Development Assistance Strategies in the 21st Century:
Global and Regional Issues

Preface

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Having entered the 21st century, the world of development assistance sees one new major development after another. First, the United Nations General Assembly in September 2000 adopted the Millennium Development Goals (MDGs) as new goals of international development. As an extended version of International Development Strategy (IDS) launched by the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) in 1996, the MDGs have defined the following goals to be achieved mostly by 2015.

Goal 1: Eradicate extreme poverty and hunger
- Halve, between 1990 and 2015, the proportion of people whose income is less than $1 a day
- Halve, between 1990 and 2015, the proportion of people who suffer from hunger

Goal 2: Achieve universal primary education
- Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling

Goal 3: Promote gender equality and empower women
- Eliminate gender disparity in primary and secondary education preferably by 2005 and in all levels of education no later than 2015

Goal 4: Reduce child mortality
- Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate

Goal 5: Improve maternal health
- Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio
Goal 6: Combat HIV/AIDS, malaria, and other diseases
- Have halted by 2015 and begun to reverse the spread of HIV/AIDS
- Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases

Goal 7: Ensure environmental sustainability
- Integrate the principles of sustainable development into country policies and program and reverse the loss of environmental resources
- Halve, by 2015, the proportion of people without sustainable access to safe drinking water.
- Have achieved, by 2020, a significant improvement in the lives of at least 100 million slum dwellers

Goal 8: Develop a global partnership for development
- Develop further an open, rule-based, predictable, nondiscriminatory trading and financial system (includes a commitment to good governance, development, and poverty reduction—both nationally and internationally)

Behind the adoption of the goals are fundamental development challenges that still constitute serious issues, as seen from the fact that one in five people in the world live on less than one dollar a day, despite several international initiatives since the United Nations Development Decade in 1960s.

The September the 11th terrorist attacks made us realize that even a local phenomenon such as poverty or a conflict could be a global threat and gave us a momentum for promotion of the MDGs.

Achieving these development targets involves the difficult task of inputting financial and human resources into programs or projects for the goals and monitoring the outcome. Regarding the funds in particular, the World Bank estimates that 40 to 60 billion dollars will be required over the next 15 years. The International Conference on Financing for Development held in Monterrey, Mexico, in March 2002 discussed general measures to accomplish the MDGs and adopted the Monterrey Consensus on increasing aid volume and reducing debt. For assistance, it reconfirmed the target since the Second United Nations Development Decade, based on which developed countries shall spend 0.7 percent of their respective gross national product (GNP) on assistance. In response to this, US President George W. Bush announced a policy to make assistant 10-billion dollars in assistance in fiscal 2004 increase up to 15-billion-dollar by 2006 on condition the governance of developing countries is improved. In addition, the European Union
reached an agreement before the conference to increase its assistance from the current level of 32 billion, to 39 billion dollars by fiscal 2006. Given that the assistance was so inactive or reduced during era of “aid fatigue” in 1990s, it is remarkable that a major shift is taking place at the beginning of the 21st century.

The South African city of Johannesburg will host the World Summit on Sustainable Development (WSSD) in August to September 2002. The UN General Assembly in December 2000 decided to hold this meeting to commemorate the 10th anniversary of the UN Conference on Environment and Development (UNCED) and Agenda 21 adopted it for the purpose of constructing an international consensus on sustainable development without losing the balance among economic development, social development and environment conservation. With regard to development, the agenda of the summit meeting is expected to include major development challenges such as (1) reduction of poverty, (2) improvement in the production-consumption structure, (3) conservation and management of natural resources as the basis of economic and social development, (4) sustainable development in the globalizing world, (5) health and sustainable development, (6) sustainable development in small island developing nations, (7) sustainable initiatives for Africa, (8) transfer of means of implementation of sustainable development including funds and technologies to developing countries and (8) strengthening of governance.

However, Japan is obliged to cut its official development assistance because of its severe financial situation, although the reality of poverty and urgent necessity of environmental improvement in developing countries and the threat of terrorism are turning worldwide attention to the needs of developing countries and encouraging active commitment. Japan will need not only to provide more effective or efficient assistance but also to show the effectiveness of assistance to the rest of the world in order to play an active role in the global initiatives.

Japan Bank for International Cooperation (JBIC) is engaged in yen loans to play a role in Japan’s ODA. It is vital to ensure the impact and the efficiency of yen loans and at the same time to respond to global needs. From this viewpoint, the Medium-Term Strategy for Overseas Economic Cooperation Operations, implemented since April 1, 2002, defines seven priority areas listed below in the light of background and fundamental recognition of basic features and functions of yen loans. This includes their incentive effect as non-gratuitous funds and difficult financial conditions as well as of poverty issues, growing income gaps with globalization and the need to address worsening global-level issues.
(1) Strengthening support for poverty reduction  
(2) Developing infrastructure for economic growth  
(3) Supporting environmental improvement and anti-pollution measures  
(4) Addressing global issues  
(5) Supporting human resource development  
(6) Supporting the dissemination of information technology in developing countries  
(7) Supporting provincial development  

Conducted in fiscal 2001, this research, entitled Development Assistance Strategies in the 21st Century: Global and Regional Issues, was intended to review the Medium-Term Strategy for Overseas Economic Cooperation Operations to comment on it when it is in preparation, to crystallize the actions for the challenges shown in the Strategy at the implementation level, to continue in-depth discussions on the issues as a preparation for a revision of the Strategy scheduled three years later and to offer materials that activate discussions to international conferences and forums on development assistance. More specifically, this project consisted of eleven research initiatives listed below, each of which focused on a specific issue or region. Also, the project asked some experts in the relevant fields to write papers on their respective subjects with an emphasis on development assistance.

(1) Population  
Ryuzaburo Sato  
Department of Information Collection and Analysis  
National Institute of Population and Social Security Research, Japan  

(2) Food Security  
Per Pinstrup-Andersen and Marc J. Cohen,  
International Food Policy Research Institute, U.S.A.  

(3) Natural Disaster Prevention  
Norio Okada  
Disaster Prevention Research Institute, Kyoto University, Japan  

(4) War-Torn Economies and Peace-Building  
Jonathan Haughton  
Suffolk University, U.S.A.  

(5) Education and Poverty - Africa  
Dominique Njinkeu, Germano Mwabu, and Delphin Rwegasira
In the process of writing papers, an exchange of opinions and comments was made with corresponding section staffs in JBIC to ensure relevance with JBIC operations. Regarding the War-torn Economies and Peace-Building, and Markets and Institutions, prior seminars and discussion meetings were held in Tokyo with the participation of the respective authors.

This research paper is a compilation of articles on the eleven themes listed above. Volume one includes Part 1: The Role of Official Development Assistance and Global Issues in the 21st Century, with themes (1)-(4). Volume two includes Part 2: Regional Issues in the 21st Century, with themes (5)-(10), and Part 3: Effectiveness of Official Development Assistance, with themes (11). Completed as an academic contribution, it is positioned as a starting point for future discussions. A seminar on this research is scheduled to take place in Tokyo in July 2002, in
expectation of a deeper exploration of the issues presented to promote specific goals in the Medium-Term Strategy for Overseas Economic Cooperation Operations, to reflect future revisions, to achieve relevance with actual operations for yen loans and to provide useful information to arguments in international forums on assistance.