

**“SCALING UP FOR THE MDGs”**

**Remarks by Takeshi OSUGA**

**Director for Global Issues Cooperation Division**

**Ministry of Foreign Affairs of JAPAN,**

**18<sup>th</sup> June, 2007, Doha, Qatar**

Mr. Chair,

Distinguished Delegates,

I would like to share with you some of Japan's recent experiences in foreign aid that we consider to be good examples of scaling up for the MDGs.

Firstly, let me touch upon Japan's efforts on different sectors included in the 8 goals and 18 targets of the MDGs.

(Primary Education)

Education has always been the top priority in our own nation building efforts and we apply this to our aid policy also. Japan's ODA allocated to education sector amounts to nearly 5 billion USD for 6 years 2000 – 05 and is placed in the 2<sup>nd</sup> place just after France. Yesterday, our colleague from the Netherlands made a comprehensive remarks on Education for All – First Track Initiative (FTI). We are happy to join this Initiative by contributing 2.5 million USD this year to the 2 funds under the FTI, and to become the co-chair of FTI in 2008.

(Water and Sanitation)

Japan has also been the leading donor in the water and sanitation sector by providing approximately 40 % of all bilateral aid during 5 years 2000 – 04. In March 2006, at the meeting of World Water Forum held in Mexico, we have announced a new initiative called “Water and Sanitation for Broad Partnership Initiative (WASABI)”. In addition, last December, we initiated the adoption of the UN General Assembly resolution to make the year 2008 the “International Year of Sanitation”. We are delighted to see other donors, in particular our European colleagues, paying more and more attention in this sector recently.

(Millenium Village Initiative)

As many of our colleagues in the UN already know, community empowerment is at the heart of human security concept Japan has been promoting for years in the context of development and humanitarian assistance. For that reason we have committed to assist the pilot phase of the African Millenium Village Project, promoted by Earth Institute of Columbia University by providing the seed money from UN Trust Fund for Human Security through UNDP. This Trust Fund is designed to finance pilot projects that “provides concrete and sustainable benefits to people and communities threatened in their survival, livelihood and dignity”.

(Debt relief)

Japan has been strongly supporting the harmonized approach to the debt issue. Vis-à-vis the HIPCs: Heavily Indebted Poor Countries and others, we are committed to the debt reduction totaling more than 19 billion USD for 37 countries. In our view, debt relief should not be underestimated as important tool of international assistance. In order for the debt reduction measures to be truly effective, I sincerely hope that our effort is coupled with the strengthened capacity in public financial management of the indebted governments.

(Trade)

In order to achieve the objectives of the WTO Doha Round, which is considered as a development round, improvement of market access is not enough. We should work on comprehensive measures including the capacity building of developing countries in the area of trade. In December 2005, just before the WTO Ministerial Meeting in Hong-Kong, Japan announced "Development Initiative" aiming at supporting developing countries in all phases of trade, namely "produce", "sell" and "buy". We have extended our duty free, quota free measures, and are promoting One Village One Product Campaign. With regard to Africa, Japan is taking initiatives such as "Asia-Africa Trade and Investment Conference", "Asia-Africa Business Forum" and "Enhanced Private Sector Assistance for Africa" in collaboration with relevant international organizations such as UNDP, UNIDO and AfDB.

(Other sectors)

Japan is taking initiatives in other sectors related to the Millennium Development Goals and targets. One of our priorities is health sector committing ourselves to 5 billion USD for 5 years 2005 – 09. We are committed also to distribute 10 million bed nets with insecticide, considered to be the most efficient measure to fight against malaria. It is estimated that 10 million bed nets can prevent the lives of 160 thousand children in Africa. Other sectors that we're taking tackling include agriculture through development of new varieties of rice and irrigation system, but I would limit myself to go into details.

---

Now I would like to share our views on what really needs to be done to scale up for the MDGs.

As I stated yesterday, the quantity and the quality of aid should go hand in hand. For the sake of quantity, for example, vertical funds have proven to be a very effective tool for collecting funds. Also, bilateral aid is a necessary means for many donor countries, especially for those equipped with strong implementing agencies such as JICA, Japan International Cooperation Agency in our case, in order to convince their domestic constituency, the tax-payers, by raising the national visibility of aid. Earmarked funding to

multilateral agencies, mentioned by our colleague of OECD DAC yesterday is also inevitable for the same reason from the donors' point of view.

All these modalities of aid contribute to augment the amount of international assistance but risk to deteriorate aid effectiveness if they are not implemented in a harmonized and coordinated manner. If we prioritize multilateral, pooled, non-earmarked and cross-sectoral modalities for the sake of quality of aid, we risk not being able to mobilize all the potential resources for the achievement of the MDGs.

How can we mobilize to the maximum the financial resources and at the same time preserve the quality of aid? I have two answers to this question.

My first answer is "enhanced ownership of the recipient, backed up by good governance". International assistance can only be effective when it's combined with the effort of the developing countries to strengthen its governance. Foreign aid can only be effective with transparent, accountable and predictable public institutions in the political, economic and social sector of the recipient country. Fight against corruption is important. I also talked earlier about the need to synergize debt relief measure with good public financial management. In our view, how to assist developing countries in the capacity building related to governance should be placed at the center of the scaling up for the MDGs.

My second answer is to adopt "human centered approach". Both the donors and the recipient governments should try to focus more on the real impact of the financial resource they mobilize on the final beneficiaries, the most vulnerable people and communities. Human security does not contradict with national security or state sovereignty but it complements the ownership of the recipient government to provide its people with services related to the MDGs. Human security approach implies more focus on communities, multi-sectoral and cross-sectoral measures to cope with various threats in a comprehensive way, promoting partnership with local civil society and NGOs. We believe that these are all key elements in keeping up the quality of aid at the grass-root level. Japan has been promoting this approach with its bilateral aid and through the UN Trust Fund for Human Security in collaboration with UN development and humanitarian agencies. In concluding my remark, I would like to invite others to join.

Thank you very much.