

## Comments of the Government of Japan

Review Session on Chapter IV of the Monterrey Consensus  
“Increasing international financial and technical cooperation for development”  
General Assembly  
15 April 2008

### 1. Quality of aid, partnership, ownership

(1) In 2005, Japan announced its intention to increase its ODA volume by US \$ 10 billion in aggregate compared to its 2004 level over the following five year period (2005-2009). Japan is striving to meet this commitment.

(2) The quality of aid is just as important as the quantity of aid. Japan has provided assistance that supports self-help efforts and sustainable growth on the part of its partners. We are proud that this approach has been successful.

(3) To ensure the quality of aid, donors should respect the ownership of partners, support their autonomous growth, and work to achieve alignment with their national development plans and Poverty Reduction Strategy Papers. In this regard, capacity development assistance in the field of statistics and policy evaluation should be pursued, as developing countries need to gain an adequate grasp of their own development policies. In addition, projects such as infrastructure development that require skilled management are conducive to a project-based, rather than a program-based, approach.

(4) There is no one-size-fits-all formula that will guarantee effective assistance. The specific situation of each country and region needs to be fully considered. Likewise, automatic application of all twelve Paris Declaration indicators is not necessarily the best prescription for success.

(5) With the new aid architecture, the ownership of developing countries is more important than ever in implementing effective assistance. Instead of unilaterally imposing the values of donors, we should provide developing countries with the opportunity to make selective use of aid resources and the capacity development which makes it possible to do so.

### 2. Assistance which leads to trade, investment and mobilization of domestic resources

(1) The private flow of capital into developing countries far exceeds the volume of ODA. We had ample testimony to this effect at past review sessions. Public funding

therefore should play a catalytic role in encouraging private funding by promoting the development of social and economic infrastructure.

(2) The key to encouraging private sector investment is mitigation of risk. Both trade and investment insurance, which supports trade and investment by the private sector, and public-private partnerships on matters such as the coordination of lending by public and private financial corporations, are playing a crucial role in the development of infrastructure.

### 3. Human security, peace building and support for fragile States

(1) The “bottom billion” must be lifted out of the vicious circle of poverty and conflict. This should be done by protecting and empowering individuals, based on the concept of human security. In this regard, we must strengthen peace-building and assistance activities in post-conflict and fragile states.

(2) At TICAD IV, which is scheduled to be held at the end of May, Japan will promote rural and agricultural development in Africa and support for peace-building, inter alia. We would like to utilize achievements in these areas in the follow-up process for financing for development.

(3) Peace-building is of great importance to Japan. Seamless assistance is crucial, beginning with humanitarian assistance in a conflict situation, followed by rehabilitation and nation-building, and assistance for governance and improvement of social and economic infrastructure.

(4) Debt relief, humanitarian assistance and emergency relief all have ODA eligibility according to the DAC definition. Debt relief makes it possible for heavily indebted countries to allocate funding for development. And unless there is humanitarian or emergency assistance in crisis situation, development will be severely affected over the medium to long term. Debt relief and humanitarian and emergency assistance are therefore as important as other types of ODA.

### 4. Responsibility of emerging donors, South-South and triangular cooperation

(1) According to the UNDP, more than one thousand financial mechanisms are active in the field of development assistance. Emerging donors and philanthropies in particular are playing increasingly important roles. It is therefore important to promote dialogue and partnership between traditional and new donors.

(2) With regard to emerging donors, in addition to aid effectiveness, it goes without saying that debt sustainability, respect for international norms in areas such as human rights and good governance, and due regard for environmental and social

standards are all important. Equally important is the construction of wide-ranging cooperative relations between traditional and emerging donors through, for example, assistance for South-South cooperation and aid-implementation capacity.

(3) Japan has long recognized the effectiveness of South-South cooperation, and has engaged in triangular cooperation by inviting trainees of LDCs to advanced developing countries and sending their experts to LDCs. Asia-Africa cooperation is an important pillar of the TICAD process. We therefore intend to work to improve the effectiveness and impact of aid in collaboration with new donors and development partners by promoting South-South and triangular cooperation.

(4) In light of the growing scale and importance of assistance by emerging donors, the framework of the Paris Declaration needs to be adjusted to the new international aid architecture. With the participation of a wide range of donors including emerging donors, the entire donor community should strive to improve the effectiveness of aid. To this end, the views of emerging donors need to be duly reflected.

#### 5. Financing for climate change

(1) Finally, my delegation would like to stress the importance of the global endeavor to cope with climate change, which is also an important challenge to development. Japan is ready to assist those developing countries that are striving to achieve both emissions reductions and economic growth, working to contribute to climate stability and coping with the adverse impact of climate change. In this connection, Japan will establish a new financial mechanism, Cool Earth Partnership, on the scale of US \$10 billion. It will also pay attention to the special needs of SIDS and LLDCs.

(2) At the same time, Japan aims to create a new multilateral fund together with the United States and the United Kingdom, and it calls for participation from other donors as well.