

国際協力資金

International Cooperation Funds

An American Perspective on Public Funding and International Sustainable Development¹

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INTRODUCTION

How can funding provided by governments best be used to achieve sustainable global development? Policymakers and nongovernmental organizations (NGOs) in Japan and the United States—the two largest providers of official development assistance, ODA—should consider comprehensively how limited public funding can be used most effectively to promote international sustainable development, ensuring that both the level and uses of such funding are appropriate.

This paper summarizes the challenges of global sustainable development and NGO advocacy on international public funding issues in Japan and the United States, and suggests potential future policies that could improve the contribution made by public funding to the promotion of sustainable development.

BACKGROUND

The Challenge of Sustainable Development

Sustainable development—that is, developing the economy and society while preserving the environment—is not being achieved internationally. The future sustainability of individual countries and the international community of nations are challenged by numerous interlinked concerns, including:

- *Poverty* and lack of economic opportunity (more than one billion people live on less than one dollar per day);
- *Hunger*, malnutrition and lack of food security;
- *Water* scarcity (which is expected to cause increasing conflicts within and among nations) and problems with water quality (three million people die yearly from water-borne diseases);
- *Health* threats, including infectious diseases (as many as three million people die each year due to a lack of inexpensive immunizations, and malaria and HIV/AIDS incidence are increasing, undercutting productivity and prosperity in many countries, especially in Africa);

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² The views expressed in this paper are not necessarily those of Pact, Inc.

- *Education* not reaching all, especially women;
- *Population growth* (world population may grow by at least two billion people over the next fifty years, 95% of which will be in developing countries);
- *Environmental deterioration and resource depletion* (resource use will continue to increase, led by consumption pressures from developed countries, while supplies of fossil fuels are projected to decline);
- *Breakdowns in ecosystems* through climate change, loss of biological diversity and overexploitation of resources (often due to environmentally inappropriate development projects, such as the construction of dams);
- *Conflict* and terrorism, including conflicts worsened by pressures of population, poverty and resource scarcity, as well as due to increasing inequalities and social disruption resulting from economic globalization;
- *Lack of good governance*, corruption, incompetence and inefficiency, which squander natural and financial resources and create tensions in societies; and
- *Insufficient financial resources* in developing countries to address these concerns, made worse due to undemocratic international decision-making processes, as well as developing countries' weak position in negotiations related to trade and other concerns.

As the culmination of a series of international conferences throughout the 1990s, over 150 heads of state at the September 2000 Millennium Summit approved the United Nations Millennium Development Goals (MDGs),³ a set of targets for improving the lives of people in developing countries. They agreed to:

- Eradicate extreme poverty and hunger (with, for example, a target for 2015 of halving the 1990 proportion of people living on less than a dollar a day and those who suffer from hunger);
- Achieve universal primary education (with all children able to complete primary schooling by 2015);
- Reduce child mortality and improve maternal health;

³ www.developmentgoals.org

- Promote gender equality and empower women;
- Combat HIV/AIDS, malaria and other diseases;
- Ensure environmental sustainability; and
- Develop a global partnership for development.

Achieving sustainable development will require the simultaneous achievement of all of these goals, in addition to others. In order for sustainable development to succeed, the richer developed nations have the moral responsibility (as well as self-interest in promoting stability and prosperity) to provide funding to developing nations that is sufficient in scale, content, and effectiveness of administration.

NGOs and International Public Funding

While NGOs in both Japan and the United States have interests in ensuring that the public funds used for foreign assistance promote sustainable development, they have focused on different issues. In order for there to be effective cooperation between US and Japanese NGOs, it is useful for both NGO communities to have a grasp of the different approaches that have been taken.

In general, Japanese NGOs have emphasized the harmful aspects and results of the existing foreign aid system, and thus measures that should be taken to avoid adverse impacts on affected communities. (For more details on Japanese NGO advocacy activities on public funding for international sustainable development, see Appendix I.)

In contrast, American NGO advocacy activities have generally been supportive of the current bilateral foreign assistance system, and have had as their focus calling for increased funding—overall and for particular countries and sectors. It is not unheard of for US NGOs to advocate a combination of goals—empowerment of women, the construction of rural infrastructure, development of markets for rural crops and research into biotechnology⁴—that would be quite unlikely on the part of Japanese NGOs. (For more detail on American NGO advocacy activities on public funding for international sustainable development, see Appendix II.)

Many of the differences in the focus of Japanese and American NGO advocacy activities can be explained through the fundamental differences in the uses and history of ODA programs in the two countries.⁵ (For more information, see Appendix III: Comparing US and Japanese ODA.)

⁴ All of these were recommended within the Bread for the World Institute's publication "Foreign Aid to Prevent Hunger."

⁵ While American NGOs have shown strong involvement in policies related to Official Development Assistance (both bilateral and multilateral), there are many non-ODA channels for public funding of the US government—including funding for Migration and Refugee Assistance by the State Department, Foreign Military Financing by the Defense Department, and agricultural subsidies

US NGOs are also generally supportive of proposed dramatic new changes in US foreign public funding. In 2002, the Bush Administration called for the creation of the “Millennium Challenge Account” (MCA), a new fund that would increase US foreign assistance by \$5 billion per year, roughly fifty percent, and which would be administered through the Millennium Challenge Corporation (MCC, to be established).

The MCA is a new approach to foreign funding, in that developing countries would become eligible for this funding only through agreeing to implement certain policy prescriptions defined under the program by the United States. Countries would be eligible based on income levels and by scoring above the median of developing countries with respect to sixteen criteria indicators established in three areas:

- “Governing Justly” (based on criteria in the areas of promoting civil liberties, political rights, voice and accountability, government effectiveness, rule of law, and control of corruption);
- “Investing in People” (based on criteria in the areas of promoting public primary education spending as a percentage of GDP, the primary education completion rate, public expenditures on health as a percentage of GDP, and immunization rates for DPT and measles);
- “Promoting Economic Freedom” (based on criteria related to a country’s credit rating, inflation rate, three-year budget deficit, trade policies, regulatory quality, and the number of days to start a business);

US NGOs have been mainly supportive of the MCA; for example, WomensEDGE called the MCA “the first U.S. global assistance program to integrate women from the beginning.”⁶ Indeed, many of these MCA indicators would seem to address concerns NGOs share in terms of securing good governance and civil rights; the majority of the MCA policy criteria would, at least indirectly, help promote NGO goals. However, there are a number of concerns with the MCA as it is envisioned:

- The MCA criteria are not explicitly linked to the Millennium Development Goals or to other multilateral agreements, such as the World Summit on Sustainable Development’s Johannesburg Plan of Implementation; moreover, the eligibility criteria have been unilaterally determined by the United States, apparently without consultation and input from countries that would be affected, which may lead to concerns over US interference and unilateralism;

by the Agriculture Department—that could positively or negatively influence international sustainable development in a significant fashion. Nevertheless, the use of such disparate funding channels is determined separately and in an ad hoc fashion, with each funding program having a unique history, political context, goals, and incentives. The individual and collective impact of such funding with respect to sustainable global development has evidently not been assessed (by the government, NGOs, or others), and is not guided by integrated and comprehensive policies intended to achieve the most effective and positive benefits.

⁶ The Coalition for Women's Economic Development and Global Equality, www.womensedge.org.

- Few countries are likely to qualify for MCA assistance,⁷ and the most impoverished nations are not likely to receive MCA funding—and yet the activities of USAID may be modified so as to support the implementation of the MCA, diminishing USAID’s development focus, and undermining many NGOs’ desire that the poorest and neediest are provided increased support;
- Some of the criteria for eligibility for the MCA are reportedly to be based on judgments by the conservative think tank the Heritage Foundation and Institutional Investor Magazine, sources which may be open to bias and manipulation;
- Even with the increase in US foreign assistance accompanying the proposed MCA, US ODA will still fall far below the 0.7% of GNP target set by the United Nations for aid donor countries, which has never been met by the United States (and no accounting has evidently been made regarding how much the United States would need to provide to make up for past shortfalls in funding);
- No mechanisms have been clarified that would ensure the accountability, transparency and sustainability of activities funded by the MCA.⁸

RECOMMENDATIONS

Public funding having international impacts could contribute more effectively to global sustainable development given a number of improvements and reforms:

A. Adequately Meeting Funding Needs:

1. Funding should be increased for aid programs overall, to meet increasingly recognized needs of the developing countries, as well as to fulfill UN commitments for aid donors. (In the US, while the Millennium Challenge Account will increase funding, much more additional funding should also be provided through USAID.)
2. Funding should be increased for environmentally sound development projects and programs, including increased support for biodiversity conservation, ecologically sound management of forests,

⁷ Brainard, Lael, Carol Graham, Nigel Purvis, Steve Radelet, and Gayle Smith, *The Other War: Global Poverty and the Millennium Challenge Account*, The Brookings Institution, 2003.

⁸ Recently, the Brookings Institution has pointed out that the lack of an environmental policy for the MCA could mean that it could do more harm than good. See Purvis, Nigel; *Brookings Policy Brief #119: Greening U.S. Foreign Aid through the Millennium Challenge Account*, June 2003, Brookings Institution.

agricultural lands and marine resources. Funding should also be provided to plan for and adapt to impending climate change. Aid recipient countries should be supported to adopt policy reforms and to strengthen environmental impact assessments, ecosystem-based land-use planning and management, economic instruments (such as environmental taxes and fees), and to eliminate environmentally harmful subsidies. (In the US, environmental criteria should therefore also be added to those to be used by the MCA, as suggested by Nigel Purvis of the Brookings Institution).

3. Funding should be increased to better manage aid programs, including increasing appropriate aid agency staff (in order to plan, implement and monitor aid programs better) and to improve their training and expertise (especially in fields such as environment, anthropology, participation, etc.).
4. Funding should be increased to cover the costs of “doing things right” in terms of promoting sustainability, such as conducting proper community consultation and planning processes and stakeholder dialogues; disseminating project information (especially in local languages) and conducting community outreach; and monitoring, evaluating and sharing “lessons learned” useful for promoting sustainable development activities.
5. Funding should also be increased for certain types of urgent needs, such as for the Global Fund for AIDS, Tuberculosis and Malaria (a multilateral fund to assist developing country governments and NGOs to combat these devastating infectious diseases), which observers estimate will require an annual \$500 million from the United States and \$400 million from Japan (a mere 5% of Japan’s total ODA) in order to meet funding needs.

B. Ensuring Policy Coherence in Promoting Global Sustainable Development:

1. The goals of all foreign public funding programs, not just Official Development Assistance, should be aligned with the goals of sustainable development. Systematic reevaluation of public foreign funding should be conducted to ensure coherence with the Millennium Development Goals and other UN commitments, such as the Johannesburg Plan of Implementation.
2. Laws should be enacted mandating clear rules and safeguards for foreign funding in order to ensure that any public funding does not harm prospects for global sustainable development.
3. “Sustainability Coordinating Councils” should be empowered to investigate the environmental social aspects of all public funding with international impacts. Annual sustainability reporting by such a council could inform taxpayers objectively how public agencies are performing with respect to sustainability policies and goals.

C. Promoting the Rights and Participation of Affected Individuals and Communities:

1. Donors should provide increased support for good governance and national policies and laws to support the enabling environment for civil society organizations (including promotion of philanthropy and public support for them) and their capacities to influence institutions that affect them, as well as transparency, accountability and participation.
2. The rights of affected people should be guaranteed through the policies of public funding agencies and recipient governments, including:
 - *Democratic Rights*, such as basic rights of speech, assembly, due process, and just compensation;
 - *Property Rights*, especially customary resource use rights (including land and water use rights), including through concrete mechanisms to recognize and manage “common pool resources” (forests, fisheries, etc.);
 - *Information Rights*, including guaranteeing the “right to know” for all stakeholders impacted by development activities (one promising avenue would be through enacting the proposed global convention on citizen rights and public participation, building on the European Union’s Aarhus Convention);
 - *Environmental Rights*, such as that proposed by the Japan Federation of Bar Associations in 1972, that all citizens should be guaranteed the right to a healthy environment.

D. Putting in Place Mechanisms and Safeguard Policies

1. Mechanisms and safeguards should be put in place to ensure implementation of policies and to ensure that taxpayers “get what they pay for” through foreign assistance and other public funding channels.
2. Independent inspection mechanisms that check for compliance with existing policies should be instituted and strengthened, with authority to investigate compliance with all institutional policies. Also, if problematic projects trigger inspection activities, public hearings and investigations should also be held to assess the soundness of underlying policies, so as to result in improvements in aid agency policies and procedures. (In the US, international public funding institutions, including USAID and the Millennium Challenge Corporation, should establish complaints investigation mechanisms such as have been established by the World Bank and the Japan Bank for International Cooperation.)
3. Stronger sanctions should be imposed in cases in which policies are not properly followed; policies to reward those who uncover problems and malfeasance should also be instituted or strengthened.
4. Random audits of projects and finances should be instituted, as well as programs to fund third

parties to monitor aid projects.

5. To ensure early-stage project information disclosure and accessibility, public funding agencies should be required to proactively disseminate relevant information to all potentially affected parties.

E. Preventing Harmful Development Activities

1. Means to prohibit the funding of destructive projects should be put in place. One way to do this would be to rule out funding for certain types of projects through bilateral funding, such as large-scale dams, which have repeatedly been demonstrated to cause environmental and social disruptions.
2. As loan projects may be more likely to result in harmful activities, bilateral ODA—and even multilateral ODA—could be limited so as to provide only grants, not loans. (The Bush Administration proposed that half of the funding by the World Bank be shifted from loans to grants; similarly, Japan could phase out its bilateral loan aid activities, allowing financial markets to fund those activities that are economically viable, rather than subsidizing projects which are often unable to support loan repayment obligations.)
3. Clear criteria should be developed for when to suspend funding for certain governments that do not enforce rights of affected people (or that, for instance, score low on the Transparency International corruption index), or that have experienced corruption related to the use of international cooperation funding.

CONCLUSION

Many potential policies exist that could improve the performance of the use of public funds with respect to sustainable development needs. Global sustainable development can best be achieved if all public funding having international impacts is assessed for its impacts and is undertaken in a coordinated and integrated manner. Scarce public funds should be used in the best possible way, and should be guided by strict laws and enforceable regulations to ensure that wasteful or destructive activities are not promoted (in this regard, Japan's ODA Charter is lacking). In addition, aid donor nations should also commit to review their domestic funding activities, such as agricultural subsidies, for their impact on international sustainable development.

NGOs should also adopt a comprehensive view; it is important to both avert negative impacts from, and to promote positive usages of, ODA and other public funding. American NGOs could dedicate more attention to preventing harmful development projects (such as through assisting Japanese and developing country NGOs in the analysis of projects, in order to show where they may be inappropriate), while Japanese NGOs could concentrate more on advancing positive aid activities, as much as possible focusing on specific, realistic, actionable proposals—including specific budget requests, such as to greatly increase Japan's contribution to the Global Fund on AIDS, Tuberculosis and Malaria; increasing funding for such positive activities would also have the salutary effect of reducing funding for types of projects to which NGOs may object.

The less that NGOs are engaged in determining the use of public funds, the more those decisions will be made by bureaucrats and commercial interests. NGOs concerned with sustainable development should therefore challenge themselves to develop publicly supported answers to the question, "how can we advance positive ODA projects and policies?"

(NGOs may feel that ODA should only be provided based on the interests of the poor in developing nations and determined in an apolitical fashion, but NGOs should also try to persuade those, be they politicians, bureaucrats or members of the public, who believe that ODA should advance the national interest—and convince them that preventing environmental disruption and social instability in any nation is, in fact, in the national interest of Japan, the United States, and, indeed, every nation; it is therefore incumbent upon NGOs to help define what the "national interest" is, or should be.⁹)

Doing so is not so easy, however. The citizens of Japan and the United States often do not understand, and cannot visualize how their actions and those of their government impact the rest of the world. The challenge for NGOs will therefore also be to find better ways to demonstrate to the public how their actions and public funding affect the rest of the world.

⁹ Japanese NGOs recently protested that Japan's ODA Charter was rewritten to state that the positive use of ODA can contribute to the security and prosperity of Japan. In contrast, US NGOs often support through their advocacy the use of foreign aid in the national interest (see, for instance, the statement by Rob Buchanan, Oxfam America's Washington Representative in 1995, "We should be talking about how development aid can serve U.S. long-term interests in poverty reduction and stability abroad." www.africaaction.org/docs95/dgap9505.htm), perhaps assuming that politicians and bureaucrats would not consciously act in ways that are not in keeping with what they perceive to be the national interest.

APPENDIX 1: Japanese NGO Advocacy Activities on Public Funding for International Sustainable Development

Japanese NGO advocacy efforts to improve the use of international public funding have included the following:

- Highlighting destructive impacts and lack of consultation with affected groups accompanying ODA projects co-financing by the Japan Bank for International Cooperation (JBIC) with the World Bank or Asian Development Bank (ADB), such as the Chashma Right Bank III Irrigation Project in Pakistan;¹⁰
- Opposing provision by the Ministry of Foreign Affairs of pesticides under grant aid for increased food production to Cambodia and Mozambique;¹¹
- Supporting an ongoing lawsuit before a Japanese court brought by thousands of citizens forcibly resettled in connection with the Koto Panjang Dam in Indonesia funded by JBIC;¹²
- Opposition to an “environmental ODA” project, the Khlong Dan (Samut Prakarn) Wastewater Management Project in Thailand (co-financed by ADB and JBIC), on the grounds that it would harm the local environment and residents;¹³
- Urging the that ODA policies be improved, through clarifying that ODA should support sustainable development, providing untied aid and a greater proportion of grants, and through improved coordination among ministries and through monitoring of ODA by the National Diet.¹⁴
- Calling for increased ODA expenditures, especially by project-based NGOs associated with the JANIC, the Japan NGO Center for International Cooperation (many of which, like the members of InterAction in the US, receive ODA funds to support their field projects in developing countries).

NGO advocacy in Japan on ODA tends to focus on combating negative or “destructive” impacts of public international funding programs. Although there are increasing numbers of projects for which Japanese NGOs receive ODA funding, as well as areas (especially for family planning and reproductive

¹⁰ “Report on Facts and Concerns regarding Chashma Right Bank Irrigation Project and Grievance Redress and Settlement Committee,” 7 May 2003, Japan Center for a Sustainable Environment and Society (JACSES).

¹¹ “Problems of the 2KR (Japanese Grant Aid for Increase of Food Production),” www1.jca.apc.org/Mozambique-net/en/advocacy/problems.html

¹² “What is Koto Panjang Lawsuit?” www2.ttcn.ne.jp/~kotopanjang/ENG01summary.htm

¹³ www.mekongwatch.org/english/country/thailand/

¹⁴ www.ncsdnetwork.org/knowledge/asiaNCSd/session2_japan.pdf

health assistance) where Japanese NGOs are involved in project formulation and prioritization in consultation with aid authorities, NGOs are generally not involved in setting funding priorities, designing projects or advocating specific alternative uses for ODA, nor are they engaged in campaigns for increased funding or for redistribution of funding between institutions (between JICA and JBIC, for instance¹⁵), countries, or sectors.

Lobbying for “environmentally positive” uses for Japanese ODA (such as for increased funding for conservation of biological diversity) has been conducted largely by US NGOs, such as the Nature Conservancy and Conservation International (such as for the World Bank-Conservation International-Japanese Government funded Critical Ecosystem Partnership Fund).¹⁶ International NGOs have also been critical of Japanese ODA, such as for plans for a waste incinerator in Thailand, and the reported usage of ODA to influence voting at the International Whaling Commission.

¹⁵ Although this may be implicit in calls for increasing the proportion of ODA provided in the form of grants.

¹⁶ www.cepf.org

APPENDIX II: American NGO Advocacy on Public Funding for International Sustainable Development

US NGO advocacy campaigns to improve the use of international public funds provided by the US government have included calls for the following:

- Ending the provision of genetically modified food to African countries for famine relief (as called for by Greenpeace and Friends of the Earth)¹⁷ and of the use of pesticides in assistance under Plan Colombia (Pesticide Action Network North America);¹⁸
- Reallocating funding to countries based on humanitarian needs—for instance to Angola, Somalia, and the Democratic Republic of the Congo—rather than for political purposes, such as to the countries that support the “war on terrorism” (Red Cross, others);¹⁹
- Increasing programs to combat hunger (including increasing funding for rural roads, small enterprise development and empowerment of women) (Bread for the World Institute);²⁰
- Maintaining and increasing assistance for family planning assistance (the main foreign assistance concern of some large environmental NGOs, such as the National Audubon Society²¹ and Sierra Club);
- Reforming US Agency for International Development (USAID) procurement and management policies (such as to reduce bureaucratic delays and paperwork) and to maintain NGO independence in aid projects (InterAction, a coalition of over 160 US-based development NGOs);
- Greatly increasing ODA in order that the United States take international “leadership” in development (InterAction, others);
- Increasing funding to fight AIDS and related issues (various NGOs); and
- Reducing developing country debt burdens and reforming trade policies to benefit agricultural producers in developing countries (Oxfam America);

Calls by US NGOs for more fundamental reforms of foreign assistance programs have also been made, although primarily with regard to multilateral funding through the Multilateral Development

¹⁷ a520.g.akamai.net/7/520/1534/release1.0/www.greenpeace.org/multimedia/download/1/29482/0/foodaid.pdf

¹⁸ www.panna.org/resources/panups/panup_20011012.dv.html

¹⁹ The International Federation of Red Cross and Red Crescent Societies, “World Disasters Report 2003” (www.ifrc.org)

²⁰ Bread for the World Institute, *Foreign Aid to Prevent Hunger*, p. 2

²¹ www.audubonpopulation.org

Banks (MDBs), especially the World Bank. Important NGO campaigns with respect to the policies of such international financial institutions have included:

- Critiquing the poverty alleviation impacts in Africa of extractive industry development projects (such as mining and oil production) funded by the World Bank (Environmental Defense, FOE-US, Bank Information Center, Oxfam, Catholic Relief Services)²²
- Urging the creation of inspection mechanisms and their effective implementation in specific cases where policies have not been properly implemented (Center for International Environmental Law and others);
- Promoting institutional reform of the Inter-American Development Bank (IDB) through increasing civil society participation in its activities and strengthening the capacity of Latin American civil society organizations (InterAction); and

Review of the impacts of structural adjustment lending policies (Development Group for Alternative Policies, in collaboration with the World Bank).

²² "Poverty Reduction or Poverty Exacerbation? World Bank Group Support for Extractive Industries in Africa;" Scott Pegg, Department of Political Science, Indiana University Purdue University Indianapolis, Sponsored by Oxfam America, Friends of the Earth-US, Environmental Defense, Catholic Relief Services and the Bank Information Center, www.environmentaldefense.org/pdf.cfm?ContentID=2737&FileName=2737%5FPovertyRedux2%2Epdf

APPENDIX III: Comparing US and Japanese ODA

In general, US NGOs are generally supportive of their country's current foreign aid system, while Japanese NGOs are not supportive of theirs. Why are the positions and campaigns of NGOs in the US and Japan so different? Part of the answer lies in the fact that the aid programs in the two countries are fundamentally very different, as is the history of NGO-government interactions on foreign aid issues in the two nations.

There are a number of reasons why Japanese ODA is generally seen as more "destructive" than US foreign assistance and is more frequently the object of NGO criticism:

- Japanese ODA emphasizes loans (59% of the total), which can contribute to debt servicing burdens, unlike other countries' bilateral ODA;
- Japanese ODA supports large-scale infrastructure projects (such as dams, roads, ports, etc., which can often result in forced relocation of residents and environmental disruption) much more often than other nations' ODA;
- Unlike other aid donor nations, ODA from Japan is also often provided in the form of co-financing with MDB projects, thus involving Japanese ODA in controversies accompanying MDB projects;
- Japanese ODA provides very little support for NGO activities (especially NGOs in developing countries), and does not cover NGOs' actual costs of doing business;
- Japan has no basic ODA Law, and Japan's "ODA Charter" does not provide specific policies nor provide for enforcement mechanisms;
- Japan's aid bureaucracy has proportionately lower numbers of personnel per dollar of ODA provided, with a resulting immense pressure to move funds; moreover, these staff largely lack expertise in ecology, anthropology, sociology, and other disciplines essential to formulating effective sustainable development projects and programs;
- Japan's regulations prohibit ODA funding for endowments and foundations that would provide ongoing financial support for positive activities and policies in developing countries (including for the community development foundations that are useful in building social capital and capacities of organizations in developing countries).

It can thus be seen why the Japanese foreign aid program would be more often the target of fundamental criticism. While a major focus of US foreign assistance is on supporting NGOs and responding to humanitarian emergencies, Japanese ODA is more akin to the activities of MDBs,

promoting infrastructure projects. In contrast to the Japanese foreign aid program's support for what is often called "hard" infrastructure projects, US foreign aid programs emphasize "soft" assistance, in the form of technical assistance, promoting policy reforms and "Good Governance" (promoting electoral, judicial, and public administration policy reforms), as well as capacity building of NGOs (including support for NGOs' advocacy activities).

In contrast to the case of Japan, the US bilateral ODA program, administered mainly by USAID, emphasizes grants (over 99% of the total), with a large proportion provided to NGOs, both in the US and developing countries (roughly one third of total ODA, while less than two percent of Japanese ODA is provided to NGOs). US ODA has also had a longer experience with "results-based" outcome-focused programming and evaluation (including involving statistical analysis of the effects of aid interventions, such as those intended to reduce child mortality), and is thus more likely to be less open to divergent interpretations as its effects on the ground in developing countries, whereas Japanese ODA is rigidly activity-based (focusing on numbers of individuals trained, and project-style cooperation that packages training with provision of equipment and construction of facilities), which, while more "visible" in its effects, may not be persuasive to independent observers that such assistance has solved problems that need to be addressed.

Japan's ODA creates a situation in which the lion's share of Japanese NGO advocacy on ODA appears focused on "opposing" policies and problem projects. Japanese NGOs are thus largely engaged in "reactive" (or "remedial") campaigns that raise objections and call for the correction of problems caused by ODA funding. In contrast, US NGOs are more likely to engage in "proactive" (or policy guiding) advocacy activities. US NGOs also have historically been more of an integral part of the decision-making process, and have had a major role in deciding key policies, including laws on environment and information access for international financial assistance. NGOs have also been successful in lobbying on the funding priorities that they would like to see (such as support for children, environment, health, education, etc.); they have greater political influence and, operating in the political culture of the United States, are less likely to engage in "combative" advocacy activities on ODA policies.

US ODA also has a longer history of environmental regulation, which may lead to it causing fewer problems today, since the bureaucracy has had an ability to acquire a longer-term and richer experience. In contrast to Japan, which has had environmental regulations for ODA only since the early 1990s, environmental reforms of US ODA have been conducted since 1970s, under so-called "Regulation 216"²³ adopted in 1975 (after an NGO lawsuit), which instituted procedures to ensure environmental considerations were integrated into USAID decision-making through rigorous procedures, including the conducting of detailed studies of the effects of aid plans, and a consideration of alternatives, detailed requirements for the treatment of pesticides, endangered species, public hearings, etc. Environmental considerations in US foreign public funding were strengthened as well by Executive Order No. 12114, "Environmental Effects Abroad of Major Federal Actions," in January 1979.

Also, because US NGOs receive more ODA funding than their Japanese counterparts, they may be expected to be less likely to criticize the governmental institutions that they depend on for financial

²³ www.access.gpo.gov/nara/cfr/waisidx_02/22cfr216_02.html

support,²⁴ and this may lead them to wish to play a more “constructive” and “insider” style role when they conduct advocacy activities. US NGOs may also have a more “bureaucratized” NGO culture (as many of them are two orders of magnitude larger than their Japanese counterparts, both in terms of numbers of member, staff, and size of annual budget), leading them to less radical positions.

Much more so than in Japan, policies in the United States regarding Multilateral Development Banks also reflect NGO concerns. The US has a number of laws regarding MDBs that reflect the views of many NGOs that these institutions have had destructive impacts and have not properly involved affected people in decision-making, and therefore need to be closely monitored. US law on MDBs (through the 1989 “Pelosi Amendment”²⁵) recognizes that development activities are “less costly if based on consultations with directly affected” people, and that US participation in the MDBs should promote protection of the environment, public health and indigenous peoples. US regulations promote accountability and transparency at MDBs through calling for project documents to be available 120 days prior to a vote of the board, and that US executive directors to the MDBs shall not cast votes on projects unless environmental assessments are made public; it also directs US executive directors to urge increased environmental projects, increase MDB staff experts and training (in ecology, anthropology and social impact analysis), and to encourage participation at all stages of projects by NGOs, affected communities and indigenous groups. USAID also conducts independent analysis and reviews of MDB projects, and US government staff regularly consult with NGOs through the so-called “Tuesday Group” monthly meetings. Thus, NGOs and government in the United States are in agreement on many policy issues, with the focus on implementing and monitoring improvements, whereas in Japan, much of the NGO advocacy campaigns on MDBs repeatedly attempt to gain governmental acceptance that there are problems that need to be corrected.

²⁴ Most InterAction members also reportedly indirectly receive funding from the World Bank. See <http://siteresources.worldbank.org/CSO/Resources/WorldBankIAStudy.pdf>

²⁵ U.S. Code Title 22, Chapter 7, Section 262m; www.usaid.gov/environment/262m.htm