

Environmental Challenges of Japan's Development Aid Framework in Southeast Asia

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ABSTRACT

Environmental change issues have been the signifying elements of the global change agenda. International and regional/local processes of development have also taken towards a rather comprehensive form, including various aspects of environmental change and human-environment interaction. Japan has always been one of the development aid-friendly countries and has been contributing to the international development aid platforms via bilateral and multilateral/organizational linkages. At the same time, both Japan and its aid partners, especially in Southeast Asia, have been suffering from catastrophic impacts of natural-environmental disasters. Challenges coming with these natural and man-made disasters and the changing economic conditions have forced Japan to redefine its development aid strategies in recent years. This short paper is an attempt to understand how environment and environmental change issues have been included within Japan-involved Southeast Asian development aid agenda in the recent years. The first part of the paper looks at the changing direction of development and development aid frameworks with environmental emphasis in the 21st century. Then the paper focuses on Japan's ODA policies and economic as well as environmental forces that transformed the ODA strategies in recent years. The last part examines critical points and potentials of Japan's development aid agenda to reconfigure the country's contribution to the global development aid programs under the impact of environmental changes issues.

Keywords: Environmental change, Development aid, Japan, Southeast Asia.

1. INTRODUCTION

Global and regional environmental change issues are occupying the global agenda in the recent years. Frequency of natural-environmental disasters during the last decades have already added another dimension to the search and agenda in both academic and policy-making circles. Increasing need for immediate help and endorsing resilient communities in those vulnerable areas have forced both policy makers and researchers to re-define various agendas to cope with these difficulties. Development and development aid agendas have also been changing with further needs of the regions and countries. Various aspects of environmental change and human-environment interaction have also been transforming the 21st century definition of development and development aid.

Japan has always been one of the development aid-friendly countries and has been contributing to the international development aid platforms via bilateral and multilateral/organizational linkages. At the same time, both Japan and its recipient partners, especially in Southeast Asia, have been suffering from environmental change issues and impacts of natural-environmental disasters. Challenges coming with these natural and man-made disasters and the changing economic conditions have forced Japan

to redefine its development aid strategies in recent years. This short paper is an attempt to understand how environment and environmental change issues have been included within Japan's Southeast Asian development aid agenda in the recent years. Analyzing how Japan has been shaping its development aid framework with changing forces of environmental challenges and disasters; figuring out the environmental challenges within this new direction; and configuring the future of Japan-involved development aid mechanisms are the main points that are examined in this short paper.

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2. CHANGING DIRECTION OF DEVELOPMENT AID WITH "ENVIRONMENT" EMPHASIS

2.1. Development and Development Aid

What do we understand from "development"? Initially the term "development" was only a matter of "growth" in economic terms with economic data. Then, it has been transformed into a more inclusive concept with scholarly discussion and developmental aid experiences both in the field and with real practice (Carbonnier 2021). Political-economic shifts like the end of the Cold War and new necessities in societies have also contributed to this transformation. Then the concept of development has become more inclusive from just focusing on mere economic growth to a more encompassing one with multiple dimensions like poverty, gender equality, women empowerment, infrastructure, rural-urban balance, education, health and insurance, human rights, capacity building, environmental protection and other various societal change issues. As Amartya Sen mentioned in his classical book *Development as Freedom*, development is about enhancing one's freedom and its covers the areas of "...political freedoms, economic facilities, social opportunities, transparency guarantees and protective security" (Sen 1999,10).

The United Nations (UN) *Agenda for Development* also gave a rather "multidimensional" definition of development already in 1997: "Development is a multidimensional undertaking to achieve a higher quality of life for all people. Economic development, social development and environmental protection are interdependent and mutually reinforcing components of sustainable development" (UN 1997, 1-2). Likewise, a rather updated and thorough look at development by the United Nations Development Programme (UNDP) underlines the challenges of development as eradication of poverty, acceleration of structural transformation to sustainable development, and building resilience to crisis and shocks with examples especially focusing on environmental change issues and disasters like climate change, disasters, food insecurity and environmental degradation (UNDP 2021).

2.2. "Environment" Emphasis in Development Aid

Then when it comes to the term of "development aid", one can read it as development assistance, technical assistance, international aid, overseas aid, international cooperation, and regional cooperation as a term. It can also be read in the form of development aid, strategic aid, and/or humanitarian aid as a target. For its various aspects, it can be highlighted as an economic development, social development, human development, sustainable development, and/or environmental aspect of development. As we can see with these different classifications of development and development aid, environment has always been a part of the field of development, but it has become more visible with emerging cases of environmental degradation and natural disasters.

The global agenda since the end of the Cold War has already been including environmental issues to the list. One of the turning points that underlined the close and complicated link between environment and development was the United Nations Conference on Environment and Development, in other words the Earth Summit of 1992. The agenda set at this summit led to the birth of the Millennium Development Goals (MDGs). The goal 7 of the MDGs is directly related with environment while all other goals can also be linked with enhanced definition and dimensions of environmental change issues. When we look at the Sustainable Development Goals (SDGs), again almost all goals are relevant with various aspects of environmental change but goals 6, 7, 11, 12, 13, 14, and 15 are directly relevant to the “environment”. Then it is obvious that the recent agenda and definition of development has already been transformed into a more comprehensive and inclusive framework by aiming to cover various aspects of environmental change issues. Recent studies also focus on the interactive communication between environment, environmental change and development as well as development aid (Uitto 2021). Again, the most attentive topics are environment-friendly “green development” and the impact of environment-related development aid on global warming and carbon emissions (Li, Rishi and Bae 2021).

This focus of environment in development can also be seen in real practice in the field of aid provision. “Aid in Support of Environment” report of the Organization for Economic Cooperation and Development (OECD) reveals the most recent and relevant data on aid-environment relation by focusing on donor countries’ environment-related aid programs. According to this report, total allocable aid related with the “environment markers” for the term of 2017-2018 was USD 113.2 billion, while average annual value of commitments to environment-related aid (in OECD terms, “aid focused on environment”) was USD 35.5 billion (OECD 2020, 1). The same report also reveals the environment focus of aid in each sector. Then about 19% in the sector of transport and storage, 17% of the energy-related aid was devoted to the environment-related aid, while it was 12% in the sector of agriculture, forestry and fishing; 12% in the sector of general environment protection, 10% in the sector of water supply and sanitation, and 11% in the sector of other multisector areas during the term 2017-2018. This general direction and focus in these certain sectors can also be seen in other bilateral and multilateral aid schemes in recent years.

3. EMERGENCE OF “ENVIRONMENT” IN JAPAN’S DEVELOPMENT AID FRAMEWORK

3.1. Japan’s Development Aid Framework

Japan’s first ODA (Official Development Assistance) was planned in 1954 according to the Colombo Plan. During the 1960s, international community has improved its development agenda into a more institutionalized one with establishment of international aid-related funds and organizations (Yanagihara 2017). Japan joined the Development Assistance Committee (DAC of OECD, then DAG-Development Assistance Group of OEEC, Organization for European Economic Cooperation) and also the definition of development at international standards has been included to the Japanese foreign policy agenda. The 1970s witnessed further institutionalization with rulemaking and redefinition of Japan’s ODA objectives by focusing on contribution to the world peace and stability through development assistance to developing countries and Japan’s interdependency with those developing countries in terms of its economic growth (MOFA 1994). War reparations and economic growth together with the recipient countries were the main tenets of Japan’s development aid framework during these years.

With the 1980s, further theoretical discussion and policy making initiatives were introduced on the meaning of development aid, aid effectiveness, search for better implementation, monitoring and review in this field. Nevertheless, there was not yet clear mention of the environment during these discussions. 1991 ODA guidelines of the Japanese government again focused on a rather “economic”

development aid by paying attention on the military of expenditures of the recipient countries, production of mass destruction weapons and missiles, trade of arms in recipient countries and the efforts of those countries to promote democratization and market-oriented economy by underlining basic human rights and freedoms (MOFA 1994). These years also witnessed the fact that Japan has joined the list of top 5 donor countries both with its bilateral and multilateral aid schemes.

3.2. Environment-related Concerns within the Japanese Development Aid Agenda

The impact of the 1992 Rio Summit and emergence of the “environment” emphasis in institutional development aid frameworks (linking environment with development and rising attention on sustainable development) was the turning point for Japan and other top donor countries to realize the “environment” within their development aid approach towards developing countries. During this period and the mood of the post-Cold War agenda of inclusive and communicative agendas of market-oriented economy and economic cooperation, human rights, human-environment interaction and development, Japan has also included the term “environment” in its newly written ODA Charter of 1992. According to the charter, emphasis then has been made on humanitarian assistance, recognition of interdependence among nations, “environmental consideration”, and support for the self-help efforts of the recipient countries (MOFA 1994). Then environment has become an official part of the Japanese development aid agenda and have positively added to Japan’s stance as one of the top donor countries (Schreurs 2004).

1997 Kyoto Protocol’s impact on Japan’s aspiration to take the leadership on environmental protection and especially on climate change was another turning point that Japan’s development aid agenda has also incrementally included the environment-related programs and sectors in its aid agenda. 1997 Kyoto Initiative on “Assistance to Developing Countries for Combating Global Warming” was one clear indication of this bold change on the Japanese side (MOFA 1997). According to this initiative, the following topics and sectors were selected to be underlined while initiating new development aid programs towards developing countries: cooperation in capacity building in the fields of air pollution, waste disposal, energy saving technologies and forest conservation and afforestation; ODA loans on the most concessional conditions in the fields of energy saving technologies, new and renewable energy sources and forest conservation and afforestation; and exploitation and transfer of Japanese technology and knowhow for possible pollution and energy problems (MOFA 1997).

2010 JICA (Japan International Cooperation Agency) Guidelines for Environmental and Social Considerations was another important document that promoted an environment-related checklist for various programs. In the meantime, MDGs became the main drivers of development aid programs during the early years of 2000s and the main focus was shifted to sustainability-related issues with initiation of SDGs in 2016. Then most of the scholarly work and policy initiative on the environment have been redefined within the scheme of “sustainable development” and SDGs recently. The recent 2015 revision of the ODA framework with its focus on security-related fields, growth-centered programs, and re-commercialization of aid was another turning point for the Japan’s overall development aid agenda. Support for self-help efforts, sustainable economic growth, and human security with specific emphasis on quality growth, SDGs, peace, stability, and security are main points underlined in this revision. Nevertheless, there are critics on the “economic development” emphasis and securitization concerns about Japan’s overall aid direction. For example, the balance between untied and tied aid is one crucial criticism though the trend in the Japanese development aid flows has been towards the reduction of tied aid since the mid-2000s. Additionally, STEP (Special Terms for Economic Partnership) to promote Japanese firms’ presence and investment in recipient countries is yet another point that is usually criticized for promoting Japanese firms in the host countries.

4. JAPAN'S INVOLVEMENT IN SOUTHEAST ASIAN DEVELOPMENT AID AGENDA

Today, Japan is still on the list of top 5 donor countries and groups, along with United States, Germany, EU Institutions, and United Kingdom both in terms of bilateral and multilateral contributions (according to the OECD-DAC 2020 data, OECD 2021a). According to another OECD-DAC data, based on gross bilateral ODA 2018-2019 average, Southeast Asia has constituted 9% of the overall DAC bilateral ODA flow while Indonesia was on the list of top 10 recipient countries (OECD 2021b). Indeed, given their core development issues from mere economic development to other sustainability related issues like gender equality, urbanization, capacity building, water management, infrastructure, education, health, and sanitation as well as natural disasters and environmental degradation, the region has always been on the higher ranks of the recipient countries list at various platforms. Relatively closer geographical proximity, sharing the similar environment and also having complicated historical ties, Asia, and especially Southeast Asia has always constituted the largest share within Japan's ODA scheme since the beginning of Japan's development aid programs. Southeast Asian countries have usually occupied Japan's list of top recipient countries. In 2019, the Philippines, Myanmar, Indonesia, Thailand and Vietnam were on this list while aid to Southeast Asian countries was constituting 22.5% of Japan's overall bilateral ODA (OECD 2021b).

4.2. Japan's Involvement with Environmental Development Aid in the Region

One other clear indication of growing concern and emphasis on the interaction between the environment and development is the theme of 2020 Human Development Report. The title of the report goes as "The Next Frontier: Human Development and the Anthropocene" (UNDP 2020). How environment is linked with our socio-economic growth and cultural well-being was well explained with relevant data in the report. Countries' performances in terms of their detrimental impacts that are further pushing the edges of the Anthropocene and their recent attempts with protective policies to limit environmental degradation in their societies were listed in the report. Southeast Asian nations are already towards the latter half of the list, with a few exceptions like Singapore and Brunei Darussalam, with their performances in terms their adjustments related with planetary pressures, carbon dioxide emissions for per capita, material footprint and the overall human development index (Singapore no. 11, Brunei Darussalam no. 47, Malaysia no. 62, Thailand no. 79, Indonesia no. 107, Philippines no. 107, Vietnam no. 117, Laos no. 137, Cambodia no. 144 and Myanmar no. 147) (UNDP 2020, 241-244). This clarification also shows that there is need for a special focus for environment-related aid programs in Southeast Asian countries.

According to OECD 2020 report of "Aid in Support of Environment", introduced above, Japan is the top provider for climate-related development finance in the recent years with the final data from 2017-2018 in the report (OECD 2020). Top ten recipients of environment-focused aid from Japan, according to the same report, were India, Bangladesh, Philippines, Indonesia, Bolivia, Vietnam, Iraq, Madagascar, Myanmar, Costa Rica and almost half of the listed countries are in Southeast Asia. More interestingly, the percentages of environment-focused aid of these countries in terms of their total bilateral allocable aid are as follows: 54% for the Philippines, 31% for Indonesia, 71% for Vietnam, and 14% for Myanmar (OECD 2020). Of course, recipient countries' internal dynamics, policy and implementation preferences and the times of crisis in terms of any sudden natural-environmental disasters can make the data all sensitive and there might be a change when one looks at the recent trends for each country. Nevertheless, this recent data also shows that Southeast Asian countries have always been important development aid partners as some of the main recipient countries of Japan. Furthermore, Japan's involvement in these countries' environmental development aid framework is so crucial that it is one of the top and main supporting countries for regional environmental change issues.

JICA's 2015 environmental policy revision focuses on these issues to promote environmental measures through international cooperation activities, activities for general environmental

awareness, environmentally friendly activities within JICA offices and other JICA facilities, and compliance with environmental laws and regulations (JICA 2021). Then main environment-related projects of JICA are usually focusing on water resources, energy and mining, natural environment conservation, fisheries, environmental management, disaster risk reduction while other indirect projects include topics of health, transportation, agricultural/rural development, and urban/regional development.

5. CONCLUSION

This short paper briefly introduced that development and development aid agendas have been transforming to include more environment-related schemes in the recent years. This trend has already gained momentum with the end of the Cold War and the encouraging mood of the 1992 Earth Summit. Environment has also been an incremental element and even turned into a core element in the recent SDG-focused aid operations of Japan. Due to their shared regional ties and historical linkages, Southeast Asian countries have also been main recipients of Japan's development aid since the beginning of the 1960s with institutionalization of development aid operations.

Linking various dimensions of development, economic growth and sustainability, environmental development aid, or environment-focused aid in OECD terms, is rather complicated, and the results can usually be seen in the mid and long term. Commitment from each side is also necessary since further monitoring, local interaction, transparency, direct involvement with the parties would lead to more aid effectiveness.

Not only for Japan but "environmental" shift is a challenge for all aid providing countries since they must also deal with rising environmental change issues in their own societies. Japan's environment focus and the recent ODA revisions and real implementations have made Japan one of the top environment-focused donor countries. Nevertheless, other revisions within the ODA structures and the signs of growing securitization of Japan's development aid and focus on the "quality growth" as well as "economic" emphasis in various aid flows in the recent years are still considered as the main challenges to realize more environment-focused development aid programs for Japan. Most of the Japanese environmental development aid projects have been focusing on economic growth-related infrastructure than directly environment-related project. Climate change issues have also been a central topic for other donor countries as well but a rather inclusive agenda by focusing on other environmental issues and challenges can provide a wider scope both for Japan and the recipient countries to configure the future of Japan-involved Southeast Asian development aid agenda.

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