

2. Basic Orientation of Japan's Aid for Participatory Development and Good Governance

In this section, we address the basic orientation of Japan's aid for participatory development and good governance in line with the conceptual analysis of the previous section.

2.1 Basic Perceptions of Participatory Development and Good Governance in Japanese ODA

In this subsection, we discuss why the concepts of participatory development and good governance are necessary and how they should be incorporated in the implementation of Japanese ODA as well as where attention should be focused relative to them in the process of actual aid planning and implementation.

2.1.1 Necessity of incorporating the concepts of participatory development and good governance into Japanese ODA

As summarized in the first section of this chapter, there is a tendency for local people and communities, whom development is intended to benefit, to be put in a passive position in the process of policy formulation and implementation when the top-down development approach is adopted in situations where local people's and communities' participatory capacity is inadequate. For this reason, there is a tendency for vested interests to rigidity, keeping certain social classes and geographical regions in a position of advantage. Not only has this approach not resolved the deeply rooted problems of the gaps between social classes, economic gaps, inequalities between men and women, regional disparities, and urban-rural gaps, but these gaps and disparities are even widening. Planners now realize to their regret that this has harmed the effectiveness and sustainability of development projects and even of development itself.

As clarified in the previous section, the participatory development approach is not intended to replace the top-down government-led style of development by a local-community-led model. On the contrary, the merits of and the need for the government-led approach must be acknowledged. This approach is necessary for the management of the economy of the nation as a whole and for the coordination of development planning. But at the same time, it must be fully recognized that this approach, as stated above, has demerits in

terms of widening disparities and failing to ameliorate poverty. Thus, in order to deal with these problems, the bottom-up approach of participatory development—improvement in the quality of participation by local communities—should be introduced. Another important point is that the developing country itself is the development agent that is or should be most aware of both the advantages and the disadvantages of government-led development and that decides how to introduce and then applies participatory development in a form that suits its circumstances.

Given all of these points as a backdrop, after reviewing how economic and social development has been promoted in developing countries thus far, the following questions require re-examination. Specifically, have local societies, the targeted beneficiaries of government-led development, taken compensatory steps to offset the demerits of government-led development; and have local societies cultivated the participatory capability needed to enjoy fully the fruits of development? Do mechanisms capable of promoting community participation exist in the top-down decision-making process and are the government services that support that process able to relieve the problem of disparities? And has development aid encouraged developing countries to apply fundamental remedies for these distortions?

For example, the urban and rural poor, who tend to be excluded from the benefits of development, have little access to means of production, to materials, and to markets and to social services related to basic human needs; this creates a situation where their latent potential for productive activities cannot be utilized. Whether the participatory capability of the poor can be raised is determined by the capability of local societies to channel participation and by the organizational structures and functions of their government. The crucial questions for the latter are the following: whether residents' basic human needs are being met, whether government has the policy proposal and implementation capacity necessary to pursue social justice while pursuing economic growth and economic efficiency, and whether the government has the necessary administrative capacity and institutions to be able to carry out adequate fiscal and monetary management and allocate budget funds.

As we saw in the first part of Chapter 1, the world is now moving in the direction of political democratization and economic freedom based on competitive principles, and new roles for government in response to these trends are being

sought; development strategies, too, are moving away from the previous economic growth orientation toward greater emphasis on sustainable development. Many countries, though to differing degrees, now realize the need for broad participatory capacity-building to supplement government-led development methods. Yet considering the present status of developing countries where disparities between rich and poor are widening, can we say that Japan's aid has yielded positive results in terms of promoting participation by local societies and local people?

Japan's aid projects have been carried out in response to developing countries' requests. They have been successful thus far in fostering development policy leaders and central implementation figures in developing countries, in improving social services, and in building infrastructure. It is a fact that Japan has implemented a variety of successful ODA programs in areas that have recently become recognized as especially important along with the concept of sustainable development, such as protection of the environment, narrowing regional disparities, and providing such basic human needs as basic education and public sanitation.

Yet while the spread of development successes to the poor and to local societies and the ultimate impacts of improvement of their access to development are among ODA's aims, they have not been clearly identified as aid evaluation criteria. Often the developing country side has been left with the responsibility for disseminating development's benefits and for consolidating aid's secondary and tertiary impact among people; promoting the people's social capabilities in local societies and developing nation governments in parallel has not always been taken into consideration.

In order to make Japan's ODA even more effective and to lend support to sustainable, self-reliant development, it is therefore extremely important to more clearly answer this question: How have development's effects contributed to fostering and enhancing people's economic and social capabilities? To answer that question, we must more precisely assess the intended ultimate beneficiaries' economic and social circumstances and needs and reflect them in aid planning and implementation as well as study the need for and implement assistance in the formation of community organizations and institutions in and through which more people can benefit from aid and participate in development. This is why it is necessary to incorporate the concept of participatory development into aid.

Finally, it is important to lend assistance to developing country governments to help them create organizations and institutions that can promote policies emphasizing participatory development. Aid to strengthen the public sector must not impede the wider enhancement of the capabilities and welfare of the people who form the state's foundation; aid must instead be designed and implemented to enable developing country governments to assume, effectively and efficiently, their roles of soliciting and respecting the voice of the people and lending structure to their overall capabilities. This is why aid for good governance is necessary as the basis for participatory development.

2.1.2 Basic perceptions of Japan's aid for participatory development and good governance

Awareness of the issues described above is not necessarily expressed directly by Japanese aid staff in the field using the terms "participatory development" and "good governance", but awareness of these issues is becoming more profound. Many efforts are being made in this direction: for example, by taking into account the environment and women in development (WID) at the preliminary survey stage in preparation for individual projects, by attempting to survey the population in cooperation projects that involve social forestry, by organizing user groups and training farmers to disseminate related skills at the project implementation stage in the building and improvement of rural irrigation facilities, etc. The government's ODA Charter states that Japan's basic aid philosophy is "to help ensure the efficient and fair distribution of resources and 'good governance' in the developing countries through developing a wide range of human resources and socio-economic infrastructure, including domestic systems, and through meeting the basic human needs (BHN), thereby promoting the sound economic development of the recipient countries"¹⁹. In order to put together upon the above-mentioned efforts and orientations and use them as guidelines for future aid, the study committee outlines the following basic perceptions designed to incorporate the concepts of participatory development and good governance into Japanese aid in the future:

- (1) Japan's ODA must seek an approach to improve people's economic and social capabilities as agents of development through broad-based people's participation in aid implementation in developing nations (the participatory

¹⁹ cf., Chapter I, Section 2.1.

development approach). Aid aiming at social justice and at ensuring the sustainability and self-reliance of development is aid that will lead to the realization of democratization in terms of building the foundations of democracy in developing countries.

(2) As stated clearly in the ODA Charter, aid must respect developing countries' ownership of development by assisting their own self-help efforts. That is why it is extremely important for development to be conducted under the aid recipient's initiatives. Yet in order to make possible the kind of development that will enhance aid's effects and build people's comprehensive capabilities (participatory development), it is important to predict and evaluate how well aid's effects are reaching the people and confirm whether government functions in such a way to guarantee people's access to development benefits. Japan must strive whenever the need arises to improve grassroots organization and awareness of people and focus on providing support to enable governments themselves to offer and upgrade services needed in order to promote participatory development. At the same time, planners must constantly be examining each project as to whether and to what degree people and community groups are taking part in development.

(3) In the light of developing countries' historical, social, and cultural diversity, the ideal form of democracy will not be the same for each developing nation. To promote democratization, it is therefore necessary to be aware of the differences in initial conditions, pace, and methods of development. It must also be realized that the pace and manner of a country's democratization should be decided and its democratization should be carried out by people of individual developing countries. For this reason, Japan's aid must focus on building the foundations of democratization in developing countries through aid to promote participatory development and encourage good governance.

(4) In order to incorporate participatory development and good governance into ODA, Japan must fully understand the individual diversity of cultures, traditions, and social structures of communities in developing countries and respect beneficiaries' initiatives. It must be understood that the effects of enhancement of people's sustainable participatory capabilities and of government services do not become visible in the short run. In order not to impede development sustainability and self-reliance, simply to achieve short-term aid efficiency, aid schemes and systems must incorporate a long-term perspective and flexible values.

2.2 Aid to Encourage Promotion of Democratization, Securing of Human Rights, and Reduction of Excessive Military Expenditures

Japan's ODA Charter clearly states the basic philosophy and principles of Japanese aid. Its four aid principles include attention to elements related to good governance as a national system directed toward democratization: attention to military expenditures by the aid recipient, attention to its attempts to develop and manufacture weapons of mass destruction and missiles, attention to its import and export of arms, etc., and attention to the securing of basic human rights and freedoms. The Charter advocates that careful attention be paid to these aspects in the granting of aid²⁰.

This section summarizes the basic approach to responding, from the viewpoint of participatory development and good governance, to the issues cited in the ODA Charter: democratization, securing of human rights, trends in military expenditures, etc.

2.2.1 Implementation of ODA and trends in democratization, human rights, and military expenditures

In recent years, the major aid donors have adopted an approach that takes into account in their decisions on the distribution and amounts of aid the government policies and stances of developing countries toward democratization, human rights, and military expenditures—factors that donors had not previously linked directly to ODA. Generally tying aid allotment to a recipient country's policies and political trends is called positive or negative linkage, depending on whether the donor response is to increase or to decrease aid. Positive linkage means for a donor to initiate or increase aid when the recipient's behavior relative to democratization, human rights, and military expenditures clearly undergoes a desirable change; negative linkage means to postpone, reduce, or discontinue aid when the recipient apparently regresses on the question of democratization, infringes human rights, or increases military expenditures²¹.

This is based on donors' belief that by making known their assessment of the systems and policies of aid recipients via this approach, they can encourage

²⁰ cf., Chapter I, Section 2.1.

²¹ cf., Chapter I, Section 2.1, for examples of Japanese implementation.

the formulation and implementation of policies that steer developing countries toward greater democracy and encourage the effective use of aid resources.

2.2.2 Notes on existing approaches to promoting democratization, respect for human rights, and reduction of military expenditures

The following difficulties remain in implementing this approach, based on the experience of major donors thus far.

(1) Need for comprehensive evaluation

In aid linkage, it is necessary both to fully reflect public opinion (since ODA funds come ultimately from taxpayers' pockets) and to take into account political and economic ties with the nation in question and international relations with it and its neighbors. It is also necessary to judge comprehensively both trends affecting democratization, respect for human rights, and military expenditures by the aid recipient in question and the stance and policies of its government regarding those trends. A simplistic response that ties aid allocations mechanically to democratization trends based on some sort of uniform criterion of democracy is inappropriate.

(2) Need for implementation based on international consensus

Concern for democracy and human rights is growing in developing countries, as elsewhere, but the process, pace, and method of democratization and securing of human rights in a country is closely tied to its culture and values, and Western democracy and human rights should not be imposed as universal criteria for judgment. It is important that there be full discussion internationally, including with recipient nations, about whether to apply aid linkage, lest this move be rejected as a unilateral imposition of donors' values on the recipient. As much as possible, appeals to recipients should be coordinated internationally. The reduction of excessive military expenditures in particular will be difficult to put into practice until real security can be established and disarmament promoted; this calls for the building of an international consensus that includes the country in question.

(3) Impact on people's lives

Ordinary people, especially women and children, are most likely to suffer the direct effects of a postponement, reduction, or discontinuation of aid through negative linkage. In some cases, this can damage the public image of the donors in that country and may not have the intended result of encouraging that recipient country to reform its policies. It must be borne in mind that in addition to causing difficulties for that country's people, curtailment or discontinuation of aid may contribute to isolating them from the international community, a move which risks a further degeneration of the situation in terms of democratization and human rights. In order to avoid placing people in an even more difficult situation, it is normal practice to continue humanitarian aid, even when negative linkage is applied.

2.2.3 Promotional aid for democratization (support for democratization as a foundation-builder)

Judging from the relationship between participatory development and good governance, we see that it is extremely important to create a foundation for promoting real democratization, respect for human rights, and reductions in excessive military expenditures in developing countries. In accordance with the ODA Charter, Japan should continue to monitor democratization and other trends in the nation as a whole and operate conventional positive and negative linkage. Furthermore, Japan should carry out promotional aid for democratization at the same time to assist countries to build the foundation for democratization, described below, as a response that will more effectively promote democratization by the developing country itself.

Promotional aid for democratization means ensuring Japan's constant support for developing countries' efforts to build the necessary foundation to promote democratization, human rights guarantees, and reductions in military expenditures in accordance with the participatory development and good governance approach.

Amidst the wave of democratization seen internationally in recent years, many developing countries are again facing the task of harmonizing development with the universal values of democratization and human rights. They also face the need to effectively use their development budget amid tight finances, to construct mechanisms for settling disputes at a time when regional conflicts

are erupting all over the world, and to reduce excessive military expenditures through civilian control. Japan not only must bear in mind democratization, respect for human rights, and military expenditure trends as criteria for an overall judgment of recipients' behavior, but must go a step further and also support the construction of a foundation for democratization to facilitate a recipient government's switch from mechanisms of domination to mechanisms of service and coordination with the goal of participatory development and good governance.

Laying this foundation is closely tied to participatory development aid, whose concepts we have summarized in the preceding pages, and to good governance aid as the foundation for participatory development; and the building of this foundation is promoted by this aid. Specifically, it will become possible in practice for people to express their opinions to the government when the capabilities of community members and groups are improved, their opportunities for political, economic, and social participation are expanded, and improvements in the quality of their participation are promoted by participatory development aid.

Furthermore, more information and public disclosure as a result of good governance aid serving as the basis for participatory development will influence promotion of democratization and reductions in excessive military expenditures. Performing such administrative services as tax counseling for entrepreneurs and financial and technical assistance and quality standardization will foster their participation in the market economy. Progress in information disclosure through the publication by developing countries themselves of defense white papers, etc., will contribute to reducing excessive military expenditures. White papers not only release information about arms and the arms trade, but also clarify the stances and policies of developing countries with regard to military expenditures, the R&D and manufacture of weapons of mass destruction and missiles, and weapons imports and exports.

Improved administration will lead to better planning and implementation of budget and fiscal policy, and stronger checks and balances will lead to the creation of resources needed for participatory development. Progress in the training of police, attorneys, and judges will help to do away with illegal and improper arrests and imprisonment, leading to better guarantees of basic human rights and then to democratization. Improved functioning of the police and

judicial systems will facilitate a transition from national security forces to civilian police forces.

In summary, what is meant here by promotional support is providing aid for participatory development, and for good governance as the basis for participatory development. Promotional aid creates a foundation enabling any recipient nation, no matter what its circumstances, to promote democracy, secure human rights, and reduce excessive military expenditures in ways appropriate to that country. As mentioned previously, the process of democratization and securing of human rights takes a variety of forms in accordance with the historical conditions of individual developing nations; hence the importance of building a basis for democratization suited to the individual circumstances of developing countries.

Chapter III Framework for Japan's Assistance for Participatory Development and Good Governance and Future Tasks

In the previous chapter, we studied the basic orientation for incorporating concepts of participatory development and good governance into Japanese aid. Aid for participatory development and good governance are not new categories to be added to the Japanese ODA system but aspects that should be integrated as basic viewpoints pertinent to all categories of Japanese aid. However, in planning specific aid programs to promote participatory development and good governance in developing countries, it is necessary to clarify the applicable aid areas and to identify the tasks and important considerations to be taken into account when implementing aid.

In this chapter, in line with the basic orientations of the previous chapter, we will look at specific aid approaches for assisting developing countries to achieve participatory development and good governance based on a classification of the concept into two components: the part that should be goals of Japanese aid and the part that should be aid programs to promote participatory development and good governance. In addition, we summarize the tasks that remain to be examined and important considerations that remain to be taken into account when designing Japan's aid to incorporate the basic perceptions discussed in the previous chapter and carry out specific aid programs.

1. Approaches

1.1 Specific Programs

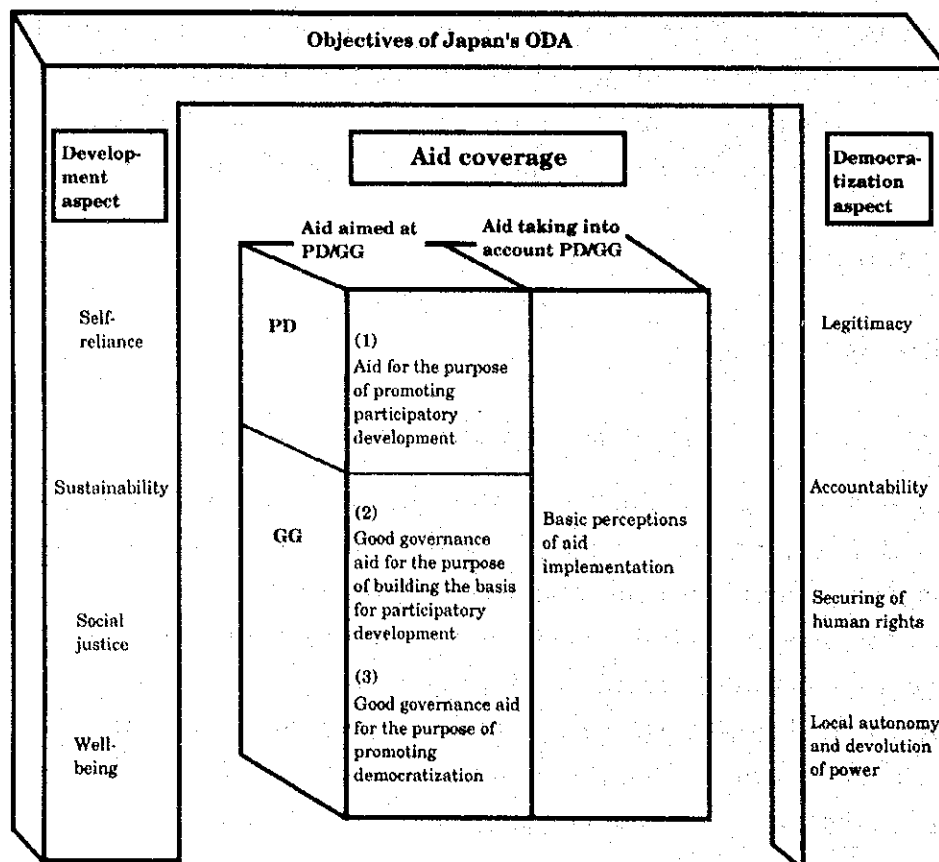
1.1.1 Desirable aid targets and eligible aid areas

To further pursue the conceptual analysis of the first section of the previous chapter, we need to look into the concept by distinguishing between the part that should become goals of Japanese aid and the part that will become a component of aid for participatory development and good governance, in order to consider specific aid programs for promoting participatory development and good governance in developing countries. Here we identify the aims of Japanese development aid in terms of two aspects: the development aspect (economic and social development) and the democratization aspect. We

illustrate the relationship between these aims and the specific components of aid for good governance and participatory development as more operational concepts for aid planning, implementation, and evaluation in Figure 3-1.

As for basic goals of development aid in the developmental aspect, we address the self-reliance and sustainability of development, and social justice, as defined in the previous chapter, and improved well-being for individual residents. As for basic goals in the democratization aspect, we identify legitimacy in the exercise of state power, securing of human rights, government's accountability, and local and community autonomy and devolution of power. In other words, the implementation of Japanese aid, in its economic and social development aspects, is expected to contribute to the pursuit of self-reliant and sustainable development as well as social justice; in its democratization aspect, it is needed to contribute to legitimacy of government reflecting the will of the people, securing of human rights, and accountability in national management, as well as to the formation of a state capable of further devolution of power.

Figure 3-1 Comparison of coverage between participatory development (PD) and good governance (GG)



1.1.2 Eligible aid areas

The specific areas of aid for achieving these aid goals can be divided into three categories for consideration. The first is aid designed to promote participatory development; the second is aid for good governance designed to build the foundations for participatory development; and the third is aid for good governance designed to promote democratization.

(1) Aid designed to promote participatory development

This category can be viewed as responding to three aims. The first is to strengthen grassroots community organizations involved in participation at the most basic level, such as community groups and local NGOs²² and to foster and enhance their capabilities of production and development, autonomous management, and external negotiation. Grassroots community organizations can play important parts in development through self-help efforts and can be assisted through information and training programs designed to raise consciousness and strengthen the organization of independent groups of local people and through technical support boosting productivity. Aid can also be designed to upgrade the economic capabilities and improve the access to support services of small businesses and microbusinesses and employees in commercial and industrial establishments in the informal sector and to strengthen NGOs and cooperatives that can serve as intermediaries in this upgrading and improvement.

The second aim is the attempt to upgrade the self-reliant capabilities of the socially disadvantaged—especially the rural and urban poor, who tend to be left out of participation in development—through improved access to basic education. Whereas the first aim is directed at reinforcing the capabilities of specific organizations, this type of action is directed at unspecified large numbers of people in target social groups or target regions; it aims at improving the social environment for participation in development through better accommodation of basic human needs, wider employment, and more adequate welfare systems.

The third aim is promotion of participatory development capabilities of governments from the central to the local levels in order to encourage

²² cf., Note #18.

government to give people a voice and maximize people's chances for participation. Types of support for government-side institutional development that makes participatory development possible in accordance with the two prior aims include upgrading skills needed to reconcile conflicting interests and promote settlement of conflicts to facilitate participation by community groups, etc., carrying out social impact assessments of development, and promoting participation by community groups, etc., in development projects. These boosts to government-side capabilities can be expected to lead to good governance as defined in the next section, (2).

These three types of aid will promote the achievement of the development aspect of aid goals and, by supporting the people's initiatives and cultivating the people's will and power in development affairs, will eventually lead also to the realization of the democratic aspect of aid goals.

(2) Aid for good governance designed to build the foundations for participatory development

Aid for good governance as a foundation for participatory development consists of five items ensuring opportunities and resources that facilitate people's participation: i) legislative and institutional building, ii) strengthening of administrative services, iii) clear specification of administrative duties and assurance of transparency, iv) promotion of decentralization, and v) enhancement of a market economy environment.

i) Assisting in legislative and institutional building as the basic framework of a state includes support for enacting basic laws, upgrading the functioning of the three branches of government—especially the judiciary and the legislature—and raising public awareness of the law.

ii) Strengthening of administrative services designed to create and procure resources for participatory development include streamlining of government organizations and upgrading of public officials' skills that contribute to greater administrative efficiency, as well as improvement in financial, budgeting, and development planning and management capabilities as a basic sector of development and support in compiling basic national statistics as basic information.

iii) Clear specification of administrative duties and assurance of transparency can be assisted by support for the creation of arrangements that

establish rules and models to eliminate corruption in administration, reflect the will of people in administrative affairs, and inhibit abuses of administrative power.

iv) Administrative mechanisms that can promote decentralization include promoting the consultative decision making process as well as drafting policies and plans for decentralization itself to lead to regional and local community autonomy in the future and cultivation of regional orientations in public officials and stronger organizations and services that will be responsible for devolution.

v) In order to promote participation in economic activities, the foundations for wider participation must be laid. The government must carry out policies and measures to supplement imperfect or yet undeveloped markets and to reduce excessive market intervention by the government. It must also support the development of a stronger private sector as well as strengthen the government's macroeconomic control capabilities for the purpose of economic stabilization. Fostering and strengthening the private sector should be carried out mainly by providing technology, funds, and information as transitional steps, until new economic agents have come to the fore, while reducing government-intervention in the economy as much as possible. Policies to protect and foster the growth of small or micro businesses—which although they are promising potential economic agents for the future, tend to be excluded from the market economy, especially in terms of access to financing and information collection—are indispensable both as an encouragement to wider participation by the people in the economy and as a step toward economic growth in the long run.

(3) Aid for good governance designed to promote democratization

Promotion of democracy itself takes different forms in aid, in accordance with the choices made by the government and people of the recipient nation regarding the orientation, pace, and process of its democratization. Forcing an unwanted form of democracy on an unwilling country is out of the question. Here we are considering aid to support democratic aspirations of a specific developing country, premised on its clear manifestation of the institutional and policy transitions to democracy, such as ending civil wars and setting up multi-party elections, and on its request for direct assistance for them. Three areas of aid are conceivable: assistance in setting up election systems, strengthening of protections for human rights, and strengthening of freedom of speech and the press.

Technical cooperation through U.N. agencies and other channels to promote the drafting of defense white papers and reports to the U.N. Register of Conventional Arms²³ is an area where aid can lead to a reduction in excessive military expenditures.

In carrying out this aid, Japan should both collect information about the status and trends of democratization, carry out ample policy dialog with recipient governments and, after confirming the recipient people's alternatives, discuss specific aid programs. Of these aid programs, election assistance is not presently included in ODA; putting promotional support for countries aspiring to democracy on the ODA menu is worth studying.

Thus, of the three aspects—politics, economy, and society—that might receive participatory development aid, the following can be considered constituent elements of participatory development promotion: improving people's organization and consciousness as participants in development by emphasizing aid for promoting participation at the economic and social levels, and creating the environment for participation for regions and social strata that tend to be deprived of access, especially access to economic participation (and that tend therefore also to be isolated from opportunities for social and political participation), and institution building for the government to promote participation.

Aid for good governance, on the other hand, reinforces the good governance services that underlie participatory development. Promotion of good governance can be understood to exert a positive effect on the developing government's legitimacy, accountability, guarantees of human rights, local autonomy, and decentralization. In other words, the equality and quality of chances to participate and the well-being of the people are improved and the foundation for democratization is laid as a result of aid for participatory development and aid for good governance to achieve participatory development, aimed at realizing sustainable, self-reliant development and social justice. Therefore it is necessary to generate the capabilities that can lead to the realization of a democracy that

23 The United Nations Register of Conventional Arms was established at U.N. Headquarters in January 1992. It designates seven categories of registrable internationally transferred conventional arms, including tanks and naval vessels of war. Information about possession of such arms and their procurement via domestic production, as well as about related policies, is submitted voluntarily and in whatever form the registrant desires. Information from all sources is compiled by the U.N. Secretary General and submitted as a report to the General Assembly. In 1992, conventional arms from 91 countries, including Japan, were registered by the United Nations under this system.

takes root in the developing country as a result of the development aid it receives. In other words, aid for governance that, for example, would only raise administrative efficiency but would not lead to greater justice or equality of opportunity to participate, would not be appropriate either from the standpoint of development aid aims or from the standpoint of democratization.

1.2 Examples of Specific Japanese Aid Programs for Participatory Development and Good Governance

Here for reference purposes we have tabulated examples of specific aid program formulations grouped according to the three aid categories discussed in the previous section, with information on the objectives of the aid program, the expected outputs (results), the necessary input (methods to be applied), and important considerations to bear in mind during their implementation.

In light of developing countries' diversity, the enumeration of these programs does not cover all imaginable types of aid. In some cases, programs are not meant to be carried out alone, but as part of an integrated combination of two or more programs. The actual selection of aid programs, the applicable combinations, and the sequence in which they should be carried out must be decided individually based on the economic, social, and political initial conditions and the stage of evolution of the people's participation in the developing country in question.

Table 3-1 Examples of Japanese aid programs for participatory development and good governance

1 Examples of aid to promote participatory development 1/8

Aid Program	Objectives	Outputs	Inputs	Related considerations
Strengthening of community organization and capabilities	(1) Organization and capability upgrading of community people	(1-1) Community self-help consciousness raising and promotion of organization (1-2) Improvement of local communities' production capacity and other skills and organizational capabilities with the goal of increasing income	(1-1-1) Spreading information and promoting education through technical cooperation, including mobilization of NGOs, leadership training in organizational administration (1-1-2) Creation of channels for exchange of information and experiences among community organizations and NGOs to increase incentives (1-2) Technical support via NGOs and JOCV ² and financial support via small-scale grant aid and yen loans for local community-initiated projects	<ul style="list-style-type: none"> • Combinations of grant aid, yen loans, and other forms of financial cooperation with project-type technical cooperation and similar schemes should be considered • Integrated approach • Sufficient prior study of the society affected • Mobilization of local NGOs • Small-scale project schemes • Expansion of overseas offices' authority • Flexible support for allowance of local costs
	(2) Organization and capability upgrading of small and micro businesses and the informal sector ^{*1}	(2-1) Skills development of micro business managers and employees (2-2) Incentive measures for promoting micro businesses	(2-1-1) Business management and vocational training programs (2-1-2) Financial support via small-scale grant aid and yen loans for workers at small, micro, and informal-sector businesses (2-2-1) Advice regarding the creation of systems of tax incentives, policy-based directed credit, etc. (2-2-2) Financial support via small-scale grant aid and yen loans for local community-initiated projects (2-2-3) Financial support via small-scale financing	
	(3) Organization and capability upgrading of NGOs	(3) Promotion of support for community organization by strengthening NGOs, agricultural cooperatives, and professional groups	(3-1) Laying the foundations for NGOs and agricultural cooperatives via grant aid, etc. (3-2) Third-country training offered by NGOs to transfer NGO technology (3-3) Financial support for local community-initiated projects	

*1 According to the definition of the Dictionary of Cooperation Terms (Keizai Kyoryoku Yogo Jiten) edited by the Research Institute of Development Assistance of the Overseas Economic Cooperation Fund (OECF), the "informal sector" refers to all economic agents that are not constrained effectively by such public administrative regulations as industrial, labor or social legislation, contracts, official authorizations, taxation, or inspections of working conditions. Strengthening of the informal sector's organization and capabilities is designed to facilitate its evolution into a formal sector that will receive authorizations and make use of support programs for economic activities and become a source of tax revenues.

*2 JOCV is the Japan Overseas Cooperation Volunteers.

1 Examples of aid to promote participatory development (continued)

2/8

Aid Program	Objectives	Outputs	Inputs	Related considerations
Upgrading of self-reliant capabilities of the socially disadvantaged (including the poor)	<p>(1) Improved accommodation of basic human needs (BHN)</p> <p>(2) Increased options in daily life</p>	<p>(1-1) Promotion of the spread of elementary education and adult literacy programs</p> <p>(1-2) Promotion of primary health care</p> <p>(1-3) Improved access to basic social services</p> <p>(2-1) Promotion of employment for the socially disadvantaged</p> <p>(2-2) Creation of an environment conducive to successful antipoverty measures</p> <p>(2-3) Improved welfare programs</p>	<p>(1) Technical and financial cooperation through integrated programs targeting specific regions and social strata</p> <p>(2-1) Support for vocational training, job placement programs, and small-scale financing; help in creating labor-standards legislation and upgrading the capabilities of labor-standards bureaus</p> <p>(2-2) Development studies to identify promising business sectors in order to improve the people's welfare and to examine policies for enhancing the environment needed to raise income levels; technical and financial assistance to permit study findings to be implemented</p> <p>(2-3) Advice, guidance in order to improve welfare programs such as social security, livelihood subsidies, etc., and financial assistance for their implementation</p>	<ul style="list-style-type: none"> • Sufficient prior study of the society affected • Mobilization of local NGOs

1 Examples of aid to promote participatory development (continued)

3/8

Aid Program	Objectives	Outputs	Inputs	Related considerations
Strengthening of government's promotion capabilities for participatory development	(1) Improvement of government's ability to reconcile conflicting interests among community groups and to settle community disputes	<p>(1-1) Upgrading of appropriate development project planning capabilities based on understanding of the needs of local communities and other beneficiaries</p> <p>(1-2) Improvement of responsiveness to petitions from community people and groups</p> <p>(1-3) Raising government officials' consciousness</p> <p>(1-4) Development of abilities for setting rules for dissenting and raising objections</p>	<p>(1-1) Implementation of prior community needs surveys and hearings on development aid projects designed to directly benefit local inhabitants</p> <p>(1-2) Development studies to examine appropriate arrangements to reflect the peoples opinions, such as legislation on community law suits and obligatory public hearings, and financial support for implementation</p> <p>(1-3) Organization of public hearings and open lectures, etc., through development study schemes</p> <p>(1-4) Assistance for the dissemination of legal knowledge and publicity among people, support for training of personnel to mediate between local inhabitants in conflict resolution and to examine rules for resolving conflicts</p>	<ul style="list-style-type: none"> • Integrated approach • Sufficient prior study of the society affected • Mobilization of local NGOs • Use of small-scale project schemes • Expansion of overseas offices' authority • Flexible support for local costs • Remedies for institutional constraints on promoting communities' self-help (for example, studying measures for guarantees of accountability of communities' work in terms of quality and time management of flexible single-year budgeting systems)
	(2) Improvement of government's ability to assess the social impact of development	(2) Providing methods for improving the accuracy of social impact assessments before implementation of development projects	(2) Strengthening of study and analysis (via preparation of guidelines) of social and cultural aspects of development aid projects through preliminary surveys. Transfer of survey methods	
	(3) Raising of government's consciousness of the need to increase opportunities for participation by local people and NGOs	<p>(3-1) Promotion of improvements in production capacity and technical skills, as well as organizational and managerial skills, of local people, who are the direct beneficiaries of development projects</p> <p>(3-2) Promotion of receptivity to community group and NGO initiatives</p>	<p>(3-1) Promotion of people's self-help efforts (labor supply, initiatives) in the construction, maintenance and management of the social and rural infrastructure, and services such as irrigation facilities, rural roads, etc.</p> <p>(3-2) Financial and technical support for improvements in social and rural infrastructures through initiatives by community groups and NGOs; social surveys, and training to organize people and improve their capabilities, for this purpose</p>	

2 Examples of aid for good governance to lay the foundations of participatory development

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Aid Program	Objectives	Outputs	Inputs	Related considerations
Building of basic national legislative and institutional frameworks	(1) Building of basic legislation and institutions	(1-1) Improved awareness by government officials of basic laws and institutions (1-2) Accumulation and transfer of experience in building legislation and institutions	(1-1) Holding of workshops to study democratization and amendment of legislation; expert advice guidance and financial assistance for personnel training (1-2) Research cooperation to study and analyze comparative situations in Japan and other countries	<ul style="list-style-type: none"> • Find Japanese experts and institutions that will receive trainees. • Assist in appropriate ways, not through the unmodified transfer of Japanese legislation and systems. • Ensure ample dialog with the recipient government for a shared understanding of good governance and its connection with legislative and judicial system improvement. Where applicable, staff training and operative aspects of technical assistance must be considered at the same time.
	(2) Reinforcement of legislative functions	(2-1) Strengthening of the legislative organization (2-2) Transfer of legislative technology	(2-1) Facility construction and equipment supply for national legislative assembly information and training; dispatch of experts and acceptance of trainees in the workings of national assemblies (2-2) Training in legislative techniques; expert advice and counseling, and financial assistance for personnel training programs	
	(3) Reinforcement of judicial functions	(3-1) Strengthening of the judicial system organization (3-2) Training of judicial officers	(3-1) Grant aid for improving courtrooms and related facilities; dispatch of experts and acceptance of trainees in court operation (3-2) Educational facility construction and equipment supply for fostering judicial professionals; cooperation in facility operation and financial assistance for personnel training	
	(4) Reinforcement of administrative functions (described separately)			
	(5) Raising of the people's collective awareness of law	(5-1) Publication of information and information campaigns on legislative issues (5-2) General improvement of the teaching of jurisprudence	(5-1) Provision of printing machinery to government public relations organs; provision of supplies to produce educational materials needed for information campaigns (basic education, adult education); dispatch of experts and acceptance of trainees in public information and financial assistance for personnel training (5-2-1) Dispatch of experts and acceptance of trainees and financial assistance for the training of judges, prosecutors, police, and other public officials (5-2-2) Financial assistance in the construction of facilities to permit the foundation of university-level law faculties; provision of equipment and assistance in its operation	

2 Examples of aid for good governance to lay the foundations of participatory development (continued)

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Aid Program	Objectives	Outputs	Inputs	Related considerations
Strengthening of administrative services	<p>(1) Streamlining of organization and development of official's skills</p> <p>(2) Improvement of budgeting/finances, development sector planning, and management capabilities</p> <p>(3) Compilation of basic national statistics</p>	<p>(1-1) Clear distinction of jurisdictions among administrative organs; streamlining of ministries, agencies, state enterprises, and other parts of the government sector</p> <p>(1-2) Improvement of employment, reassignment, promotion, and other personnel systems affecting public officials</p> <p>(2-1) Amendment of tax system. Adjustment of systems for collection of public utility charges</p> <p>(2-2) Strengthening of development planning coordination and functions of aid recipient agencies</p> <p>(2-3) Improvement of planning and implementation capacity in different departments in charge of development programs</p> <p>(3-1) Improvement of family register and resident registration system</p> <p>(3-2) Organization of census and other basic information</p>	<p>(1-1) Development studies to plan streamlining and privatization plans; dispatch of experts, training, and financial assistance to support plan implementation</p> <p>(1-2) Dispatch of experts to National Personnel Authority; acceptance of trainees by the NPA</p> <p>(2-1) Dispatch of experts, training, and financial assistance to support budget formulation, execution, and auditing of accounts</p> <p>(2-2) (2-3) Dispatch of experts to government offices; acceptance of government official trainees and financial assistance for personnel training</p> <p>(3-1) Assistance in setting up family register and resident registration systems</p> <p>(3-2) Assistance in system building; provision of equipment</p>	<ul style="list-style-type: none"> • Find Japanese experts and institutions that will receive trainees. • Assist in appropriate ways, not through the unmodified transfer of Japanese administrative systems.
Clarification of administrative responsibilities and assurance of transparency	<p>(1) Establishment of rules and models for administrative procedures</p> <p>(2) Reflection of people's views in administration</p> <p>(3) Controls over administrative powers</p>	<p>(1-1) Better checks and supervision over corruption</p> <p>(1-2) Rectification of environmental inducements to corruption</p> <p>(2-1) Introduction of appropriate mechanisms to reflect people's views</p> <p>(2-2) Promotion of disclosure and better access to information about national finances and development planning, etc., through government gazettes and the mass media</p> <p>(3) Better checks and supervision over abuses of power and illegal activities</p>	<p>(1-1) Assistance in establishing systems for procurement and contracts, and for auditing</p> <p>(1-2) Assistance in improving service regulations for public officials</p> <p>(2-1-1) Development studies to study appropriate arrangements for setting up and strengthening systems for public polls, civil suits, and public hearings to better reflect people's views</p> <p>(2-1-2) Assistance in setting up industrial associations</p> <p>(2-2) Provision of printing machinery to government public relations organizations; provision of supplies to produce educational materials needed for information campaigns (basic education, adult education); acceptance of government public relations agencies and mass media trainees to promote public information campaigns; dispatch of experts in public relations to government public relations departments and to mass media organizations and related training and financial assistance in personnel training</p> <p>(3) Assistance in building systems providing checks and balances within the government</p>	<ul style="list-style-type: none"> • Find Japanese experts and institutions that will receive trainees. • Assist in appropriate ways, not through the unmodified transfer of Japanese administrative procedures.

2 Examples of aid for good governance to lay the foundations of participatory development (continued)

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Aid Program	Objectives	Outputs	Inputs	Related considerations
Promotion of decentralization for regional and community autonomy	(1) Promotion of decentralization policies, systems, plans	(1-1) Laying the foundations for the enactment of legislation guaranteeing local autonomy through local autonomy laws, etc. (1-2) Formulation of basic decentralization policy and planning (1-3) Formulation of decentralization plan to transfer responsibility from central agencies in each branch of ministries and agencies to project teams overseas and on-site offices	(1-1) Development studies to determine the adequacy of current legislation and to identify necessary legislation; dispatch of experts to the Ministry of Home Affairs; acceptance of MHA trainees and financial assistance for personnel training (1-2) Assistance in drafting policies and plans for decentralization of government authority and services to strengthen the horizontal linkage of government (1-3) Promotion of transfer of powers and duties to field representatives working on cooperation projects in the social sector, etc.	<ul style="list-style-type: none"> • Do not undercut attempts to strengthen local governments when devolving powers from local branches of central authorities. • Assist in appropriate ways, not through the unmodified transfer of Japanese legislation and systems. • Find Japanese experts on Japan's local governments and institutions that will receive trainees.
	(2) Better organizations and operation of agents/channels for decentralization	(2-1) Building facilities for local governments and giving them greater authority over projects under their control (2-2) Upgrading of facilities for and enlargement of the scope of duties of decentralized branch offices of central ministries overseas and in the field (2-3) Training of personnel of local governments and branch offices	(2-1) (2-2) Financial assistance for reorganization programs building stronger field organs and local government in the field of urban waste management, sewage treatment, and fire fighting; provision of equipment and supplies and construction of facilities and infrastructure; provision of equipment needed for road construction and waste disposal under the supervision of local governments (2-3) Acceptance of local government and field organization trainees; dispatch of experts to local government agencies, etc. Financial assistance for personnel training	
	(3) Fostering of regional and local mindset	(3) Better incentives	(3-1) Locally oriented training for national public officials and financial assistance for staff training (3-2) Effective use of locally recruited staff in cooperation projects directly involving local governments and field organizations (3-3) Assistance in the introduction of locally oriented staff development cooperation structures of medical colleges, etc., run by local governments	

2 Examples of aid for good governance to lay the foundations of participatory development (continued)

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Aid Program	Objectives	Outputs	Inputs	Related considerations
Improvement of the market environment	(1) Remedies for market under-development and imperfections	(1-1) Establishment of laws and systems providing a framework for a market economy (1-2) Building of distribution infrastructure to make market transactions easier and more efficient (1-3) Reduction of market transaction risks	(1-1-1) Technical and financial assistance in establishing economic and commercial legislation; property law, civil code, labor law, antimonopoly law (1-1-2) Technical and financial assistance in establishing and promoting fair trading, dispute arbitration, and accounting systems as well as related organizations (1-2-1) Development studies and financial assistance in establishing distribution infrastructure (transportation, communications, distribution, etc.) (1-2-2) Technical and financial assistance in establishing public or private organizations to facilitate transactions and collaboration among enterprises (establishment of equivalents, in other countries, of Japan's JETRO (Japan External Trade Organization), reinforcement of financial sector, etc.); technical and financial assistance in building "software" (services) infrastructure (standardization, trademark, etc.) (1-3-1) Assistance in establishing and upgrading systems and organizations for compiling economic statistics and disseminating data; cooperation in the spread of information prepared through such systems (1-3-2) Assistance in drafting economic forecasts and economic development plans over several years; assistance in improving research, survey, and planning and implementation capabilities (1-3-3) Assistance in establishing social security and related systems and organization	<ul style="list-style-type: none"> • Assistance must be extended in appropriate ways, not through the unmodified transfer of Japanese policies, legislation, and systems. • Special care must be taken when providing direct support to small and micro businesses to define an appropriate size for eligibility in the target group
	(2) Development and reinforcement of the private sector	(2-1) Improving corporate productivity and management skills (2-2) Promotion of small and micro businesses and rural enterprises	(2-1) Cooperation in training and research related to quality control, business administration, and technology development; provision of facilities and equipment (2-2) Assistance in establishing specialized public or private financial mediation services (granting or arranging small loans and setting credit organizations) for small and micro businesses, information (on scales and circumstances of operation) for smaller businesses, and brokerage; lending technical support	
	(3) Revision of government intervention and public goods supply practices	(3-1) Reduction of rent-seeking opportunities from import-export quotas, etc., and provision of alternative competitive opportunities from contest basis transactions, etc. (3-2) Reform of state enterprises (privatization, etc.)	(3-1) Technical and financial assistance in deregulation and formulation of industrial policy (3-2) Technical and financial assistance in drafting state enterprise reform policy (on privatization, etc.) and support for upgrading of administrative and organizational capabilities of involved enterprises	
	(4) Reinforcement of the government's macro-economic management capabilities to achieve greater economic stability	(4-1) Reinforcement of macroeconomic monetary and fiscal policy formulation and implementation capabilities (4-2) Establishment and upgrading of basic statistical analysis and policy research institutions	(4-1) Dispatch of experts and acceptance of trainees in government offices involved in macroeconomic policy, and financial assistance in personnel training (4-2) Establishment and upgrading of economic research institutions carrying out economic analysis and policy research	

3 Good governance aid to promote democratization

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Aid Program	Objectives	Outputs	Inputs	Related considerations
Election assistance	(1) Setting up and improvement of election systems (2) Holding of elections and strengthening of election administration (3) Increased understanding of and participation in elections	(1) Enactment and amendment of election laws and other restructuring and improvement of the election system (2) Improvement of election administration and implementation capabilities and supplying of needed materials and facilities (3) Stepping up of activities for providing information about the holding of elections	(1) Technical assistance in setting up and improving election systems (2) Sending experts and JOCV volunteers to help prepare and administer elections; provision via grant aid of vehicles, communications equipment, computers, etc. needed to conduct elections (3) Public information campaigns carried out by JOCV volunteers and experts; provision of equipment needed for such campaigns; lending of assistance to NGOs	<ul style="list-style-type: none"> This is an area where Japan has almost no aid experience; it is therefore essential to find experts and institutions willing to accept trainees. Find out the initial conditions and methods of development in developing countries.
Better protection for human rights	(1) Improved human rights education (2) Protection for the rights of minorities and respect for the existence of their unique cultural attributes (3) Protection for the rights of the socially disadvantaged (including the handicapped) (4) Protection for the rights of women and improvement of their social status (5) Promotion of desirable labor-management relations	(1) Assistance for human rights organizations to educate the public about protection of human rights (2) Respect for local dialects and indigenous languages and culture via use in schools and broadcasting projects (3) Increased economic and social participation opportunities for the socially disadvantaged and alleviation of the negative impacts of development projects on the disadvantaged (4) Improvement of women's capabilities, and incomes; alleviation of the negative impacts of development projects on women (5) Establishment of laws and institutions related to labor-management relations	(1) Provision of equipment needed to produce educational materials and documents; provision of equipment and grant aid for human rights organizations and assistance in staff training (2) Provision of equipment needed to produce educational materials and programming for broadcasts in local dialects and indigenous languages; lending of assistance to NGOs (3) Technical and social services assistance to educate and give vocational training to the socially disadvantaged; improved surveys and analysis of social aspects in preliminary surveys for development cooperation projects (4) Technical and financial assistance for improving women's skills; improved surveys and analyses of gender aspects in preliminary surveys for development cooperation projects (5) Technical assistance in preparing legislation; assistance in establishing channels for consultation between labor and management	<ul style="list-style-type: none"> Same as above. Take into account the developing country's culture, society, and values.
Establishment and reinforcement of freedom of speech and the press	(1) Heightened popular awareness (2) Growth of independent news media	(1) Education and information dissemination about democracy for the public (2-1) Improved communications and broadcast infrastructure (2-2) Training and promotion of skill development for journalists	(1) Provision of equipment needed to produce educational materials and documents (2-1) Assistance in building and equipping communications and broadcasting media; assistance in operation and management (2-2) Assistance in establishing organizations to train journalists	<ul style="list-style-type: none"> Same as above. Take into account the developing country's culture, society, and values.

2. Tasks and Important Considerations in Implementing Japanese Assistance for Participatory Development and Good Governance

In this section, we enumerate the tasks and important considerations that remain to be studied in connection with introducing into Japanese aid the basic perceptions described in Chapter II and implementing the specific aid programs described above.

2.1 Basic Tasks and Important Considerations in Aid Implementation

(1) Importance of dialog

(1a) Importance of dialog with developing countries

The entity that chooses the most suitable forms of participatory development and good governance and pursues them is naturally the government and people of the developing country itself, and aid should back up developing countries' self-help efforts. Participatory development requires changes in the planning, implementation, and evaluation framework of development projects so that they promote community participation—a difficult element to incorporate under previous development project schemes. Improvements in administrative capabilities and government frameworks—in short, good governance—are required. Both participatory development and good governance require a long-term commitment and a transition from the pursuit of short-term economic efficiency to long-term sustainable development. This requires the Japanese side to actively seek dialog with and appeal to developing country governments, related agencies, and organizations at every stage—policy dialog, aid planning, project formulation, and project implementation—to encourage developing countries voluntarily to reinforce the participatory components of development projects and promote good governance themselves.

This means that it is more important than ever for Japan to pursue dialog with individual developing countries at the project formulation and implementation levels in the future, in addition to policy dialog by the Ministry of Foreign Affairs at the macro-policy level. Policy dialog requires first and foremost that Japan strongly promote the formulation of aid projects for participatory development and good governance in a form that respects

developing countries' initiatives. At the same time, it is increasingly important for JICA in specific aid program planning and implementation to support capacity building of developing countries through close dialog and support activities. It is important to have in-depth discussion with counterpart governments over necessary amendments in government institutions and to encourage greater commitment to improvements on the developing country's part by providing technical support in the form of on-the-job training and education.

And in order to make Japanese appeals more effective, it will be necessary for the Japanese side to have adequate investigative capabilities to conduct preliminary studies and to take the necessary budgeting measures and train sufficient staff, as described below.

(1b) Importance of dialog with other donors and international organizations

Systems have been established for some time that stress international coordination and multilateral agreements in implementing assistance for good governance. Discussions to harmonize and coordinate aid among donors have taken place at consultative group meetings and round tables, where in addition to confirming the situation of economic and social development in specific developing countries, donors have discussed agendas related to good governance²⁴ as an important element of aid implementation.

For Japan to conduct aid for good governance and democratization effectively in the future, it must both make its basic approach to promotional aid for democratization (support for democratization as a basis, described in Chapter II) clear to the rest of the world and actively take the initiative in the kind of above-mentioned international aid coordination fora. As explained later, Japan must deepen its dialog based on its own experiences with the international community to enable it to send a clear message about what kinds of aid can be granted to developing countries in the future.

(2) Laying foundations for closer ties with local NGOs²⁵

As we said in describing aid programs, in order to promote participatory

²⁴ In 1993 and 1994, demands for measures to prevent corruption were made to Zambia and Kenya by key donors at the consultative group meeting.

²⁵ cf., Note #18.

development, it is extremely important for Japan to promote ties with local NGOs in the course of aid implementation. However, in order to consider specific ties with the many NGOs engaged in different forms of activity and specialities, Japan must establish guidelines, and compile manuals for their application, concerning the measures to identify appropriate areas and stages of aid for tie-ups, the types of NGOs, and the desirable types of ties envisaged.

This necessitates research and studies first of all to identify and classify existing NGOs according to their experience and capabilities, or, in other words, to determine NGOs' areas of expertise. Information about many local NGOs' activities can be collected from Ministry of Foreign Affairs' files containing data about small-scale grant aid projects. It is also possible to collect information about case projects involving local NGO-donor ties through JICA's overseas office network. Based on this information, a functional classification of NGOs should be set up to identify at various phases of development which NGOs have what know-how and take part in what activities at which stage of assistance.

Japan must also examine the drafting of guidelines as a way to indicate the areas of aid in which tieups with NGOs should be introduced. For example, Japan should seek both to increase the opportunities for NGO participation in individual aid project implementation and to promote local NGO participation in planning, namely support for the formulation of regional development plans and the drafting of aid implementation plans.

In the former case (participation in implementation), especially in project-type technical cooperation (or mini-projects) of the dissemination, information, and education types, local NGOs could provide information about the local situation, which they know well, and about training programs, which they do well, and they could even perform actual training on behalf of the Japanese aid program. The successes achieved in some community organization projects being conducted by local NGOs could also conceivably be developed into the basis for aid projects stressing community initiative.

In the latter case (participation in planning), appropriate local NGOs could be mobilized to strengthen communication with local people in social impact assessments and hearings in the process of development studies leading to the formulation of master plans. Project formulation might also call upon the services of local NGOs in aid planning surveys conducted by overseas offices. Guidelines and a manual should be drawn up to structure ties with

NGOs based on a functional classification of NGOs and a menu of specific tieup patterns.

(3) Study and application of Japan's experience in good governance

In order to promote assistance, it is extremely important for Japan to study information on how Japan's experience of non-Western modernization can help developing countries. For example, many of the areas included in good governance as the basis for participatory development, such as streamlining of administrative services and functions and creation and improvement of the market environment, are areas where Japan has ample experience in the field to offer through aid. Certainly Japan's laws, systems, and administrative mechanisms should not be transferred without modification to developing countries through aid. Rather, it is know-how adapted to developing countries' individual circumstances that must be transferred. This is the reason why Japan must compile lessons from its own experiences and clarify the content of possible assistance it can propose. Japan should fully discuss these proposals with developing countries and with the international community as a whole to form specific aid programs.

In order to investigate how Japan can make its experiences work for developing countries, JICA and other aid agencies should strengthen research capabilities to compile summaries of the Japanese experience, to undertake policy studies, and to build up a stock of know-how.

(4) Development of criteria and methods to evaluate assistance for participatory development and good governance

Participatory development has qualitative and multidimensional aims, namely the enhancement of people's participation in development through a change in their awareness, reinforcement of organizations, upgrading of capabilities, and the creation of an environment for participation in regional society. These aims are difficult to quantify, requiring the development of new criteria and methods of evaluation.

Specifically, it is desirable to continue efforts to establish methods that can be used to evaluate results at the macro level in people-centered, sustainable, self-reliant development, in social justice, and in well-being, while applying such indicators as the human development index (HDI) from the U.N.

Development Programme (UNDP)'s Human Development Report²⁶. At the micro level, we must study frameworks for monitoring and evaluation by local NGOs of the results of participatory development while strengthening ties with local NGOs in aid planning and implementation, dividing projects into as many smaller subprojects as possible. This calls for putting the above-mentioned guidelines on NGO ties into effect. And through further improvements in project planning and management methods such as project cycle management (PCM), which is being introduced by JICA, Japan must attempt to state clearly the anticipated outputs and effects of aid and be able to evaluate the specific results of participation by target groups. For this to happen, more effort must be put into future research to develop objective evaluation criteria and methods to measure the quality of participation.

(5) Monitoring and information collection on democratization trends in aid recipient nations for the implementation of aid in accordance with the basic principles of the ODA Charter

As we said in Chapter 2, Section 2.2, promotional aid for democratization in developing countries must combine a variety of types of aid, including the implementation of promotional aid for democratization (support to democratization as foundation building). In order to consider specific responses, it is necessary constantly to procure information about political trends, human rights, and military expenditures in developing countries, and in order to procure that information, methods of monitoring and data analysis must be established.

Information on human rights guarantees (or on human rights violations) is available through Amnesty International, Human Rights Watch, and other international NGOs, which perform regular monitoring and release reports on the human rights situation in every country. The office of High Commissioner for Human Rights was established by the U.N. in 1993. Information on military expenditures is available from the annual UNDP Human Development Report as well as from Sweden's Stockholm International Peace Research Institute (SIPRI) and Great Britain's Institute for International Strategic Studies (IISS), which publish statistical data on arms exports and military expenditures throughout the world. Yet there are difficulties in this field in terms of

²⁶ The UNDP Human Development Index (HDI) is calculated for each country taking into consideration average life expectancy, health conditions, nutrition, education (schooling, literacy, etc.), income (per capita GNP), infant mortality and immunity, and gender gap in that country. (Source: UNDP Human Development Report 1990)

interpretation because the bases for evaluating military expenditures differ from one organization to the next.

In the future, Japan must take advantage of these outside sources of information, in addition to information gathered by Japan's diplomatic and consular offices in foreign countries, and organize and store information country by country. Methods must also be developed in the future to determine how to interpret these data.

(6) Fostering of professional personnel for assistance for participatory development and good governance

Japan has already carried out in the past many aid programs with the object of upgrading the capabilities of government organizations and officials in developing countries. Japan's recruiting system of experts from the public sector is quite well organized and has sent national and local public officials to foreign countries as long-term experts. It cannot necessarily be said, however, that Japan has sufficient aid know-how and aid personnel involved in participatory development, good governance laying the foundation for participatory development, and good governance for democratization. It must be noted in particular that very few specialists and consultants in Japan can conduct the types of social analyses of participation as described below. Aid for promotion of democracy is an area where almost no experience has been accumulated, since almost no such programs have been carried out.

For this reason, it is necessary first to collect data about aid know-how and activities of third country experts and local NGOs who are well acquainted with local conditions and use these data in the planning and implementation of Japanese aid. Flexibility, continuity, and strategic planning are necessary especially in order to promote community participation. In many cases, aid know-how has been accumulated in surrounding localities with similar political, social, and administrative systems. Japan should investigate the most flexible methods of mobilization to involve highly experienced local NGOs and third-country experts in Japanese projects.

It is also necessary to improve the training of Japanese aid personnel. Aid staff must in particular become more aware of a wider range of issues and improve their capabilities. It is urgent to draft specific guidelines and produce manuals and textbooks, etc., to take better into account promotion of community

participation, including social analyses, and to promote decentralization, ties with NGOs, and incentives for government officials, etc. Moreover, it is crucial to give better training using these textbooks and manuals to experts scheduled to be dispatched overseas, to JOCV volunteers, and to consultants and overseas representative office staff.

In the long run, it is becoming increasingly important to train Japanese personnel and specialized consultants to take charge of social analyses and education and training programs. Japan must both train specialists of this kind through JICA training programs, etc., and improve aid management systems so that, as in the United States and elsewhere, universities and other research institutions can be commissioned to perform survey consulting work and accumulate field experience that will broaden the potential staff pool.

(7) Promotion of more open Japanese ODA structures

Participatory development and good governance should not be applied only to developing countries; Japan should also strive to improve their own participation in aid implementation, accountability, and transparency, realizing that these principles should be reflected in the aid process by donors themselves.

It is important for Japan's aid program to have open systems and structures and broaden the base of participation in international cooperation activities by ordinary Japanese citizens (people-participatory development) and attempt to increase the Japanese people's understanding and support for international cooperation (good governance).

In order to do this, it is necessary first to reinforce support for the development aid activities of Japanese citizen groups, private organizations, universities, research institutes, local governments, and NGOs—which together constitute the basis for people-participatory aid. A variety of official schemes assist NGO activities, including, for example, subsidies for NGO projects, Voluntary Deposits for International Aid, and small-scale grant assistance. If JICA, which has been conducting aid projects in developing countries, were to create opportunities for participation by Japanese NGOs and other groups in its aid planning and implementation, this would lead both to wider use of their know-how and, in turn, to accumulation of field experience by Japanese NGOs and citizen groups as well as to strengthening of their organizational and functional capacities. Support for communication and exchange of information

among citizen groups and NGOs from Japan and other countries would also stimulate activities by these private citizens' organizations.

Increased opportunities for Japanese NGOs, universities, and research institutions to undertake aid activities under contract or other agreement would be a major contribution to promoting citizen-led international cooperation and ordinary citizens' understanding of official assistance. The promotion of public relations, disclosure, and hearings on aid can be expected to promote further understanding and participation by the Japanese people, hence good governance in the implementation of Japanese aid itself.

2.2 Specific Tasks and Important Considerations in Aid Implementation

(1) Improvements in Japanese aid implementation methods and their application to support for local community people's self-help efforts in line with participatory development

Here, we examine both the possible improvements in Japanese grant aid programs and support designed to start up community organizations' activities to encourage people's self-help efforts within an existing framework of Japanese official assistance.

First, to make the construction of high-quality facilities possible within the agreed-upon construction periods, in Japanese grant aid programs the Japan side must show considerable initiative in many areas, including facility design and construction management. Yet in order to foster greater awareness and ownership among community people and to cultivate their abilities to maintain and manage facilities, Japan must fully incorporate community participation in project planning when conducting projects that closely affect local people's lives. Japan needs to make its emphasis on community participation clear to recipient governments and actively promote participatory project formulation. Insightful assessment of community needs and receptivity, the promotion of community participation at the planning and design stages, and the incorporation of technical cooperation to generate the community's maintenance and management capability needs to be reinforced through the compilation of participatory development manuals designed for aid project survey members and by exercising better guidance toward consultants and general construction companies undertaking aid work under contract.

In cooperation projects that are designed to promote literacy and generate income for women, it is important to meet recurrent costs until local people have acquired sufficient self-reliant maintenance and management capability through their self-help efforts. This can be done either by asking the government of the developing country to make adequate allocations for this in its budget, or by allocating a part of the grant in various aid schemes to promoting community participation projects in the recipient country. The nature and scope of budgets for local activities for Japanese experts and JOCV volunteers should also be reexamined in terms of providing financial resources to support improvements in people's participatory capabilities, and ways should be devised to enable more flexible use of these budgets. JICA should simultaneously examine the transfer to overseas offices close to the site as well as to aid project managers with the power to make decisions and carry out budget arrangements whenever appropriate. (For specific improvements, cf., Box 3.)

(2) Introduction of social analyses to promote participatory development in the aid project cycle

In order to provide assistance for participatory development and for good governance, Japan must first understand the circumstances under which the people of a specific country participate in development. It must then consider what aid is needed based on an adequate understanding of community-level political, economic, and social structures, as well as the conventional mutual aid organizations and systems that exist in the society, which either promote or constrain this participation.

We must remember in particular that the people whom development aid projects affect may not have sufficient access to resources, information, and technology; depending on existing political decision making mechanisms, they may be affected by development adversely; they may also lack the social awareness and capabilities needed to sustainably exploit the benefits of development. Accordingly efforts must be made to alleviate negative effects and, when required, consideration must be given to training programs to foster greater awareness and to organize communities and upgrade capabilities using informal systems. In the latter case especially, it is important to bear these reminders in mind: choose target groups that are as homogeneous as possible, determine appropriate group sizes, organize programs that quickly generate direct benefits, and ensure that women participate. Therefore, it is important

to establish methods for social analyses for planning so that the analyses can be incorporated into implementation plans.

Measures have been taken by JICA and the OECF at the preliminary survey stage to address both the needs of women in development (WID) and environmental concerns in aid projects: Specific members have been assigned to survey missions to study possible actions on women in development issues and to conduct environmental impact assessments (EIA) according to established environmental guidelines. Social analysis for participatory development is not something that exists separately from these measures, but is an integral part of the social impact assessments included in environmental impact assessments and the attention paid to issues of women in development. Therefore in the examination of measures such as the drafting of guidelines for addressing issues of women in development, it will be increasingly necessary to establish survey methods for social analysis incorporating further participatory components and increasing the depth of attention paid to effective and efficient aid implementation.

Box 3 Improvements designed to promote participatory development

A. Promoting community participation in projects

Facilities that are closely tied to the lives of local community people in developing countries, such as elementary schools, public health centers, shallow wells, and small-scale bridges (suspension bridges, etc.) and other infrastructure, are traditionally built and maintained by local people themselves through self-help efforts. Aid from developing country governments is usually limited to the supply of construction materials.

The participatory approach may not be applicable to all parts of a general project grant aid scheme, but methods should be devised to promote participation by local people themselves in planning and construction depending on the content of the project. For example, in community development projects using grant aid from Japan, it is possible to utilize the village's traditional organization as a de facto subcontractor and, while ensuring this organization's responsibility for construction and management of the facilities, thereby offer aid for facility construction that respects the community's self-help efforts to the maximum feasible extent. As currently being attempted in rural water supply projects, aid in this field requires that at the basic design survey stage, local people's opinions be studied and in-depth discussions about specifications and implementation plans include

local people in order to make facilities easy for them to maintain and manage. It is also possible for Japan to suggest to recipient governments and other implementing agencies (including village-level administrators) that some part of project construction duties falling within the scope of the recipient nations' responsibility be carried out by members of local communities. This could be achieved by requiring residents to donate labor, and by involving people in planning to foster greater awareness among the local people. In projects where equipment and supplies are provided, multiple subprojects could be combined via technical cooperation schemes involving Japan or other aid organizations to support the creation of community organizations that could take over construction management and post construction maintenance and management and support the setting of rules for charging fees for using the finished facilities.

B. Support for community organization activities

In general grant aid schemes and other kinds of cooperation, aid funds are allocated solely to pay for services and to procure materials and supplies required by the project: the recipient government holds nothing in reserve. Yet in a project that will build vocational training facilities for women, for example, it is important both to build the facilities and to procure funds to support women's post training productive activities. The first step is to request that the developing country's government retain funds in the budget; another approach is to use counterpart funds from aid for increased food production (food aid) or non-project grant aid (non-project grant aid for structural adjustment support), which are only given to countries carrying out structural adjustment programs, to provide financial support for recurrent costs involved in participatory-type projects. For example, if non-project grant aid is provided to support purchases of Japanese machinery related to basic human needs and education, counterpart funds for this can be allocated for promoting community participation projects in the recipient country.

In terms of technical cooperation projects, there is a need to take creative approaches such as enabling experts and JOCVs assigned to those projects to flexibly manage local costs in order to establish a fund or otherwise support activities for improving people's capacity for participation.

JICA