented approach to

develop and effectively run suitably functional systems for this purpose on a continuing basis.

The first objective of the results-oriented approach should be to support the task of precisely identifying conditions of poverty in the target country. Available statistics on poverty in many developing countries suffer from a variety of drawbacks. For example, they are often based on limited sets of indicators, are unreliable, are out of date, or do not reflect actual conditions of poverty at the local level. Assistance should be provided through coordination frameworks to overcome these problems and obtain better statistical data. To do so, it will be necessary to refer to the core set of development indicators DAC has organized, review existing data and poverty survey procedures, and strive for consistency with the statistical indicators DAC has proposed. As a related step, it will also be essential to explore methods of updating the data on a regular basis, and support the formulation of a set of guidelines concerning the development of overall monitoring systems.

The emphasis on results will demand evaluation systems for efforts in multilateral coordination as well as the application of the multisectoral and comprehensive approaches. Such system has not yet developed and we need to accumulate experiences at the field-level. Additionally, working through frameworks for the multilateral coordination of aid, Japan will need to begin fashioning strategies for the implementation of tangible projects in rural development and for improved standards of living. Furthermore, it should effectively utilize this process to train needed personnel.

Evaluations of Japan's assistance projects and of joint projects by developing countries, multilateral institutions, and donor countries will be important. Japan has traditionally pursued evaluations mostly on a project-by-project basis. However, to accommodate the NDS, it will be necessary to conduct project evaluations on a broader sectoral basis, and, from a comprehensive perspective shaped by DAC's seven goals in four sectors, to employ multisectoral and country evaluations to appraise the outcome of activities at the sectoral level. As a first step toward the establishment of evaluation methods suited to both approaches, it will be necessary to select several projects in a given sector, pursue sectoral evaluations that strive to identify the synergistic or complementary effects of those projects as a group, and then implement that evaluation process on a broader scale.

However, one point that must be emphasized here is that headway with the results-oriented approach will depend heavily on the extent to which each developing country has practiced participatory development and good governance. Accordingly, Japan will have to provide assistance for the following objectives, through coordination with other donor countries and multilateral institutions, and with full attention to circumstances in each developing country and the results of policy dialogues: the promotion of participatory development (e.g., strengthening grassroots citizen organizations, improvements in the self-subsistence of the poor, enhancement of government capacity to provide support for participatory development); support for good governance as the infrastructure for participatory development (e.g., lawmaking, institution building, strengthening administrative functions, improvement of administrative accountability and transparency, the promotion of decentralization, and the cultivation of a free market climate); and support for good governance that fosters adherence to democratic principles (e.g., support for the establishment of election systems, the protection of civil and human rights, and guarantees of freedom of speech and a free press) ⁽²⁸⁾ .

6.2.4 Multisectoral Approach

The multisectoral approach incorporates a focus on various cross-sectoral issues, including growth and income equality, the sectoral connections to social development, and the relationships between development and the environment, and on that basis strives to find ways of reducing poverty on a sustained basis. It can be thought of as an approach that allows for generalizations about the developing world as a whole rather than focusing on the problems facing any single country. Nonetheless, putting elements of the multisectoral approach into effect will demand that Japan build on its experience in each developing country. Section 4.5.2 describes the key perspectives of the multisectoral approach, and it is advisable that trials employing this approach be guided by those perspectives. In fiscal 1998, Japan will begin extending sector program grant aid for environmental and social development sectors. In terms of the foregoing points, it is anticipated that such grant assistance will be a valuable tool, and advisable that it be expanded in the years ahead as a means of extending the reach of the NDS to more target countries.

It will be imperative to pursue the multisectoral approach in each country on three levels: at the country level, which involves the central government; at the regional level, which involves local governments; and at the community level, which deeply involves citizens and NGOs.

At the national level, the multisectoral approach seems identical to the country approach in that it has chiefly to do with such matters as the arrangement of development programs, policy dialogues, and assistance project formulation. Utilizing this approach, it will be important to address an array of issues at various stages of the development process, including the sectoral composition of development programs and the contributions made by individual projects toward the achievement of development objectives.

At the regional level, the multisectoral approach will be concerned chiefly with economic and social development and environmental improvements in impoverished areas. It will be important to harness this approach to deal with various implementation-related issues: namely, reinforcements to the functions of local government structures, relations between the central and local government apparatus, and the modes of local community involvement. As far as the multisectoral approach is concerned, Japan has already amassed a considerable amount of experience with the implementation of regional comprehensive development programs. In recent years, it has implemented many projects in that context through collaboration with locally-based NGOs. Accordingly, it should utilize the lessons of that experience in applying the multisectoral approach at the district level, and explore methods of applying its experiences at the country and community levels as well.

Japan appears to have less experience in applying the multisectoral approach at the community level than at either of the two levels described above. As such, it should strive to actively build on its experience at the community level in those developing countries. To do that, it will be necessary to select projects typically targeted by the multisectoral approach, engage in a repetitive cycle of evaluation and feedback extending over several years, and on that basis explore more desirable approaches to application at the community level.

⁽²⁸⁾ JICA (1995b).

6.2.5 Comprehensive Approach

The comprehensive approach has two key features. It allows for generalizations about issues in the developing world as a whole, and is at the same time of value in amassing practical assistance experience in individual developing countries. It will be vital to gain experience by applying the comprehensive approach in multiple countries.

Putting the comprehensive approach into practice demands at the very least that Japan have lists or channels for the recruitment of potential participants (individuals and groups) and the ability to cultivate collaborative relationships among those participants as necessary. Implementation of that approach will be relatively problem-free provided the process is carried out as initially planned. In many cases, though, the need for a comprehensive approach only becomes evident after assistance projects are under way. Yet even in such cases, it will be essential to devise desirable frameworks for collaboration once the need for the comprehensive approach arises.

The assistance cycle usually comprises a number of stages, from assistance studies, policy dialogues, project formulation, preparation, and surveys to implementation, monitoring, and evaluations. It will be important to consider where the comprehensive approach fits within that cycle, or as Japan amasses experience, to what extent the scope of that approach should be extended. It is recommended that Japan build on its experience with this approach in providing assistance to the developing countries, codify its experiences and the lessons learned, enlarge its channels for utilization of the comprehensive approach, and strive to build suitable models or patterns for implementation.

6.3 Assistance Frameworks for Implementation of the DAC's New Development Strategy

The preceding sections detailed basic perspectives and approaches to implementation of the NDS by Japan. Working from that foundation, in this section we explore the topic of reinforcing the country approach to facilitate implementation of the NDS, with attention to the challenges for Japan's assistance frameworks.

6.3.1 Challenges for Japan's Frameworks for Assistance

Challenge 1: Establish an effective and sustainable framework for efforts in multilateral aid coordination.

Japan has become highly influential as the world's top donor of ODA. Assuming a role of leadership in multilateral aid coordination counts as an extremely important challenge for Japan. Fulfilling its expected role in that context, moreover, will ensure Japan high marks in the eyes of the international community. In reality, though, Japan does not have an adequate budget or framework in place for steps in coordination, which has created a number of problems that suggest Japan has yet to fully satisfy the world's expectations in this area. For example, it has in some cases been slow to join in specific coordination efforts, slow to express its views in forums for coordination, and unable to commit itself to participation on a continuing basis. However, given that multilateral coordination is a cornerstone of the NDS, it seems essential that Japan take fast action to deal with these problems.

To implement the NDS, sustained multilateral coordination and frameworks for the coordination of timely and appropriate assistance will be critical. Additionally, it will be necessary within the context of those frameworks to give personnel the skills they need to effectively coordinate assistance.

Challenge 2: Facilitate the use of the country approach to satisfy the development needs of specific countries.

As a means of satisfying the development needs of individual countries, the value of the country approach has already been demonstrated. JICA has performed a number of country studies. However, in the final report it issued in January 1998, *the Council on ODA Reforms for the 21st Century* called for reforms to the assistance frameworks that Japan employs to apply the country approach. From its inception, the Japanese ODA system has maintained frameworks chiefly for the provision of different types of assistance to specific sectors. However, in the interest of implementing the NDS and more effectively addressing the needs of the developing world, it seems essential that Japan pursue reforms as recommended by the above-cited council. The present Japanese assistance system has been in operation for over 30 years; in the process, Japan has strengthened its frameworks for the provision of specific types of assistance to specific sectors, and within those frameworks conducted training programs for assistance personnel. To spur a transition from these traditional frameworks to a new set of frameworks reinforced by the country approach, Japan must address a variety of challenges, including the formation of a new assistance system, the development of methods for the sub-systems which comprise this new system, and human resources development in macroeconomic, administrative, and financial affairs for assisting development programs in developing countries.

Challenge 3: Cultivate human resources capable of applying the multisectoral approach as a means of satisfying development needs.

Given that its assistance frameworks have long been partitioned along sectoral lines, Japan has little experience in applying a multisectoral approach. Also, since assistance has been classified into different types (such as loan, grant aid and technical cooperation (training, dispatch of technical experts, development studies, etc.)), Japan does not have much experience with the sectoral approach, that is, the various types of assistance for individual projects in a given sector. Establishing the country approach as a new framework for assistance would help to relax the strict distinctions between sectors and types of assistance; as such, it would relieve Japan of the institutional constraints in adopting sectoral or multisectoral approaches. However, judging from past experience, steps to offset the shortage of personnel versed in the application of the multisectoral approach will remain a major challenge.

Challenge 4: Cultivate networks for the comprehensive approach, thus facilitating the effective linkage of ODA and other assistance resources.

Japan already employs certain kinds of comprehensive approaches. One is a formula used to enlist university professors, local governments, and private companies (consultants, contractors, manufacturers, etc.) as participants in projects that the country's assistance agencies have planned, implemented, or financed. Another is a program whereby NGOs are contracted to implement assistance projects with financing from NGO assistance funds managed by the Ministry of Foreign Affairs and the Ministry of Posts and Telecommunications. To reinforce these comprehensive approaches, it would conceivably be possible to widen the scope of participation in those already in effect, or, by strengthening the country approach, strive for more diversified, enlarged arrangements that foster collaboration by players inside and outside the ODA arena. In striving for enlarged comprehensive approaches aimed at satisfying the NDS goals, one need not be tied to existing formats. In fact, it will be essential to search for various ways of fostering collaboration, including comprehensive approaches at the local level, and cultivate networks that expand the scope of participation in general.

Challenge 5: Put more energy into sectoral and country evaluations.

The results-oriented approaches seek to monitor the performance (in terms of DAC goals) of joint development projects by developing countries and their external partners, and to contribute to the improved effectiveness and efficiency of development efforts. To this end, it will be important to install monitoring systems in recipient countries and pursue evaluations of the indicators and other data generated by those systems. International coordination has already provided strong momentum to the drive to put such monitoring systems into place and it is advisable that Japan contribute to that process in a timely fashion. Japan's experience in monitoring and evaluation work, seemed to have stemmed from assistance by sector and type. However, it has been limited almost entirely to follow-up surveys and evaluations of individual projects. Japan has marginal experience with sectoral evaluations, which look at multiple projects, and has only just begun to implement country evaluations, which deal with multiple sectors. Effectively evaluating the performance of developing countries will demand that Japan achieve systematic enhancements in its evaluations at the sectoral, multisectoral, and country levels.

6.3.2 Assistance Frameworks for a Strengthened Country Approach

Japan must confront the above challenges if it implements the NDS and efforts to strengthen the country approach will be particularly important. Within that context, in its final report, the Council on ODA Reforms for the 21st Century noted that Japan's institutions for assistance policy and implementation should overhaul their structures in the interest of paving the way for a stronger country approach, and that more power and authority should be transferred from policy-making to implementing agencies, and from central government agencies to offices at the local level in developing countries. From the NDS perspective, moreover, it is recommended that these steps be taken at an early date.

As noted elsewhere, the NDS stresses multilateral coordination. In terms of implementing the NDS, several factors will be key to strengthening the country approach, as pointed out in 6.3.1: reforms to the sector- and assistance-type-oriented frameworks, the training of personnel to engage in multilateral coordination and apply the country approach, and the development of methods for utilization of the multisectoral and comprehensive approaches as well as sectoral and country evaluations. Of the world's 155 developing countries (48 of which were LLDC in 1994), Japan has local assistance agency offices in 60. Deciding how to strengthen its country approach to accommodate such a large number of countries will be another challenge. A phased expansion program for that purpose will conceivably be required.

To lay the groundwork for a stronger country approach, we recommend a two-phase course of action. Phase 1 would involve the selection of several priority countries where policy dialogues and efforts in assistance coordination with an eye to implementing the NDS are already under way. Consideration would be devoted chiefly to Zimbabwe, Ghana, Cambodia (the three countries examined by this Study Committee), Ethiopia, Tanzania, and Peru. The country approach for each designated priority country would then be reinforced. Phase 2 would draw on the experiences and lessons of Phase 1 and harness the methods and human resources acquired in the interim to enlarge the country approach. At present, Japan has to be flexible in shifting Phase 1 to Phase 2. The number of priority countries selected during Phase 1 could increase provided more countries demonstrate a commitment to implementation of the NDS. Furthermore, the timing of the shift to Phase 2 will depend on the progress made in amassing experience and training personnel in Phase 1.

Phase 1: Select several priority countries where policy dialogues and efforts in assistance coordination with an eye to implementing the NDS are already under way. Consideration would be devoted chiefly to Zimbabwe, Ghana, Cambodia, Ethiopia, Tanzania, and Peru. Set up a NDS promotion group within assistance agency headquarters, and devolve substantial power and authority to local offices (overseas diplomatic offices and aid agency offices).

A number of ventures are already under way to put the NDS into operation. The OECD/DAC have held repeated workshops, and assistance is now being extended through multilateral coordination for the NDS-oriented development programs in several African countries. To ensure that it does not fall behind in these efforts, and indeed, that it is able to assume a leading role, Japan will face the necessity of pursuing fast-track efforts to strengthen its country approach, particularly with respect to designated priority countries.

(1) Establish a NDS promotion group at headquarters

This group would assume a guiding role in efforts to strengthen the country approach as required for implementation of the NDS. Specifically, it would reinforce country studies and aid policies, direct and assist policy dialogues and the project formulation by aid agency offices based in priority countries, and, to ensure that assistance programs are implemented on a timely basis in those countries, coordinate the activities of various offices within headquarters that are involved in providing specific types of assistance to specific sectors. Further, as preparation for Phase 2, and to enlarge and implement the country approach in many developing countries, the group would systematically lead efforts to develop assorted methods and train personnel at the field level.

- (2) Devolve power and authority to assistance agency offices operating in priority countries to reinforce their functions

In striving to implement the NDS in priority countries, Japan would devolve power and authority as necessary to its diplomatic and assistance offices in those countries and initiate assistance programs there while coordinating efforts with agency headquarters in Japan. Agency headquarters and overseas offices would work out arrangements for collaboration and role-sharing by Japan's embassy offices and assistance agency offices in each country, and arrange personnel assignments and other logistics-related preparations based on a review from a NDS perspective. In addition to its customary channels, Japan would also strive to recruit needed personnel through universities, consulting firms, NGOs, and other channels, both in Japan and locally.

- (3) Participate on a continuing basis in OECD/DAC forums concerning donor coordination in general on the one hand, and for priority countries on the other.

Agency headquarters would participate in the former, and local agency offices abroad, in the latter. However, in some cases, headquarters and local agencies would participate in both, as warranted. Also, arrangements would be made to have the same personnel participate on a continuing basis, as has been the practice among most developing countries and leading donor countries.

- (4) Devise frameworks that will allow Japan to live up to its expected role in forums for donor coordination.

Aid donors are often expected to express their views at various stages during the course of discussion at donor forums. To that end, Japan should devise frameworks that allow its forum participants to speak out on certain issues and follow through with additional comments as necessary.

- (5) Study and establish methods for sectoral evaluations.

Many priority countries have already adopted development programs with explicit targets that are consistent with the NDS. It should be possible, therefore, to evaluate them from a broad-based perspective that looks beyond individual projects. As a preliminary step toward the implementation of multisectoral and country evaluations, Japan should develop techniques of sectoral evaluation capable of evaluating multiple projects in a single sector yet on a cross-sectoral basis. Assistance agency offices in priority countries would perform sectoral evaluations on a trial basis, and agency headquarters would draw on their findings to work out suitable methods for sectoral evaluations.

- (6) Explore ways which contribute to increased employment opportunities that benefits the poor in priority countries through a comprehensive approach.

There are several methods of expanding employment opportunities for the growing population of poor citizens, including efforts to attract more foreign direct investment, promote small enterprise, support informal sectors, and implement public works projects. However, in searching for specific ways of increasing job opportunities for the poor, Japan should apply a comprehensive approach that involves the participation of private companies based in Japan and each target country.

During Phase 1, it is advisable that Japan utilize the country approach to build on its experience with the multisectoral and comprehensive approaches in priority countries, cultivate a larger pool of experienced personnel in the process, and draw on its experience to compile a set of guidelines for Phase 2. Though the independence of local agency offices would be respected, each year, delegates from the priority countries would meet at agency headquarters in Japan to jointly review the effectiveness of assistance activities designed to implement the NDS in their countries, and share the lessons learned. Furthermore, this review forum would be utilized for the training of personnel both in and outside the ODA field in methods of the NDS implementation. Drawing on the review process and the experiences and lessons learned, guidelines would be put together for an enlarged country approach and steps to put the NDS into effect.

Phase 2: Draw on the experiences and lessons of Phase 1 and harness the methods and human resources acquired in the interim to enhance the country approach.

Phase 2 would also employ the country approach to amass experience with cross-sectoral participatory development, enlarge networks for participation, train assistance personnel, and pursue various other efforts on a trial basis. And, as in Phase 1, each year delegates from aid agency offices in priority countries would meet at agency headquarters in Japan to jointly review the effectiveness of their assistance activities, share the lessons learned, and strive to expand the scope of the country approach even further.

Phase 2 would involve the task of implementing and refining sectoral evaluations in priority countries based on the evaluation methods developed during Phase 1. These sectoral evaluations would serve as a basis for efforts to reinforce multisectoral and country evaluations. Based on the codification of experiences and lessons to that point, evaluation methods would then be devised for use in additional priority countries. Some of the strategies acquired during Phase 1 to provide improved employment opportunities for the poor would be implemented on a trial basis in each priority country, and accordingly refined and perfected. Also, methods would be developed and utilized to evaluate the performance of local assistance agency offices and other players.

During Phase 2, it would be necessary to pursue refinements in the country approach as more and more developing countries commit themselves to the NDS. In Phase 1, the NDS promotion group set up within agency headquarters would be assigned the task of amassing experience with the country approach in selected priority countries, developing better methods for the country approach, fostering personnel training, and engaging in other preparatory efforts for Phase 2. However, over time, this group would conceivably be less capable of helping headquarters deal effectively with the growing number of developing countries that commit themselves to the NDS, and thus would eventually have to be phased out.

Agency headquarters will face the task of supervising efforts by its local offices abroad to pursue policy dialogues and assist in the formulation of assistance policies and programs that reflect each country's development needs. From that perspective, it will need to share information on target countries with its local offices and pursue refinements in the policy and planning stages that utilize such information. It will be imperative to address these issues by adopting locally-oriented systems for action. However, within the context of country approaches for the NDS implementation, Japan will also find it necessary to improve

the efficiency of its assistance and organizationally overhaul its assistance agency headquarters by appropriately tailoring such locally-oriented systems to specific aid sectors, types of assistance, and roles.

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1990	Country Study for Japan's Official Development Assistance to Bangladesh	J	E	
1991	Country Study for Japan's Official Development Assistance to Brazil	J	E	P
1991	Country Study for Japan's Official Development Assistance to Pakistan	J	E	
1991	Country Study for Japan's Official Development Assistance to Sri Lanka	J	E	
1991	Country Study for Japan's Official Development Assistance to China	J	E	C
1992	Country Study for Japan's Official Development Assistance to Egypt	J	E	
1992	Country Study for Japan's Official Development Assistance to Kenya	J	E	
1993	Country Study for Japan's Official Development Assistance to Malaysia	J	E	
1993	Country Study for Japan's Official Development Assistance to Nepal	J	E	
1994	Second Country Study for Japan's Official Development Assistance to Indonesia	J	E	
1994	Second Country Study for Japan's Official Development Assistance to the Philippines	J	E	
1994	Country Study for Japan's Official Development Assistance to Palestina	J		
1995	Country Study for Japan's Official Development Assistance to Viet Nam	J	E	
1995	Second Country Study for Japan's Official Development Assistance to India	J	E	
1995	Country Study for Japan's Official Development Assistance to Ghana	J	E	
1995	Country Study for Japan's Official Development Assistance to Senegal	J	E	F
1996	Second Country Study for Japan's Official Development Assistance to Pakistan	J	E	
1996	Second Country Study for Japan's Official Development Assistance to Thailand	J	E	
1996	Country Study for Japan's Official Development Assistance to Jordan	J	E	
1997	Country Study for Japan's Official Development Assistance to Mongolia	J	E	
1997	Country Study for Japan's Official Development Assistance to Tanzania	J	E	
1998	Country Study for Japan's Official Development Assistance to Laos	J	E	
1998	Country Study for Japan's Official Development Assistance to Peru	J	E	S
Regional Studies				
1991	Regional Study on Japan's Development Assistance to Africa	J	E	F
1991	Regional Study on Japan's Development Assistance to Oceania	J	E	
1994	Regional Study on Japan's Development Assistance to Sub-Saharan Africa	J	E	
Issue-Wise Studies				
1988	Study on Japan's Development Assistance for Environment	J	E	
1990	Study on Japan's Development Assistance for Poverty	J	E	
1991	Study on Japan's Development Assistance for Women in Development	J	E	
1992	Study on Japan's Development Assistance for Population and Development	J	E	
1994	Study on Japan's Development Assistance for Development and Education	J	E	
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J= Japanese E= English F= French P= Portuguese C= Chinese S=Spanish				

