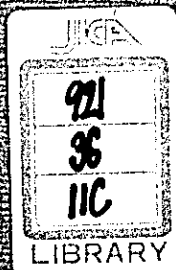


NETHERLANDS DEVELOPMENT AID POLICY

28 NOVEMBER 1989, Tokyo



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NETHERLANDS DEVELOPMENT AID POLICY



Dr. Biegman



Seminar in Progress

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Institute for International Cooperation
International Cooperation Centre Bldg.
10 - 5, Ichigaya, Honmura-cho,
Shinjuku - ku, Tokyo 162 Japan
TEL. 03 (269) 3201
FAX. 03 (269) 2054

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Opening Address

I would like to thank those of you who are present today for your attendance at this lecture given by Dr. Biegman, the Director-General for International Cooperation, Ministry of Foreign Affairs, from the Netherlands. Dr. Biegman will talk about the general policies which govern the Netherlands contribution to international cooperation. This will touch upon many interesting themes that we Japanese are also interested in, such as the issue of the environment, the roles of the NGOs.

Dr. Biegman himself has served in the past as the Netherlands Ambassador to Egypt. He is now the Director-General for International Cooperation within the Ministry of Foreign Affairs and acts in general charge over development aid and assistance offered by the Netherlands. He has kindly consented to spare some of his very precious time while he is here in Japan for giving today's lecture and for discussion. We'd like to take this opportunity to express our heartfelt gratitude to Dr. Biegman. We invite development specialists from the different countries and multilateral aid organizations.

This Institute for International Cooperation, established under the auspices of JICA, has taken a part in various study and research programs. We offer opportunities and sessions for undergoing training for many visitors coming to Japan. We've also tried to organize a series of lectures which have been given by many distinguished participants in a global effort for international development aid. This year, for example, we've already had speeches from Sweden, with the Director-General, Mr. Tham of the Swedish International Development Authority, with Dr. Messier from the Canadian International Development Agency (CIDA) and also with Dr. Allison, Dean of the John F. Kennedy School within Harvard University.

Official development aid offered by industrialized countries to developing countries, I know that I do not have to fill you in with any details,

is an area where many of us are concentrating our efforts, for we Japanese as well. We expect that Japan will be the largest donor country in the world, outstripping the United States. At the same time, we also see many issues which require global cooperation and global effort to meet those challenges. With this general background and these basic developments, we believe it is important to try to carry out an efficient management and implementation of development assistance. We also believe it is important to exchange information and know-how. And so, in that sense as well, we believe this is an extremely important opportunity for all of us, to learn more what is possible.

We will be having a lecture from Dr. Biegman. As you can see, in the papers in front of you, we have both an English and a Japanese version of Dr. Biegman's speech. The Netherlands is a country famous for its enlightened attitude towards foreign relations. And, to tell you the truth, this Japanese version was prepared by the Dutch side. They had this translated into Japanese and they had this typed up in the Netherlands. And this is the first time that we've ever been able to receive a Japanese translation prepared by the speaker himself. We are extremely honored and also gratified. And I would now like to call upon Dr. Biegman. Thank you very much, indeed.

Kiyoshi Kato
Managing Director,
Institute for International Cooperation, JICA

Lecture

by Dr. Biegman

● Curriculum Vitae

Name : Dr. N. H. Biegman
Date of Birth : September 23, 1936
Place of Birth : Apeldoorn, The Netherlands
Education : University of Leiden, Law and Literature
1962 – 1984 : Ministry of Foreign Affairs as well as various
postings in the diplomatic service
1984 – 1988 : Netherlands Ambassador to Egypt
1988 – : Ministry of Foreign Affairs, Director-General
for International Cooperation
オランダ外務省国際協力局長

DEVELOPMENT COOPERATION MADE TO MEASURE

It gives me great pleasure to be here in Japan, a country with which the Netherlands has such important historic links. Other countries, including the Netherlands, are full of admiration for Japan's economic achievements. Numerous studies of Japanese post-war economic development have shown that your country's success is due primarily to the hard work of the Japanese people and to Japan's capacity for responding in a flexible way to the international environment. In the years to come these qualities of diligence and flexibility will increasingly be called upon to help in meeting the many challenges facing the world. It is clear from the rapid increase in Japanese development aid efforts that Japan will fully live up to its responsibilities.

Development cooperation as we know it today is a recent phenomenon, and in many areas it is still a matter of trial and error. It is therefore essential to exchange ideas and share knowledge and experience. Partnership is a characteristic feature of the relations between donors and developing countries; it should also typify relations between donors.

Our common future

There is every reason for closer cooperation, because in relation to development cooperation as in so many other spheres our common future is at stake. In an era of increasing interdependence, our common survival depends upon our building together a world to which every country and every citizen can contribute from a position of strength. A broad consensus must be reached in our own countries that the forging of a place for the less developed nations within a viable international economy is essential for the future welfare of us all. Our common future depends on our understanding that the national interest is increasingly the international interest and, of course, vice versa.

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There is a growing awareness that we are living in a tremendously dynamic era. Let me touch briefly on four current developments.

1. The changing political climate, exemplified by a better political understanding between East and West and profound changes in parts of the communist world. This may release energy for purposes which are more beneficial than the struggle for power. Positive effects can already be seen in, for example, Eastern Europe, Namibia and – closer to Japan – the countries of the Mekong region. Perhaps at some stage, too, funds now used for armaments could be channelled toward development, instead.
2. Increasing diversity. The classic distinction between the industrialised countries and the developing countries has become an over-simplification of the actual situation. There is, for example, an increasing diversity among developing countries. We are witnessing the emergence of a number of new economic centres in the world. At the same time, countries in Latin America, which have so much development potential, are weighed down by a heavy burden of debt among other ills. The countries of sub-Saharan Africa are teetering on the brink of economic exhaustion. I am pleased to note that what used to be something of a bias in Japanese aid efforts towards the countries of South-east Asia is giving way to a global perspective on the problems of development. In this connection I should like to draw attention to sub-Saharan Africa, where aid from Japan, preferably in the form of grants, would be most welcome.
3. Mutual dependence and interdependence. The international community has become increasingly aware of the interlocking nature of its economic relations. One country cannot survive without the other. We are all partners in development, each with our own interests and our own responsibility to the common goal of improving the wellbeing of all mankind, for the sake of both the present and future generations.

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4. The role of the private sector. Recognition is growing that a too dominant role of governments can obstruct development. This is accompanied by an increasing recognition of the valuable contribution which a dynamic private sector can make to the development of national economies.

Interdependence is not a new idea in my country. The Netherlands has traditionally been an open society, and this means that the future of the Netherlands is closely linked to the future of the world around us and the challenges being faced by that world. I should like to discuss several ways in which we might move towards improved international development cooperation, and review four critical areas. They transcend national borders and play a fundamental role in our efforts to build a common future : the environment , population growth , poverty and the process of democratisation.

The environment

Deforestation, desertification and air and water pollution require a more global approach than has been adopted hitherto. The threat of global warming can only be countered by worldwide measures. Fortunately, the world is starting to realise that these are not politically fashionable issues but that they touch every aspect of our lives. The environmental crisis forces us to acknowledge not only geographic and sectoral interdependence but also the interdependence of different generations. Let us remember that our iniquities in this sphere will be visited upon future generations : our children and grandchildren. We need an international debate, a debate that can no longer be evaded by referring to national sovereignty.

In the industrialised world, the problems of the environment are a by-product of prosperity. In developing countries they are rooted in poverty, stagnating economic development and rapid population growth. The Brundtland Commission signalled the impact of the environmental crisis on

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developing countries by making clear that economic growth and a well-managed environment can be mutually reinforcing elements in sustainable development. While awareness in the developing countries is growing, the short-term issues of survival often leave nations without the means to safeguard their natural resources. Donors clearly have a role to play here.

Population

While the population of the industrialised world has, fortunately, more or less stopped growing, the developing world is experiencing a population explosion. In the past, given high infant mortality rates and the absence of social services, large families made sense. However, one of the first fruits of development is a sudden drop in the infant mortality rate, which though welcome in itself, leads to a spectacular increase in the population.

When population growth exceeds economic growth, as is now often the case, it absorbs any progress achieved. Social services are increasingly overburdened, land is overused to the point of exhaustion. Improving the standard of living is under these conditions an impossible task.

A development policy without a population programme cannot function. Our development efforts must focus attention more systematically on culturally acceptable family planning methods, and on the reasons why families are still unduly large in many countries. If we waited until economic growth led to lower birth rates, as may eventually be the case, we would be tackling the problem in the wrong order. Substantial contributions to multilateral population programmes are therefore urgently needed. Japan has become the largest donor to the UN Population Fund, and my country is the third. Most of the Netherlands' contributions still go to multilateral programmes, but we are considering expanding our bilateral programme as well.

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Poverty

The third and related issue I should like to mention, and perhaps the most obvious one, is the problem of poverty in developing countries. Despite years of development aid, poverty in developing countries is still increasing in absolute terms. In many countries, in Africa in particular, the average number of calories in the daily diet has fallen. Poverty affects not only the poor, but also developing countries in general. Poverty means underutilization of precious human capital, and the wastage of the country's most important resource. It is for this reason that the structural alleviation of poverty is the central aim of Dutch development policy. It is likewise for this reason that we attach great importance to the social dimensions of structural adjustment.

Democratisation and human rights

However, poverty is more than just an unacceptably low standard of living. It also has a non-material side, where people have no opportunity to determine their own future or to influence their government. Democracy – having a say – is to my mind essential to development, as is a respect for human rights. It helps people fully and freely involve themselves in improving their country's future and their own to live in dignity.

Newly-established rights raise expectations which must be met. Development cooperation can be instrumental to that end. The Philippines and a number of countries in Central and South America have therefore received increased assistance from the Netherlands with the aim of giving democracy and human rights firmer roots. We do not regard this type of development assistance as a form of interference in national sovereignty. On the contrary, we hope it helps to strengthen sovereignty.

So, in my view, the four issues I have mentioned: the environment,

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population growth, poverty and democratisation will be the major challenges facing us in the 1990s. Hopefully a solution can be found for the debt crisis, even though at this stage it still looms very large. The external environment, and especially the freedom to export to markets in industrialised countries, will also be of extreme importance.

Dutch development cooperation policy

Objectives

The structural elimination of poverty is the principal objective of Dutch development cooperation policy. This includes strengthening the economic structures of developing countries and their international commercial and financial position.

Volume of aid

The Netherlands accords a high priority to development cooperation, a priority which is expressed in the volume of aid, which is linked to the level of national income. Since 1976, the Netherlands has spent 1.5 % of national income on development aid, equivalent to 1.2 % of the Gross National Product. More than eighty per cent of it – i.e. some 1 % of GNP – is Official Development Assistance. As there is very broad political backing for development cooperation, we are confident that we shall be able to maintain this level of commitment. Approximately 30 % of the ODA is expended through multilateral channels, while the remaining 70 % or so goes to bilateral aid. The total amount of money involved is about \$ 2.5 billion, more than 2 billion being ODA. 94 % of ODA consists of grants, the rest of soft loans. As a result the grant element of total Dutch ODA is 98 %.

Sustainability

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In the Netherlands, both in Parliament and among the public at large, a lively debate is going on about the quality of aid, and about its sustainability. Improving the quality of aid may be primarily of concern to the developing countries, but the donor taxpayers are also concerned – and rightly – to see that their money is spent to the greatest possible effect. I should like to outline seven factors which are seen to be of relevance in efforts to ensure sustainability.

1. The macroeconomic context of development activities. Experience has shown that the success of an activity is determined by more than simply taking account of local or regional conditions. The macroeconomic framework within which the activity takes place is of equal importance. For example, it is not possible to boost agricultural production through development projects if prices are not set at a profitable level. It is gratifying that an increasing number of developing countries are implementing structural adjustment programmes which help to create a sound macroeconomic foundation and thus to extend the economic base for development activities.
2. The social and cultural context. Development activities are sometimes based on insufficient understanding of the social and cultural background of the community concerned. Experience has shown, for example, that agricultural projects have little chance of success if they ignore traditional land and water rights and the division of labour between men and women. Economic considerations have to be examined in the light of data of a cultural and anthropological character.
3. The availability of a sound infrastructure, in which I would include administrative and management capacity. Japanese aid seems to be largely directed to improving the physical infrastructure. We have learned from our own experience that the administrative and management capacity of the receiving country is also of extreme importance, and worthy of being

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improved through development cooperation.

4. Active participation of the people of a recipient country in the identification, formulation and implementation of development projects. We all know of projects which have failed precisely because there was not enough local interest and participation. If development is not 'owned' by the local population, it cannot be expected to yield lasting results. The Netherlands is striving to improve participation by increasing the involvement of our own representatives on the spot in the identification of development projects and by having them call in local expertise in a more systematic manner.

5 & 6. The environment and population growth. I have already emphasised the importance of these two issues.

7. Continuity in the aid relationship. In the past the motto of development assistance was "do good and do not tarry". The idea was to stop the recipient country becoming over-dependent on the donor. Although there is something to be said for this motto, it should also be stressed that an ad hoc approach and discontinuity in aid relations can create uncertainty. Moreover success in development cooperation cannot be achieved in a day. Development cooperation means an investment in the future of another country, an investment which requires time and hence continuity in relations. It also requires the building up of knowledge about the partner countries, both within our aid administration and in those institutions and companies that are engaged in the preparation and execution of the programmes.

The selection of countries and regions

A donor country cannot try to help the entire Third World on its own. That would fragment the aid available and imperil the continuity of

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aid relationships. Accordingly, the Netherlands made a choice and selected a number of countries which would be eligible for an intensive and long-term relationship. In some cases the background to the choice was historical links with the Netherlands, as in the case of Indonesia and Suriname, in others it was the level of underdevelopment, as in the aid given to southern Asia, East Africa and the Sahel, and in still others it was political considerations, for example in Southern Africa, the Philippines, a number of countries in South and Central America, and up to a point, Egypt.

The Netherlands maintains a close aid relationship with ten 'programme countries', as we call them. These are Indonesia, India, Pakistan, Bangladesh, Sri Lanka, North Yemen, Egypt, Sudan, Kenya and Tanzania. The Netherlands also provides aid to four regions, namely the Sahel, Southern Africa, Central America and the Andes region. In addition, we give assistance, usually on a smaller scale, to a number of other developing countries under what are known as sector programmes. The aim of such programmes is to assist particular sectors in the developing country, for example rural development, industrial development, or training, education and research. All in all, fifty-one developing countries receive aid from the Netherlands, over twenty of them to a degree which could be called intensive.

Choice of instruments

The principal instrument of development cooperation is still project aid, in other words the funding of development projects. The Netherlands also makes available import support to fund essential imports, such as artificial fertilisers for agriculture and raw materials for industry. Lastly, the Netherlands provides balance-of-payments support and macroeconomic emergency aid. The latter is made available on an annual basis, linked in some measure to the implementation of structural adjustment programmes.

Like other donors, the Netherlands gives assistance through

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international organizations and makes available co-financing for projects run by non-governmental organizations and voluntary programmes. Of bilateral aid (70% of total Dutch aid), 7% is co-financed with the World Bank and 14% is administered via NGOs and the volunteer programme.

Policy dialogue and country policy plans

I should like to mention here that we do not have separate aid offices in the recipient countries. The aid is administered by the embassies, as in the Netherlands the aid department is part of the Ministry of Foreign Affairs. The Netherlands embassy in the recipient country plays a key role in identifying relevant projects and programmes. After all, the embassy is best placed to ascertain the need for development on the spot. To this end the staff of the embassies have been augmented in recent years by experts, recruited either in the Netherlands or locally, who have a particular area of expertise such as rural development or the role of women in development. They advise the embassies and are in an excellent position to assess local needs and to identify projects. The embassies do not work in isolation, but conduct a continuing policy dialogue with the national and local authorities of the recipient country.

Country policy documents are drawn up in The Hague to give the embassies and the authorities a frame of reference for bilateral cooperation. Such documents sketch the broad outlines of Dutch development cooperation with the country or region in question. They are compiled in consultation with numerous organizations at home and abroad. A policy document of this kind begins by discussing the country's socio-economic policy and the aid programme implemented to date, goes on to examine the sectors being accorded priority in Dutch aid and looks at a number of specific themes, for example ecology, women and development, human rights and population.

After a country policy document has been discussed with the

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government of the recipient country it is submitted to the Netherlands Parliament. It serves as a background for the annual talks between the Netherlands and the recipient country on aid policies which are tailored specifically to a particular country, region or sector. In short, these documents help to improve the quality and continuity of aid.

The embassies also help to supervise and evaluate projects and programmes. Plans exist to extend the embassies' responsibilities still further and thus increase the extent of delegation and decentralization.

Involvement of the community at large and the private sector

The policy dialogue with the recipient country, which as I pointed out occupies a prominent place in Dutch policy, is chiefly a matter for the two governments. However, we think that this will not be enough in the 1990s. Other parties will have to participate in the dialogue to an increasing extent, as a way of broadening the aid relationship to include the grassroots of society which support the development process. A supplementary dialogue with the private sector also affords scope for strengthening the economic support base.

The economic base in many developing countries, particularly in Africa, is too narrow to support healthy economic development. In some countries of sub-Saharan Africa domestic savings amount to less than 6% of national income. In China, on the other hand, savings amount to five times as much. Your own country's successful development is in part due to Japan's sizeable domestic savings. Because of the low level of savings in Africa the countries of that continent are largely dependent for development on foreign finance, which chiefly benefits the public sector.

ODA can also be used within a comprehensive development strategy as a catalyst to help promote private investment in developing countries.

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In principle this is to be welcomed, but there are certain risks attached. Companies tend to pay more heed to, say, operating results and technical cooperation and less to such issues as the environment, the position of the poor and the long-term interests of a country. Although the role of the private sector can play an essential part in the development of a country, its significance depends on the extent to which the private sector is made to take account of the interests of the country in which it is investing.

The role of NGOs

There is another facet to the private sector, namely the non-governmental organizations or NGOs. Over the last twenty years or so, their importance has increased considerably in many developing countries, as a supplement and sometimes as an alternative to government development activities. This increased importance is evidence of the growing self-confidence and capacity for organization of groups of people who want to help shape the society in which they live. In more and more developing countries the value of self-help is being recognized and the professionalism of the NGOs is on the increase. It is clear that NGOs have a significant role to play in sustainable development. After all, the people themselves should support their own development; organizations they set up to improve their own position, obviously form a valuable instrument of development, in particular in relation to smaller-scale projects and programmes.

The Netherlands government has been using non-governmental channels in the disbursement of some of its development funds since 1964. If all disbursement of this kind are taken into account, this flow of funds now amounts to approximately 8% of the total development cooperation budget. Our confidence in the professionalism of NGOs and the effectiveness of their development activities has grown to such a degree that my government has concluded a programme funding scheme on a yearly basis with a number of NGOs in the Netherlands which are responsible for the

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implementation of project proposals by their partner NGOs in developing countries. The basis for this agreement was a considerable measure of agreement between Dutch donor NGOs and the Netherlands Government on the policy to be pursued. Of course, such a situation can only be reached after many years of close cooperation.

I do not know if the models we have evolved would be relevant to Japan. Being rooted in the community from which they spring, NGOs bear the stamp of their particular cultural background. Nevertheless, I believe that by comparing our situations and experiences we could learn a great deal from each other, helped by the wide-ranging international interest in NGO development cooperation activities.

Development cooperation through multilateral channels

I have concentrated thus far on describing Dutch bilateral development aid, because bilateral aid represents about 70% of my country's total aid effort. In addition, however, the Netherlands like Japan disburses some 30% of its aid through such multilateral agencies as the UN funds, the World Bank the regional Banks and – in the case of the Netherlands – the European Community. Japan and the Netherlands channel a much greater proportion of aid through multilateral organizations than the average figure for the other OECD countries, and this is a clear sign of the importance our two countries attach to this form of development aid. Japan is the largest donor to certain UN agencies, such as UNFPA, and among the largest donors to others, such as the UN refugee fund. I should like to take this opportunity of drawing your country's attention to the UN Capital Development Fund, which has a special character because it directs its efforts towards small-scale private projects in the least developed countries. It is a very well run agency, and we have contributed to it with pride and pleasure.

The Netherlands greatly values the substantial financial contributions

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made by Japan to the Bretton Woods institutions. My country takes the view that the position of the World Bank is particularly important in guiding developing countries through the difficult terrain of structural economic adjustment. Given the numerous obstacles and twisting paths encountered on such terrain, constant alertness and financial support are required from the donors. Many developing countries urgently need financial assistance in the implementation of their adjustment programmes. Moreover, such programmes themselves will have to be advanced and perhaps intensified over the years ahead.

Donor coordination

Before concluding my remarks, I should like to draw your attention to an issue that I believe to be of great importance, namely donor coordination. To my mind, this issue did not receive sufficient attention in the past, partly because developing countries took little interest in it and partly because the donor countries were too attached to their own identities. As a result, developing countries were flooded with delegations from donors and with development projects that bore little relation to one another.

I am very pleased to note that donor coordination has improved considerably in recent years. Such an improvement was vital, as ODA had come to be the most important source of foreign funds for many developing countries, indeed in some cases the only source.

Donor coordination is also called for on other grounds, namely transfrontier problems such as the environment, population growth and poverty, to which I referred at the beginning of my address. These problems require a joint approach. A third motive for better donor coordination lies in the need for joint support for structural adjustment programmes and a fourth in matters relating to international trade, the debt problem and commodities. Many of these problems are closely interrelated. Fortunately,

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donor countries and such organizations as the OECD are becoming increasingly aware that the position of the developing countries must be protected when it comes to establishing connections between economic development, trade, capital flows and investments. This realization is also thrust upon us by the increasing multipolarity of the world economy. For my country, coordination with the members of the European Community is of increasing importance.

Conclusion

At the beginning of my remarks I referred to a number of problems which transcend national borders. As far as we can see at present, these problems will dictate the agenda for development cooperation in the 1990s. Their solution will determine our common future. I went on to outline the motives and methods of Netherlands development policy, built as it is round the provision of made to measure aid to alleviate structural poverty. As I said, development cooperation is a matter not of "do good and do not tarry" but of partnership in development.

I am very glad to see that Japanese aid is increasing rapidly. Such an increase is of vital importance to the recipient countries. This year, Japan has become the largest aid donor in the world, in terms of both quantity and number of recipients. As I understand it, this admirable rise in ODA is being accompanied here by some concern about the quality of the aid provided. This concern is a natural one. As I have shown, there is a similar concern in The Netherlands. Developing one's own country is difficult enough, advising and assisting other countries in their development is even more difficult, and as we have found in our own aid efforts bound to fail at times. With time, and by trial and error, we have built up the necessary knowledge and experience in certain countries and sectors where we concentrate our activity. Be that as it may, what is needed is both quantity and quality. One is no substitute for the other.

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This brings me back to my opening remarks. The fact that developing countries wish to have a greater say in determining the nature and the volume of international assistance is evidence of their growing self-confidence and hence of development. Dialogue will become a more significant factor, not only between donors and recipients, but also between donors themselves. I hope that our visit to Japan will prove to have been valuable to the dialogue and cooperation between our two countries which are on friendly terms and share so many aims and ideals connected with the well-being of the Third World, and of the world as a whole.

Thank you.

Questions and Answers

Questions and Answers

CHAIRMAN Thank you very much, indeed, ladies and gentlemen. We'd now like to have the Questions and Answers session. Any of those who might have any questions, please raise your hand. We'll bring the microphone to you. Please give us your name, your organization and then ask a question. And, of course, you may speak either in Japanese or in English. So, who'd like to ask the first question? Just raise your hand, please.

INAGAKI I'm Mr. Inagaki from Japan International Cooperation Agency. I very much appreciate to listen to your presentation, which has quite useful implications and suggestions for improving Japanese aid activities. And I have three questions. First question is the development cooperation to Africa. Does your Dutch development cooperation also place so much emphasis on Africa development? And Japan also tried to make significant expansion of aid to sub-Sahara Africa. These days, I remember, in 1988, last year, the share of the assistance to Africa increased from 10.9 percent in the past to 13.9 or 13.8 percent. This is significant contribution. However, I think Japan also has some constraints to try to expand assistance to Africa. One is the institutional constraint. We do not have many organizations and offices to support this development activities, assistance in Africa. The second constraint is, of course, the Japanese expertise is not available in large numbers in accordance with the expanding the assistance to Africa. The third one, I think, is the constraint on the part of Africa. This is the absorptive capacities of those recipient countries, particularly those sub-Sahara areas. So I would like to have your comment and your opinions on how Japan should solve this constraint and how we try to put more development effort to Africa. From this point of view, I think JICA is planning to establish a kind of study group to make some country program for Africa from the long-term perspective, how Japan should make more significant contribution in the next few months. This is the first question.

The second question is the impact of your development policies in considering the integration of the European community in 1992 and also the current rapidly changing political situation in Central and Eastern Europe.

Questions and Answers

You, I think, Dutch government also pay attention to this movement and your development assistance with those developing societies, the resources is so much limited. If you try to divert the resources to help those Central and Eastern Europe, how your development policy may change. May I have your comment on that? Thank you.

BIEGMAN Thank you very much. May I start with the second question? Because that is the shortest one to answer, I think. You can imagine that we are following developments in Eastern Europe with great attention and with great fascination. What happens there is, strictly speaking, unbelievable. Nobody could have predicted this, even a year ago. It is certainly a duty for countries in Western Europe and maybe in OECD in general to help these countries in their transition from the rigid socialism under which they used to operate to a system which will be closer to ours. The problem is, for all of us, I think, where to find the money which will be necessary for this effort. There are quite a number of people, people in authority in the Netherlands also, who would advocate that part of the money set aside for development, set aside for the Third World, would be used for countries like Poland and Hungary. And who knows who may come after Poland and Hungary. There may be Czechoslovakia, Bulgaria, Latvia, Lithuania, Georgia, you know. There's practically no end to it. What is worrying about this development, I think, is that, at some stage, sizable amounts of money, which are sorely needed in the Third World, will be diverted to Eastern Europe. We have, so far, not made up our minds to do this. We have pledged an amount of \$ 100 million for next year for Poland and Hungary, but we are financing it from alternative sources. And we are not cutting it from the development budget, for reasons of principle, say. Because once you start on this slippery slope, you may end up, you don't know where you may end up. So I think that's roughly an answer to your second question.

As to your first, cooperation with Africa, I think that, of Dutch bilateral assistance, roughly 40 percent goes to Africa. That's a rough figure, but it's about 40 percent, which is a lot. As you may imagine, and as you

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have indicated yourself, it takes some time to build up the experience and the knowledge and the know-how to spend this type, this kind of money. On the other hand, I can assure you that it can be spent. We spend it and it's our impression that it is on the whole well-spent.

Now, the way in which we spend it is for quite a large part in program aid. It doesn't go into projects. Some of it goes into projects, but that's only part of it. But much of this money goes into the financing of essential import for the African agro-industry and industry to keep it going. One way of being reasonably sure that your money is being well-spent is to co-finance with the World Bank. They have a large program of co-financing for Africa in which the Japanese funds would be most welcome. And then you're pretty certain that this has been well-researched and that your money will be spent in an effective way. Does that answer your question? Thank you.

CHAIRMAN Are there any other questions? Please identify yourself by raising your hand. Please.

KITABAYASHI I'm Kitabayashi from the Research and Development Division of this Institute, JICA. I'd like to ask Dr. Biegman about the women's issue or gender issues in your development assistance. Recently, fortunately, probably, in Japan, a month ago, there was many female figures in the Parliament. And Japanese are more conscious about females and women in developing countries, too. And in our development assistance is also paying attention to women in developing countries. You slightly mentioned the issue in your speech. But I would like to ask if you have any concrete policy or some quantitative target about the women in development or about women and development. And if you have any specific measures or method to implement the aid, I'd like to know some of the examples.

BIEGMAN Thank you very much. I will take up contact with my speechwriter and ask him why he didn't put in more about women and

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development. You're right, there. And this should have not been the case, because the issue of women and development is a major issue in Dutch development cooperation.

It's extremely important to involve the women. They make up one-half of the population, as is generally known. But they are often, especially in Africa, but also elsewhere, very important factors in the local economy. And it doesn't make sense to gear your development efforts to the men in these communities when the real work is often done by women. Now, it's difficult to put this into targets. It's rather an item which occurs and recurs all the time in the development projects which we start and which we execute. What we do, is that, we attach to our embassies, which play a major role in this, every embassy has a specialist in the problems of women and development. Usually, it's a woman, also. But she doesn't have to be a woman. She can be a man, also. And any plans that are being made are screened by this person. And she puts in her knowledge and suggests possible alterations to the projects, so that, first of all, the women are not hurt by the project, which is a possibility; and second, that they can play a maximum role in this. One field in which the participation of women is very important, of course, is the population problem. And there, it has been shown that, as the autonomy of women increases in society and as the education of women increases, they tend to have smaller families. So, that is one extra reason to devote enough attention to the women. Thank you.

CHAIRMAN I think there is time for another question. The final question, perhaps? Would anybody like to ... yes?

OKADA My name is Okada and I'm from the Ministry of Transport. I have two questions, actually. The first point is concerned with something that you also mentioned in your lecture. As you've noted, the Japanese development aid has concentrated on infrastructure, whereas in the case of the Netherlands, you've tended to concentrate on economic infrastructure from what viewpoint. In other words, what viewpoint has the Government of the Netherlands

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traditionally taken concerning economic infrastructure?

The second point is concerned with the grant element. As you noted in your speech, in the case of Holland, the grant element is an extremely important part of your development cooperation, which I think is marvelous. But at the same time, when you have grant aid, grant cooperation, there is always the concern that there might be overdependency on the part of the recipient country towards the donor country. Could you perhaps, please comment on those two points?

BIEGMAN Thank you very much. I didn't mean to say that infrastructure is unimportant. Infrastructure can be very important in developing countries. And we have been engaged in this kind of cooperation, too. We have been building and dredging harbors, for instance. And we've been doing construction work, especially in the water area. What I rather mean to say is that infrastructure is not all. It's just one aspect, it's only one thing that needs to be done in the developing countries. But if infrastructure is overly emphasized, you get an absorption problem, so to speak. The country gets infrastructure which it can't properly use, and especially, which it can't properly maintain. Because it's much easier to build a harbor than to maintain a harbor. And the same goes for railways. And the same goes for many other things. So that's the only caveat I wanted to make. We should not forget about infrastructure, but we should keep in mind that there are many other aspects which have to be taken care of.

On your second question. The grant element. If I understood you well, your worry is that the developing countries will become too dependent on the donor countries if they get too much grant aid. It's a difficult choice, because if you give them loans, they get into debt. And that debt's an enormous problem, too. And, in having to repay these debts, and this goes both for Africa and for Latin America, they get into greater difficulty probably than they get into by accepting grants. Of course, I would agree that it would be wrong for these countries to count on grants to keep flowing for the next 10, 20, 30 or 40 years. And there are countries where you don't

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have to give grants. There are countries which can perfectly well repay loans, soft loans or even market-rate loans. Certain countries in Eastern Asia should not receive grants. But countries like the sub-Saharan African countries, like Bolivia, for instance, we would not know how they could really repay the debts of loans which we would give them now. So that's the differentiation.

CHAIRMAN Thank you very much, indeed, sir. Perhaps we could go on to the next person?

SUZUKI My name is Suzuki. I am a college student and next spring I will be joining JICA. And I was very much interested and enlightened by your lecture today. Thank you very much. I am interested in some aid by the Netherlands. And one emphasis you made in aid was the point about democratization and human rights. And this seemed to be very interesting to me. To the Philippines and the Latin American countries you have mentioned that you have been giving aid in order to facilitate the process of democratization and human rights. And I would like to know what specific type of activity you conduct in this line. During the first half of the year, in the Asian continent, there was this anti-democratization movement which took place in mainland China against the student movement that took place in Beijing. And therefore I think that we in Japan can play a great role in offering that kind of a democratization and human rights-oriented aid to mainland China. And that's the reason why I would like to ask this question. Any specific projects you have.

BIEGMAN Thank you very much. Human rights is a very difficult thing to handle. Because it's very much involved with the local conditions in a certain country. And if you are engaged in human rights work, you are very close to the way in which a country is run. On the whole, I should say that we do not gear specific projects to fostering human rights. It's rather that, when, in a certain country, there's a change in government and instead of a dictatorship, let's say, there is a more-or-less democratic government which

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has respect for human rights, we just support them economically like we support any other country. But one reason for choosing that country will be to try and strengthen the new democratic government. Because, when such a revolution occurs, such a change in government, there are great expectations among the people, mostly. And the people think that, with a new government, everything will be better, you know. Not only they won't go to prison, but also they will have more to eat and all that. And if the new government can't deliver on such expectations, then there may be another change again. So, that's roughly the philosophy that has attracted us to certain countries in Latin America, I mention Bolivia again, for instance, and to a country like the Philippines. And that's one reason why in China after the Tianamen incident, we have suspended any new projects to be undertaken in China.

CHAIRMAN Thank you very much, indeed, Mr. Suzuki. If there are any others, I think we still have enough time for one final question.

WATADO I come from an organization called the Institute for Local Autonomy. I am a sociologist and I am working there as a research fellow. When one looks at assistance, I think that there is a problem of the division of the roles between the central and the local governments. Could you perhaps comment on the Dutch perspective, how you consider the division of the authority between the central government and the local authorities?

BIEGMAN In principle, we are much in favor of decentralization. We are in favor of local authorities handling local affairs, because they are closer to the people which are involved in the development process. It very much depends on the country where work whether we can put this into practice or not. There are certain highly centralized countries where we are compelled to work through the central government. We can't help it. And we will try to have the central government pay attention to the needs of the regions where we are active. One way of solving part of this problem is by working through non-governmental organizations. Because they tend to work very

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much on a local basis. They shouldn't work against the central government, but they are not dependent on the central government. So, in order to get the money really down to the rural areas and the urban areas where we would like it to go, that's one of the reasons why we spend, say, 8 percent of our money through NGOs.

CHAIRMAN Mr. Watado, there was perhaps the basic thrust of your question concerned with the division of labor between the Dutch central government and the local authorities. I'm sorry. If I could try to clarify, I think the question was also pointed towards the division of the burden of cooperation between the central government in the Netherlands and the local authorities. Could you perhaps comment on that part, the division of authority or labor between the central government and local authorities in terms of economic cooperation, if there is such a division, or if there is such a condition?

BIEGMAN I'm sorry. I misunderstood your first question. By far the greater part of Dutch development cooperation is handled by the central government in the Hague. However, there are a number of municipalities which have twinning arrangements with cities in the Third World. They have programs of their own, mostly in urban fields and say, drinking water development and that kind of thing. And these projects are subsidized by the government. Again, we can put in the same amount which the municipality puts together. It can be matched by the central government. But, all in all, this is quite a tiny part of our total development cooperation.

CHAIRMAN Thank you very much, indeed. The next is the very final question, I think.

MIZUNO My name is Mizuno and I'm from the International Emergency Relief Office from JICA. You did not actually touch upon the question of what you have for emergency relief, for example, the earthquake in Armenia. Is that covered by your department within the Ministry of Foreign Affairs,

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Director? And also, if possible, I'd like to have some information about emergency relief that the Dutch government undertakes, whether it is possible for me to obtain information about those activities through your embassy here in Tokyo. Because I thought that if I could just ask you, Director, because you're the Director of everything, then I could make it easier if I ever have to request for any information afterwards.

BIEGMAN Emergency relief, it's part of our effort. It comes under the development cooperation budget. But I didn't mention it in this speech because it's not really a structural part of cooperation. It's emergencies that occur that are relieved or at least where we spend some money on. I try to remember the yearly amount which goes into the disaster relief. So there is about 75 million Dutch guilders that go into disaster relief on a yearly basis, which, divided by two, yields dollars. So it's between 35 and 37 million dollars. This is spent on a reactive basis, so to speak. Whenever there is a disaster, we wait for an appeal being launched by the Red Cross or by UNDRO or by another UN organization. And then some money is allotted to the situation.

CHAIRMAN If there are no further questions, I think it would now be appropriate to finish this session. Thank you very much, indeed, for coming here. And we'd also like to express our gratitude to Dr. Biegman, the Director-General. So thank you very much, indeed. And we'd now like to conclude this session and the question and answer concerning the lecture. Thank you very much, indeed.

* This transcript was taken from a tape recording of the proceedings of the Development Cooperation Made to Measure (1989) and has been edited for clarity. As a result, certain correctors were necessary to make up for tape errors. This transcript was edited by Mr. Tsuneo Kurokawa (IFIC staff) and Mr. Junichiro Oyama (IFIC Assistant).

