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## Complementarity of ODA and NGO Roles : A Case Study of Japanese Support of the Millennium Development Goals

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# Complementarity of ODA and NGO Roles: A Case Study of Japanese Support of the Millennium Development Goals

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## Abstract

Since roughly 2000 Japan's foreign aid policy has been beset by two contradictory forces. On one hand, the foreign aid budget has been reduced almost yearly since its peak in 1998. On the other hand, the international development community has rallied around the banner of poverty reduction, especially as agreed in the Millennium Development Goals (MDGs) in 2001. The Japanese government pledged to assist in the attainment of the MDGs in 2000. Japan's ODA has only partially fulfilled the government's commitments, however, as aid fatigue and a structural public debt problem have led to decreases in ODA levels contrary to the spirit of these summits. Aid agencies have adopted a neoliberal rhetoric of partnership with private sector and civil society organizations. This article analyzes the contribution of Japan's NGOs to the MDGs and examines whether Japanese NGOs play complementary roles with ODA in meeting the country's commitments to those goals. It considers the countries and sectors in which NGOs are active and assesses whether ODA-subsidized NGO projects are aligned with the MDGs or not. The article concludes with suggestions about how Japan's NGOs might more effectively enhance Japan's development assistance efforts toward the MDGs.

**Keywords:** Japanese NGOs, Japanese ODA, MDGs, partnership between ODA and NGOs

## 1. Introduction

Since 2000 Japan's foreign aid policy has been beset by two contradictory forces. On one hand, the foreign aid budget has been reduced almost yearly since its peak in 1998. As a result, Japan's official development assistance (ODA) is now about forty percent less than it was at its peak in the mid-1990s. On the other hand, the international development community has rallied around the banner of poverty reduction, especially as agreed in the Millennium Development Goals (MDGs) in 2001. The MDGs, which are composed of

eight goals relating to extreme poverty reduction, universal primary education, gender equality, child and maternal health, HIV/AIDS, malaria and other diseases, environmental sustainability, and global partnership, reflect an international consensus that posits poverty reduction as a new international standard for assessing development efforts, including the provision of ODA. Developed countries have also committed to achieve these universal goals and have reaffirmed the goals' importance through the announcement of their commitments to increase ODA as further efforts to assist the countries of Asia and Africa at the International Conference on Financing for Development in Monterrey (2002), Gleneagles Summits (2005), and the Doha International Conference on Financing for Development (2008).

The government of Japan pledged to assist in the attainment of the MDGs in 2000, and specific aid agencies have committed themselves to helping developing countries meet those goals. Japan's ODA has only partially fulfilled the government's commitments, however, as aid fatigue and a structural public debt problem have led to decreases in ODA levels contrary to the spirit of these summits. Aid agencies, notably the Ministry of Foreign Affairs and JICA, have adopted a neoliberal rhetoric of partnership with private sector and civil society organizations, in the forms of "sangaku renkei" and calls for "international cooperation" (Kitano 2011) instead of international aid as means to leverage scarce public resources by using skills and resources from outside of government.

In these circumstances, to what extent are Japanese NGOs complementing ODA efforts toward achieving the MDGs? It is widely assumed that NGO projects are more effective than ODA projects in reducing poverty in developing countries because NGO efforts tend to target development at the grassroots. This suggests the possibility that NGO can contribute the achievement of the MDGs. This article examines whether Japanese NGOs play complementary roles with ODA in meeting the country's commitments to those goals. For the objective, we analyze Japanese NGOs aid allocations including the countries and sectors in which NGOs are active and ODA-subsidized NGO projects. The article concludes with a brief discussion of obstacles that impede greater coordination between official aid agencies and NGOs in the achievement of the MDGs.

## 2. Literature review and methodology

### 2.1. Literature review

Since 2000 there has emerged a limited literature on the contribution of ODA to meeting the

MDGs. Research on the relationship between donor performance and MDGs is divided into two types; aid selectivity and sectoral approach. First, the literature on aid allocation and aid selectivity investigates whether donors allocate their aid selectively in accordance with poverty and institutional indexes of recipient countries (Alesina and Dollar 1998, Gates and Hoeffler 2004, Dollar and Levin 2006, Sawada et al. 2006). A second literature emphasizes the importance of sectoral approaches instead of allocations by recipient country (Baulch 2004, Kasuga 2007, Thiele et al. 2007).

Most of this literature showed that the contribution of Japanese ODA to the MDGs is indirect compared to other developed countries, while Sawada et al. (2006) found that Japanese aid targeted poorer countries<sup>1)</sup>. For example, Alesina and Dollar (1998) found recipient performance like poverty and democratization did not influence Japan's aid allocations even when they controlled for the UN-related strategic interest variable, the most significant of the variables they identified in the Japanese case. Baulch (2004) analyzed the relationship between aid allocation and four of the MDG targets: extreme poverty, child malnutrition, children not in primary school, and under-five mortality. The result indicated that Japanese ODA, along with France, Germany, and the United States, is regressive (which means a developed country distributes more aid to middle income countries) in terms of assisting achievement of sectoral targets. Thiele et al. (2007) examined sectoral allocations of aid in light of the eight Millennium Development Goals: hunger; primary schooling; gender disparity in education; under-five mortality; maternal mortality; HIV/AIDS, malaria and other serious diseases; and water and sanitation/slum dwellers. They concluded that Japan (and the United States) performed poorly in terms of targeting aid to needy recipients and did not focus aid on specific sectors. Similarly, Kasuga (2007) examined aid to ten sectors (food, health, water supply and sanitation, basic nutrition, basic education, women in development, STD control including HIV/AIDS, infectious disease control, general environmental protection, telecommunications). He concluded that Japan is least selective among major donors and is selective in only six sectors (food, health, basic nutrition, basic education, infectious disease control, telecommunications). Japan is one of the largest donors in these sectors, but these sectors account for only ten percent of its total bilateral aid.

Another literature assesses whether NGO assistance targets the poor and provides better targeted aid than their official aid (Dreher et al. 2007, Nancy and Yontcheva 2006, Koch et al. 2008, Nunnenkamp et al. 2008). These researches share one conclusion that a significant determinant of NGO aid allocations is poverty alleviation as it has been believed.

This research also raised the problem of the autonomy of NGOs. Nancy and Yontcheva 2006 argued that NGOs remain rather independent in their aid allocation decision even if funded by official sources and supported the autonomy of NGO. On the other hand, other researchers found important similarities between regional allocations of NGO and ODA aid and rejected the autonomy of NGO and its complementary role with ODA.

The researchers adopted quantitative methodology and analyzed European NGOs, which are large-scale and have long histories, unlike Japanese NGOs. Moreover, as Koch et al. (2008: 24-25) pointed out, it is widely believed that the European donors, especially Sweden and Swiss, are altruistic when they decide their aid allocation. NGOs in the other donor countries such as the United States, France and Japan, where commercial and strategic interests influence on their aid allocations significantly, might bring a different aspect on the issue of the autonomy. In addition to these researches, Brinkerhoff et al. (2007) report the results of an academic symposium on NGOs and the MDGs, but the work largely confines itself to discussions of the ways in which NGOs can contribute to development and how governments might foster NGOs' institutional comparative advantages in development projects. This research gives us some indication that NGOs can play a role on achieving the MDGs.

## 2.2. Methodology

Are Japan's NGOs filling in the development assistance gaps left by Japan's ODA? As noted above, the contribution of Japanese ODA to the MDGs is passive compared to other developed countries. On the other hand, NGOs are small, smaller than their Western counterparts in any case (Imata and Kuroda 2008), and are therefore likely to specialize in small-scale projects that focus on social development in rural areas that are not supported by the ODA program. We should expect to find that NGOs are more in tune with the MDGs and that their projects contribute more directly to their achievement. Then, do Japanese NGOs play complementary roles with ODA in meeting the MDGs? Does the Japanese government recognize this NGOs role and utilize it as a Japan's contribution to the achievement of the MDGs? To answer these two questions the authors analyzed aid allocations of Japanese NGOs and also its sectoral characteristics by using two sets of data. The first set of data is about Japanese NGO aid activities. We collected the data of aid allocations by country and by sector and examined its relationship with the achievement of the MDGs, compared to ODA. Secondly, we examined the country allocations of NGO projects subsidized by the Ministry of Foreign Affairs, called *Nihon NGO Renkei Musyo* (Grant Assistance for Japanese NGOs'

Projects), one type of grant aid, from 2009 to 2010.

It is difficult to measure accurately the number of Japanese NGOs engaged in international development. Of 45,220 organizations registered with official agencies as non-profit organizations as of July 2012 (*tokutei hieiri katsudou houjin*) 8,710 (19.3 percent) report international cooperation activity. Much of this activity, however, is not related to promotion of social and economic development per se and data quality is often poor (Potter and Nanzan Daigaku Kokusai NPO Kenkyu Chi-mu 2012). A better measure of NGOs likely to possess the skills and organization necessary to carry out development work overseas, therefore, is found on the NGO Directories of JANIC (The Japan NGO-Center for International Cooperation)<sup>2)</sup> homepage<sup>3)</sup>. Unlike the analyses for European NGOs, unfortunately, detailed data on amounts of assistance disbursed by Japanese NGOs are not available in an easily-accessible database. The JANIC homepage does not include such information, and most member websites do not publish it either. The authors therefore relied on the somewhat cruder measure of tabulating NGO statements in the JANIC directory of the countries in which they work. The authors collected each NGO's information of target countries (*Taisyokoku*) from individual NGO pages on the JANIC homepage. This does not allow a fine-grained view of the difference in emphasis a single NGO might give to different countries (for example, concentrating on one country while conducting a new pilot program in a neighboring one), but it does afford a general picture of the regional emphases on these organizations.

There are 406 NGOs on JANIC'S homepage and the authors used the information of 286 NGOs whose aid targets developing countries. The authors excluded 120 NGOs that work domestically (only in Japan), such as NGOs targeting foreigners living in Japan, providing subsidies to non-profit activities, or advocacy NGOs.

To analyze whether Japanese NGOs complement its ODA shortage in contributing the MDGs, we also collected projects details from NGOs' annual report on each homepage: 23 reports from NGOs working in the Philippines and 21 reports from those working in African countries<sup>4)</sup> were available. Most annual reports that the authors collected data from were published in 2010, but there are some NGOs whose annual reports were not available that year, so alternative years' reports were examined instead. Before an analysis of Japanese NGO aid, the authors describe Japanese ODA and confirm its contributions and limits on achieving the MDGs in the following section.

### 3. Japanese ODA and the MDGs

Japan's foreign ministry states that Japan is "fully committed to the achievement of the Millennium Development Goals" (MOFA 2005a: 1). In fact, its commitment appears ambiguous. For example, in the 2003 ODA Charter, the document which lays out the most significant policy objectives of Japan's ODA, there is no direct discussion concerning the MDGs, although it states that poverty reduction is the first of four priority issues. As both the MDGs and the Charter are statements of medium-term policy that cover the same period, the Charter's failure to mention the MDGs at all is puzzling. The Medium-Term Policy of 2005 refers to the MDGs in the section on poverty reduction. However, Japan's official position is that "poverty reduction should be pursued comprehensively through actions that address both the economic and social dimensions" while the "MDGs consist to a large extent of targets relating to the social sector". Moreover, neither the Medium-Term Policy nor the annual reports of Japan's aid implementing agencies since 2000 contain specific criteria that can be used to measure contribution to achieving MDG targets. Poverty reduction remains a general principle to be achieved somehow through the application of aid.

Japan's approach to achieving the MDGs is "poverty reduction through economic growth" based on the experience of development in East Asia (MOFA 2003, MOFA 2005a, MOFA 2013: 7). Japan's bilateral aid is divided into grants and yen loans. Provision of yen loans to promote economic growth of recipient countries through the development of economic infrastructure has been a pillar of its ODA system, although grants have been implemented partly to social sectors directly related to the MDGs. It is difficult to implement yen loans to Least Developed Countries (LDCs) because they require repayment. The character of the Japanese aid system in which the grant and yen loan programs have different development priorities and purposes makes Japan's direct contribution to the MDGs difficult (Kim 2009). In practice, the proportion to basic social services in Japanese ODA is extremely low and declining. After reaching its highest level in 2000, the proportion has moved between three and six percent. In 2010, the proportion of ODA to basic social services was 2.60 percent, the lowest level in the DAC countries, although 14 DAC countries in 2010 allocated over ten percent of their ODA to these sectors and two allocated over 30 percent (Luxembourg and United States). In 2009 Japan's ODA to basic social services jumped up to 18.80 percent, but it was due to the decrease of ODA allocated to economic infrastructure and services in that year rather than the increase of basic social services.

Table 1 demonstrates the limitations of the Japanese approach when viewed from the perspective of the MDGs. The table shows that in terms of human development<sup>5)</sup> Japan's aid now focuses somewhat more on poorer countries than it did in the mid-1990s. This is due largely to the phaseout of aid to some high income countries like South Korea and Mexico. The basic bifurcation of the aid program into loan aid and grant aid tends to restrict a more active poverty agenda in Japan's aid because yen loans are not provided to the poorest countries.

Reductions in annual aid budgets since the mid-1990s further blunt Japan's contributions to the MDGs. The commitment to increase ODA volume for the achievement of the MDGs is included in Indicator 8.1 (reconfirmation of the UN goal that DAC donors will provide 0.7 percent of their GNP as ODA) and in various UN reports (UNDP 2003, UN Millennium Project 2005). At the International Conference on Financing for Development, held in Monterrey, Mexico in March 2002, heads of state and their governments adopted the so-called Monterrey Consensus of making efforts to achieve the 0.7 percent goal. Japan failed to make the commitment to aid increases that the heads of other developed countries announced.

At the Gleneagles Summit, held in 2005, Prime Minister Junichiro Koizumi announced that Japan would increase ODA by 10 billion dollars in the coming five years

Table 1. Japan's Top 15 Aid Recipient Countries

Japanese bilateral aid(1995-1996)			Japanese bilateral aid (2009-2010)			Grants (2009-2010)			Loans (2009-2010)						
country	% <sup>a</sup>	HDI rank 1992	Country	% <sup>a</sup>	HDI rank 2007	country	% <sup>c</sup>	HDI rank 2007	country	% <sup>d</sup>	HDI rank 2007				
1	Indonesia	9.5	104	1	Indonesia	10.6	111	1	Afghanistan	8.7	181	1	India	10.5	134
2	China	8.9	111	2	India	10.4	134	2	China	5.3	92	2	Indonesia	9	111
3	Thailand	5.8	58	3	Vietnam	8.9	116	3	Pakistan	2.7	141	3	Vietnam	6	116
4	Philippines	5.3	100	4	China	7.7	92	4	Indonesia	2.3	111	4	Turkey	4.6	79
5	India	5	134	5	Philippines	4.8	105	5	Vietnam	2.2	116	5	China	4	92
6	Pakistan	2.7	128	6	Turkey	4	79	6	Sudan	2.1	150	6	Philippines	3.5	105
7	Bangladesh	2.4	146	7	Afghanistan	3.8	181	7	Cambodia	1.9	137	7	Sri Lanka	1.9	102
8	Korea	2	31	8	Sri Lanka	2.5	102	8	Philippines	1.7	105	8	Peru	1.5	78
9	Sri Lanka	1.8	97	9	Pakistan	1.5	141	9	Ethiopia	1.5	171	9	Morocco	1	130
10	Mexico	1.8	53	10	Peru	1.4	78	10	Kenya	1.5	147	10	Thailand	1	87
11	Malaysia	1.8	59	11	Malaysia	1.4	66	11	Laos	1.4	133	11	Iraq	0.8	..
12	Egypt	1.5	107	12	Thailand	1.2	87	12	Tanzania	1.3	151	12	Liberia	0.8	169
13	Kenya	1.1	130	13	Egypt	1.1	123	13	West Bank & Gaza Strip	1.2	..	13	Egypt	0.7	123
14	Viet Nam	1	120	14	Morocco	1.1	130	14	Congo, DR	1.2	176	14	Malaysia	0.7	66
15	Jordan	1	80	15	Cambodia	1	137	15	Nepal	1.2	144	15	Panama	0.6	60
Total above		51.6	97.2 <sup>b</sup>	Total above		61.6	112.1 <sup>b</sup>	Total above		36.3	139.6 <sup>b</sup>	Total above		46.6	103.7 <sup>b</sup>

Source: Japanese ODA data from OECD, International Development Statistics Online DB (<http://stats.oecd.org/>) 2012/7/25. HDI rank from UNDP (1995, 2009)

\*a: % of total ODA(gross disbursements)

\*b: Average of Top 15 countries' HDI rank

\*c: % of loan(gross disbursements)

\*d: % of grant(gross disbursements)

and double ODA to Africa in the next three years (MOFA 2005b), but budget constraints have continued. Following its victory in the 2009 House of Representatives election, the Democratic Party of Japan reviewed basic ODA policy in 2010. The review, *Enhancing Enlightened National Interest*, initiated at the behest of then-foreign minister Okada Katsuya, refined the philosophy of Japan's ODA as its national interest and placed emphasis on the MDGs as one of the three priority issues in ODA policy (MOFA 2010). Then-Prime Minister Yukio Hatoyama announced that Japan will "redouble its efforts towards the achievement of the MDGs and the promotion of human security (Prime Minister of Japan and His Cabinet 2009)" at the General Assembly of the United Nations held in 24 September, 2009. At the General Assembly of the United Nations Prime Minister Kan Naoto announced new contributions in the health and education areas named "Kan Commitment". This commitment includes providing 5 billion US dollars in health assistance (including 800 million US dollars to the Global Fund to Fight AIDS, Tuberculosis, and Malaria) and 3.5 billion US dollars in education assistance over the course of five years (Prime Minister of Japan and His Cabinet 2010). The electoral sweep by the Liberal Democratic Party in 2012 and 2013, however, rendered the DPJ policy shift moot; the current government's concern with ODA has largely focused enhancement of security.

Budgetary restrictions have strengthened the role of loan aid because yen loans are drawn from off-budget resources and are repaid by the recipient (author interview 2008/10/24). Through increases in government bonds and the fiscal loan and investment program, etc. yen loans in FY2010 amounted to 901.8 billion yen, increasing by 8.7 percent compared to the previous year. In FY2010, on the other hand, grant aid and technical cooperation were 154.2 billion yen and 325.8 billion yen, decreasing by 4.2 percent and 5.3 percent respectively compared with the previous year. These trends continued in FY2011 (MOFA 2011: 127, 2012a: 157). Therefore, aid budget cuts not only make Japan's contribution to the MDGs difficult but also encourage increases in the ratio of yen loans that are difficult to allocate to the LDCs and which undermine international commitments to comprehensively solving LDC public debt and promoting development of the highly indebted poor countries (HIPC). Moreover, Japan has allocated its aid budget focusing on how to use ODA to relate its growth strategy, especially export of Japan's infrastructure, and how to implement ODA strategically and effectively in recent years (Shibazaki 2011)<sup>6)</sup>. The 2011 Tohoku earthquake and tsunami disaster also placed additional strains on Japan's fiscal situation.

## 4. Japanese NGOs and the MDGs

### 4. 1. Country Distributions of Japanese NGO Projects

Japanese NGOs work in a surprisingly large number of countries. A survey taken from NGOs listed on the JANIC site found them reporting activity in 94 countries, nearly as many as Japan's aid program. Despite the range, however, they tend to cluster in a much smaller group of countries. The top fifteen countries in which Japan's NGOs work are listed in Table 2.

As Table 2 makes clear, Japanese NGOs overwhelmingly concentrate their efforts in the Asian countries. 14 of the top fifteen countries of NGO activity, 70.9 percent of total activity, are in Asian countries; 40.5 percent of NGO's total activity was in East Asian countries, 26.8 percent in South Asian countries, and 3.6 percent in Central Asian countries. 14.1 percent of NGO's total activity was in African countries, following Asia, and 7.1 percent was in Central and South American countries<sup>7)</sup>.

Comparison of responses in the 1994 and 2006 JANIC directories (JANIC 1994, 2006) and

Table 2: Top Fifteen Recipients of NGO Projects, selected years

	Country	Percentage of total NGO aid	HDI Rank (2007)
1	Philippines	8.1	105
2	Cambodia	7.2	137
3	Nepal	6.4	144
4	India	6.2	134
5	Thailand	5.6	87
6	Indonesia	5.4	111
7	Sri Lanka	4.6	102
8	Bangladesh	3.8	146
9	Vietnam	3.4	116
10	China	3.4	92
11	Myanmar	3.4	138
12	Laos	2.9	133
13	Afghanistan	2.9	181
14	Haiti	2.4	149
15	Pakistan	2.3	141
	Total Above	68.1	127.7*

Source: JANIC (Kokusai Kyoryoku NGO Senta) (<http://www.janic.org/directory/>), UNDP (2009)

\* Average of Top 15 countries' HDI rank

Note: Data were compiled from the JANIC homepage accessed from June 18, 2012 to June 20, 2012. Depending on the organization responding to the survey, however, data reported ranged from 2007 to 2011. Percentages reported in the table should therefore be taken as indicative rather than definitive. In any case, the data reported are consistent with general patterns of NGO allocations reported in other surveys.

a similar survey carried out by the JICA (Japan International Cooperation Agency) (2008) confirm this concentration<sup>8)</sup>. 11 of the top fifteen ODA and NGOs recipients in tables 1 and 2 overlap. Like ODA, the Japanese NGO presence in Asia, especially East and Southeast Asia, is especially dense. But it is noteworthy that Haiti ranks in fourteenth place. According to the *Directories of NGOs Engaged in International Cooperation* (Kokusai Kyoryoku NGO Dairekutori) that JANIC published in 2008, NGOs that report Haiti as one of their main target countries was only three, but it has been increased to eighteen.

Most of the top fifteen countries are included in the Medium Human Development category, excepting Afghanistan. The average of the top fifteen countries' Human Development rank is 127.7, lower than the average of ODA's top fifteen recipients Human Development rank of table 1 and locates the middle of grants and loans' averages. As noted above, Japan has implemented ODA that contributes directly to the achievement of the MDGs through grant aid and technical cooperation. Surprisingly, the target countries of NGOs and its Human Development rank indicate that the aid of Japanese NGOs has a weaker relation with the achievement of the MDGs than its grant aid and technical cooperation. The previous research showed that NGOs provide one of their aid to more aid-needy, poor developing countries. However, it seems not to be applicable to Japanese NGO aid.

The highest frequencies of activity are reported in countries in the Medium Human Development category, which is consistent with the conclusion about the concentration of assistance in Asian countries. In the other region, numbers of NGOs that work in one country are below 10 NGOs. In fact, the number of NGOs that work in countries below the top fifteen countries are very small. There were 36 countries in which only one NGO reported work, most of them are Sub-Saharan. In sum, Japan's NGOs as a group tend not to focus their assistance on the poorest countries. The exception is that subset of NGOs working in Africa, but the relative scarcity of their numbers is overshadowed by their counterparts' emphasis on Asia.

#### 4. 2. Sectoral Allocations of NGO projects

How do Japanese NGOs locate the MDGs in the implementation of their aid? We can find the answer on JANIC homepage. NGOs also have reported the goals of the MDGs related to their aid activities. 130 of 286 NGOs reported that their aid activities relate to Goal 2 and 118 answered so for Goal 1. 95 NGOs identified Goal 7, and 50, 45, and 47, respectively identified

Goal 4, 5, and 6. Therefore, aid by Japanese NGOs is widespread to the three sectors: education, health, and environment (including living environment) in line with Japanese NGOs' overall activities.

Some international NGOs identify the MDGs as an important agenda in their aid activities. For example, JOICFP locates the achievement of the MDGs as one of the international issues it works on through its activities and stated that it has served contribution to achieve the MDGs, especially of improving maternal health (JOICFP, 2011: 3, 7). However, a survey of JANIC members (*Kako Ni-nenkanno Kokusai Kyoryokuni Kansuru Omona Gutaiteki Jigyo*) showed that, while many of the larger organizations promote the MDGs in principle, they tend not to report direct, measureable links between projects and a specific MDG. Analysis of short project descriptions, however, revealed that NGOs do indeed focus on the social development sectors related to MDGs 2 through 6 (also the clean water target in Goal 7), but many NGO projects were unrelated to any MDG. Projects tend to be more definable in terms of the MDGs for those carried out in Africa and for those related to HIV/AIDS. In other words, because the Asian recipients of NGO assistance tend to be in the Medium Human Development category projects tend to be carried out for a large range of purposes, not all of which are directly concerned with MDGs 1 through 6. Those relatively few NGOs that work in Africa, on the other hand, tend to carry out projects directly related to those same goals probably because the perceived need for such assistance is clear.

To analyze the relation of projects of NGO aid and the MDGs in detail, we examined the aid projects of 23 NGOs in the Philippines. Projects were concentrated in education; 14<sup>9)</sup> of 23 NGOs whose reports were available implemented projects related to education. This includes not only primary education, Goal 2 of the MDGs, but also middle and higher education, vocational training, and non-formal education. These projects took the form of scholarships, school building, and provision of goods necessary for attending school, and especially targeted for the children living in rural areas or in slums, street children, and ethnic minorities. By region, the projects were concentrated in Luzon, including Metropolitan Manila, where there are problems such as the deterioration in the living environment around waste treatment plants, the increase of street children in slums, and minority prisoners. In addition to education projects, 5 NGOs<sup>10)</sup> implemented projects related to health such as nutrition, preventing and reducing Malaria and tuberculosis. Projects which support improvement in living standards and self-reliance of Filipinos were implemented by several NGOs. Many of these projects implemented targeting for women and ethnic minorities

through technical support for agriculture and sewing. In particular, the projects targeting women can promote women's economic status and can contribute to gender equality, Goal 3 of the MDGs<sup>11)</sup>. There are also projects related to environment and water which can contribute to achievement of Goals 4 to 7 of the MDGs<sup>12)</sup>.

The Philippines ranked fifth place in Japanese ODA recipients during 2009 to 2010 as table 1 shows. Japan provided \$1.4 billion to the Philippines during the same period. 85 percent of the overall ODA to Philippines was loan aid and 68% of loan aid was disbursed to 3 infrastructure projects<sup>13)</sup>. Under a policy of support to the achievement of "inclusive growth" as its overarching goal, Japanese ODA to Philippines has three priorities: sustainable growth through improving investment, management of vulnerability and stabilizing living conditions, and peace and development in Mindanao (MOFA, 2012b). These reflect Japanese government approach in achieving the MDGs, but aid to social sectors still remains insufficient. Although the selectivity in country choice of Japanese NGOs is not so different from ODA, they complement the shortage of Japanese ODA in the social sectors.

Supporting the achievement of the MDGs by Japanese NGOs is more salient in Africa. About as many projects related to education as in the Philippines were implemented in African countries. But, unlike in the Philippines, projects related to health, Goals from 4 to 6 of the MDGs, accounted for a sizeable proportion in Africa<sup>14)</sup>. Among these, projects combating and treating HIV/AIDS were seen most frequently, and projects targeting for maternal health and improving maternal nutrition were also implemented. Projects such as well sinking and sanitary facility building were implemented as well<sup>15)</sup>. Projects to support returned people in countries which had suffered conflicts deserve special mention in NGO aid to African countries as well. It can be said that the aid projects in African countries have stronger relation with the achievement of the MDGs than the projects in the Philippines.

#### 4. 3. ODA-NGO cooperation and the MDGs

To better understand whether aid officials use NGOs to help plug the development-related gaps in Japan's foreign aid discussed above, the authors examined the country allocations of NGO projects subsidized by the Ministry of Foreign Affairs, called *Nihon NGO Renkei Musyo*. During 2009 to 2010, 147 projects were subsidized by MOFA grants. As with total ODA and NGO aid, the top priority region was Asia which accounted for 63.9 percent of this type of aid. Among the Asian countries, Myanmar, where 15 NGO projects were implemented, was the top recipient of this aid. The second and third recipients were

Cambodia and Laos. CLMV countries including Vietnam accounted for 28.6 percent of aid. On the other hand, in this type of aid, some countries in the Middle East and Sub-Saharan Africa such as Iraq, Jordan, Malawi, and Zambia also ranked high in proportion of total projects. The average of the Human Development rank of the top 12 recipient countries was 131.3, lower than both of a total ODA and NGO's aid.

By sector, *Nihon NGO Renkei Musyo* concentrated on projects related to education and health. The education projects tend to be polarized into primary education and vocational training. Projects supporting efforts to combat HIV/AIDS and improving maternal and child health accounted for largest part of health-related projects. In addition to these sectors, projects such as mine clearance, bomb disposal, refugee support and their rehabilitation for self-reliance in post-conflict regions are also remarkable. On the other hand, environment and water and sanitation which, contribute to the achievement of Goal 7 of the MDGs, were supported by only a few projects.

In general, ODA-subsidized projects tend to exhibit more selectivity in country choice and sector allocation according to the MDGs than bilateral ODA. However, these projects account for only a small proportion of Japanese bilateral aid. Japan's aid to NGOs has been below 2.0 percent of total bilateral aid from 2005 to 2012: it marked 1.8 percent in 2005 and 1.9 percent in 2010. The proportion has been lower than the average of the DAC countries, 2.6 percent in 2005 and 2.3 percent in 2010.

## 5. Conclusion

A major assumption of the Millennium Development Goals is that international commitment will translate into national action. Japan's foreign aid over the past decade suggests that this connection is tenuous at best. Japan's ODA allocations reveal little selectivity for the MDGs *per se*. Japan's foreign aid commitment to achieving the MDGs has been partial at best, simultaneously beset by continual budget contraction and competing development paradigms and political priorities. The continued emphasis on supporting East Asia's economic development detracts from Japan's contribution simply because that region is not the center of the MDGs' attention. Africa has begun to attract more attention in the aid program (Raposo and Potter 2010), but it is as yet unclear whether Japan will maintain its commitment to augmented funding.

The European NGO studies cited above found that NGOs are more likely to provide

assistance that contributes to poverty alleviation, but there is an argument about the autonomy or complementary role of NGOs. To the extent that the NGO data permits it is possible to conclude that Japan's civil society organizations provide assistance that is more directly relevant to achievement of the MDGs and play a complementary role to meeting the country's commitments to the goals, although there appears to be little selectivity in country choice according to the MDGs. Their emphasis on Asian countries tends to dilute their contribution to eliminating poverty, but there is anecdotal evidence that even in medium human development countries NGOs' social development work focuses on the poorer sections and poorer people of society. Whether that assistance reaches the poorest is a question beyond the scope of this study.

NGO numbers and scale of operations, however, are still limited compared to their counterparts in other major developed countries. Moreover, it is not clear that development agencies in Japan fully utilize the potential of that country's development NGOs. On the one hand, since 1989 the Ministry of Foreign Affairs has introduced subsidy programs designed to foster NGO development activities, including the subsidies analyzed above. On the other hand, these programs account for two percent or less of the ODA budget per annum (Ahmed and Potter 2006: 117).

NGO advocacy on behalf of the MDGs has occasionally been vigorous. In 2005, the year in which the first UN evaluation of progress toward the MDGs was carried out, the *Hottokenai Sekai no Mazushisa* campaign (Make Poverty History) was organized by NGOs in Japan and achieved some success in raising awareness about global poverty (Imata and Kuroda 2008: 273). The Global Call to Action Against Poverty (GCAP) in Japan now has 24 member organizations and another 15 affiliates. Both categories include some of the largest and best-organized NGOs in the country.

This does not mean, however, that official agencies pay particular attention to NGO advocacy on the MDGs and change their policies accordingly. JICA, which administers the grant and technical assistance programs, has institutionalized regular contact between itself and selected NGOs in order to enhance operational performance of that part of the aid program. The foreign ministry, however, has been less positive about regular interaction with civil society: NGOs have been shut out of or held at arm's length when the government has sponsored major international development conferences, including those on reconstruction in Afghanistan and assistance for African development. The close policy-level interaction between official agencies and NGOs found in some other countries has not

taken root in Japan, and NGOs still complain that the foreign ministry especially treats them as subcontractors rather than partners. Judged by the trajectory of Japan's ODA in the last decade, development NGOs have had little influence in steering aid policy in a direction more conducive to achieving the Millennium Development Goals.

## Notes

- 1) But they also found that democracy or governance of recipient countries were not correlated with Japanese ODA, unlike most other donors. (Sawada et. al. 2006)
- 2) JANIC is a non-profit, non-partisan networking NGO founded in 1987 (JANIC Homepage).
- 3) We accessed from June 18, 2012 to June 20, 2012. JANIC has published Directories of NGOs engaged in international cooperation (*Kokusai Kyoryoku NGO Dairekutori*). But we used data on the JANIC homepage to get most up to date data, because the latest directories were published in 2008.
- 4) The countries are the top 7 recipients of Japanese NGOs in Africa- Kenya, Sudan, Zambia, Ethiopia, Uganda, Tanzania and South Africa. A number of NGOs working in These 7 countries is almost the same as the number of NGOs that report working in the Philippines.
- 5) The authors used the UNDP human development index (HDI) rank of major aid recipients. The indicators for the first three MDGs 1-7 are incorporated in the HDI. (UNDP 2003: 27-28). The authors considered that the HDI rankings are the simplest and one of the most appropriate indices for measuring contribution of achieving the MDGs.
- 6) In the review noted above, supporting sustainable growth located the other pillars of the priority issues in Japanese ODA and can also result in revitalizing the Japanese economy. The review stated that "especially for cooperation to upper-middle-income countries and emerging countries, we will coordinate with various stakeholders and utilize ODA and non-ODA means, with ODA's role in Japan's growth strategy in mind (MOFA 2010: 8)."
- 7) Middle East countries accounted for 3.4 percent of NGO's activity, Europe was 2.0 percent, and Oceania was 1.5 percent.
- 8) A comparative study of NGOs and ODA in nine OECD countries in the 1990s that used OECD NGO directory data found a similar pattern (Nanzan University NGO Research Group, 2003).
- 9) ACCESS, ACT, ACTION, Azia Tomonokai, CFF Japan, Child Fund Japan, Free The Children, HOPE, ICAN, Japan International Food for Hunger, Kokkyo Naki Kodomotachi, Kusanone Undo, UNESCO, and 21 Seiki Kyokai.
- 10) ACCESS, Child Fund Japan, Free The Children, ICAN, and RESULTS
- 11) ACCESS, Kusanone Undo, OISCA, and 2050 have projects related to gender equality through

- supporting women's rights, livelihood, and self-reliance.
- 12) Azia Tomonokai and Ikaw-Ako implement tree planting projects and Azia Tomonokai also has well sinking and improving water quality projects.
  - 13) The proportions were calculated using data on MOFA homepage (available at <http://www.mofa.go.jp/policy/oda/data/pdfs/philippines.pdf> accessed 2013/8/2). The three infrastructure projects are Logistics Infrastructure Development Projects, Post Ondoy and Pepeng Short-Term Infrastructure Rehabilitation Project, and Road Upgrading and Preservation Project.
  - 14) ADRA, AMDA, Association for Aid and Relief Japan, Cando, HANDS, Japan, International Volunteer Center, Japan Overseas Christian Medical Cooperative Service, JOICFP, Oxfam, PLAS, SHARE, and TICO have projects related to health in Africa.
  - 15) Association for Aid and Relief Japan, CARE, Hunger Free World, JEN, Peace Winds, Japan, and World Vision Japan implement water and sanitation relating projects.

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