



ASIA-PACIFIC DEVELOPMENT JOURNAL

Vol. 23, No. 2, December 2016

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The secretariat of the Economic and Social Commission for Asia and the Pacific (ESCAP) is the regional development arm of the United Nations and serves as the main economic and social development centre for the United Nations in Asia and the Pacific. Its mandate is to foster cooperation among its 53 members and 9 associate members. It provides the strategic link between global and country-level programmes and issues. It supports Governments of countries in the region in consolidating regional positions and advocates regional approaches to meeting the region's unique socioeconomic challenges in a globalizing world. The ESCAP secretariat is in Bangkok. Please visit the ESCAP website at <www.unescap.org> for further information.



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ASIA-PACIFIC DEVELOPMENT JOURNAL

Vol. 23, No. 2, December 2016



United Nations
New York, 2017

ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

ASIA-PACIFIC DEVELOPMENT JOURNAL

Vol. 23, No. 2, December 2016

United Nations publication

Sales No. E.17.II.F.6

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Manufactured in Thailand

February 2017 – 700

ISBN: 978-92-1-120739-2

e-ISBN: 978-92-1-060152-8

ISSN: 1020-1246

ST/ESCAP/2767

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Editorial statement

The *Asia-Pacific Development Journal* is published twice a year by the Economic and Social Commission for Asia and the Pacific (ESCAP). Its primary objective is to provide a medium for the exchange of knowledge, experiences, ideas, information and data on various aspects of economic and social development in the Asia-Pacific region. The emphasis of the *Journal* is on the publication of empirically based, policy-oriented articles in the areas of development macroeconomics; reduction of poverty and mitigation of inequalities; and social cohesion and environment sustainability, with a particular focus on countries with special needs, such as the least developed countries, landlocked developing countries, and small island developing States.

This special issue contains six selected papers, developed as a spin-off of the discussions at the second North-East Asia Development Cooperation Forum, held in Tokyo on 31 October and 1 November 2015. The Forum is an initiative of ESCAP in which the Subregional Office of East and North-East Asia plays a catalytic role in bringing together researchers and practitioners of development cooperation in the four North-East Asian countries, China, Japan, the Republic of Korea and the Russian Federation, to discuss subregional cooperation and to strengthen the effectiveness of subregion-wide initiatives. These countries are also major contributors of development assistance-related capacity-building activities. Specifically, the China International Development Research Network (CIDRN), the Japan Society for International Development (JASID), the Korea Association of International Development and Cooperation (KAIDEC), and the Russian Association of Experts in International Development Assistance are partnering with ESCAP in this initiative. Since the first Forum in 2014, which was held in Seoul and organized in collaboration with KAIDEC, these associations have increasingly developed a strong sense of partnership, leading to this special issue as a joint product of the partners. The papers contained in this issue are submitted by the respective associations. The 2015 Forum, which was co-hosted by the ESCAP Subregional Office of East and North-East Asia, JASID and the JICA Research Institute, focused on development cooperation among North-East Asian countries as a key to the means of implementation of the 2030 Agenda for Sustainable Development. We express our sincere appreciation for the generous support extended by the JICA Research Institute for the success of the Forum.

The papers in this issue give contrasting views on the Sustainable Development Goals and related development cooperation through the eyes of North-East Asian researchers. **Yamagata** critically views the shift of priority of development assistance given by Japan, as reflected in the revision of the ODA Charter and the renaming of it to the Development Cooperation Charter. The recently agreed upon 2030 Agenda for Sustainable Development is used as a justification for this. The

author argues that the combination of the new Charter and Sustainable Development Goals allows the Government of Japan to pursue national interest under the name of development cooperation, diluting the focus of overseas development assistance (ODA) given by “government” for “poverty reduction” in “poor countries”. He argues that Japanese development cooperation can now include participation from the private sector in dealing with non-poverty issues (serving national economic interest) in any country, which is akin to the time of heavily criticized tied aid. In addition, the scope of the 2030 Agenda of “leaving no one behind” is interpreted to include even Japanese companies as recipients of development cooperation.

On the other hand, **Huang** views the Asian Infrastructure Investment Bank (AIIB) as an opportunity initiated by China. The author compares AIIB with other multilateral development banks and analyses its potential advantages. While traditional multilateral development banks have extensive operational experiences that AIIB has yet to build, the latter can be proactive and avert many of the obstacles the multilateral development banks have been facing. The paper highlights the potential strengths of AIIB in international development assistance: specialization in infrastructure financing; a governance structure which includes balanced voting power to borrowing and non-borrowing members; an efficient operational scale and competitive interest rates, which reflect the high credit rating of the members; and depoliticized loan conditions based on the principles associated with South-South cooperation. For instance, the paper argues that the focus of AIIB on interconnectivity and regional economic cooperation can directly respond to the infrastructure investment needs of Asia. Notably, China has taken great interest in infrastructure investment in recent years, and, as a result, has gained extensive expertise in this area.

Degterev analyses the positions of countries, including the Russian Federation, based on statements made during meetings of the Open Working Group on Sustainable Development Goals. The paper illustrates the heterogeneity of their positions and divergence of their views on how to achieve the Sustainable Development Goals. Although heterogeneous, the positions of BRICS donors, which includes the Russian Federation, on a number of the Goals are close to those held by aid recipient countries. The analysis shows the contrasts between traditional donors of developed countries and new donors (BRICS and Arab countries). For instance, the dichotomy of views between developed and developing countries are notable in such areas as technology transfer, investments of developed countries in developing countries, ways to address poverty and approaches towards sustainability. The diversity of positions can also be observed among groups of aid recipients. For example, African as compared with Asian and Latin American countries on whether to view some areas as cultural issues rather than recognize them as development issues.

Past experiences in Japan and the Republic of Korea (ROK) are drawn as lessons learned for development cooperation in implementing the 2030 Agenda for Sustainable Development. **Yamada** highlights an issue pertaining to domestic resources in implementing the 2030 Agenda, and analyses the role of ODA as a catalyst for strengthening capacity to mobilize domestic public finance. In this context, the example of the Japanese International Cooperation Assistance (JICA) of providing assistance in tax administration in Mongolia offers experiences and lessons in providing capacity-development assistance. The author reflects that the long-term commitment required to build capacity and the need for greater participation from stakeholders, such as the education sector providing tax education, could have been more effectively dealt with through better collaboration with other development partners. Ownership of the country is essential for the successful implementation of capacity-building initiatives.

Analysis of experiences of the Republic of Korea in community-level projects is provided by **Yang**. The paper emphasizes community participation as a core value of development cooperation, particularly in the light of the sustainability discourse, drawing case studies on both development experiences of rural development policy in the Republic of Korea, known as *Saemaul Undong* and the experiences of non-governmental organizations from the Republic of Korea in assisting developing countries. On one hand, the Republic of Korea needs to scrutinize past experiences and assess them in terms of “success” and sustainability, while developing countries that wish to learn from the Miracle on the Han River, a period of rapid growth in the Miracle on the Han River, Republic of Korea following the Korean War, should be selective in adopting the experiences to their own context. On the other hand, as the Republic of Korea is sending an increasing number of non-governmental organizations to work with various development partners, it should also pay more attention to the way those organizations work in and with local communities.

Katsuma examines the responses of the international community to health crises, such as the outbreak of Ebola, to draw lessons learned for global health governance in the context of means of implementation of the 2030 Agenda on Sustainable Development. The insufficient and inefficient responses to the outbreak by various parties, including those at national and local levels, and international organizations, led to a delayed response to the crisis. The experiences also exposed various issues in responding to health emergencies, such as those related to human resource capacity, communication, coordination and the institutions involved. The author discusses various options of coordination for health emergencies according to the severity and magnitude of the infectious diseases and capacity to respond in the area of the outbreak. International coordination on common concerns, such as health emergencies, provides a good case example in exploring potential areas of coordination and cooperation among North-East Asian countries

We believe that these six papers will stimulate further insightful discussions on the Sustainable Development Goals and development cooperation among North-East Asian countries.



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Explanatory notes

References to dollars (\$) are to United States dollars, unless otherwise stated.

References to "tons" are to metric tons, unless otherwise specified.

A solidus (/) between dates (e.g. 1980/81) indicates a financial year, a crop year or an academic year.

Use of a hyphen between dates (e.g. 1980-1985) indicates the full period involved, including the beginning and end years.

The following symbols have been used in the tables throughout the journal:

Two dots (..) indicate that data are not available or are not separately reported.

An em-dash (—) indicates that the amount is nil or negligible.

A hyphen (-) indicates that the item is not applicable.

A point (.) is used to indicate decimals.

A space is used to distinguish thousands and millions.

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SUSTAINABLE DEVELOPMENT GOALS AND JAPAN: SUSTAINABILITY OVERSHADOWS POVERTY REDUCTION

Tatsufumi Yamagata*

The Development Cooperation Charter of Japan, which replaced the Official Development Assistance (ODA) Charter in February 2015, drives the country's cooperation towards non-poor countries and non-poverty issues. The Sustainable Development Goals put Japan forward in these directions. As a result, the country's focus on global poverty reduction is overshadowed by its national interests and sustainability under the concept of universality, which is a core principle of the Goals and differentiates them from the Millennium Development Goals.

JEL classification: F35, F55, O20, O53.

Keywords: Sustainable Development Goals, Official Development Assistance (ODA), ODA Charter, Development Cooperation Charter, Japan, universality.

I. INTRODUCTION

The year 2015 will be remembered as a critical juncture in the stance of Japan towards international cooperation. In February, the Cabinet approved the Development Cooperation Charter, which replaced the Official Development Assistance (ODA) Charter. The concept of development cooperation is intended to cover a wider domain of cooperation than that put into "ODA". A symbolic difference between the two concepts is that while ODA highlights assistance to low-income countries, the scope of development cooperation explicitly includes middle and high income-countries. There are other differences as well, which are detailed in next section.

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In September 2015, the General Assembly adopted resolution 66/288 on the future we want. The resolution contained the Sustainable Development Goals, which replaced the Millennium Development Goals. As discussed in section III, the principle of universality incorporated into the Sustainable Development Goals dilutes the poverty focus among the seventeen Goals. This attenuation of focus of the Goals on poverty reduction reflects the switch from the ODA Charter to the Development Cooperation Charter of Japan. Thus, two transformations, one from the Millennium Development Goals to the Sustainable Development Goals, and the other from the ODA Charter to the Development Cooperation Charter, go hand in hand towards reducing the focus of Japan on poverty reduction in low-income countries. In the former transformation, sustainability overshadows poverty reduction, while in the latter transformation, the attention to poverty in Japan is further weakened. As shown in section III, the Government of Japan has advocated the principle of universality and, as a result, it is working to benefit Japanese nationals under the name of international cooperation. This is the main point that is argued in this article.

The above argument is formulated by analyses of published information and resources given to the author when he worked as an external consultant for the Government of Japan. The rest of this article is organized as follows. In section II, the contents of the country's new Development Cooperation Charter are described. Some distinctive features that were not included in the previous ODA Charter were introduced into the Development Cooperation Charter. In section III, the country's participation in the formation of the Sustainable Development Goals is discussed. After elaborating the open discussion process known as the Open Working Group, which was prepared for all national governments in 2014, an ad hoc consultation meeting conducted by the United Nations Development Programme (UNDP) for East Asian experts in March 2012 is introduced. A delegate representing the Government of Japan presented the skeleton of the proposal of Japan for the post-2015 global goals, which basically described the country's stance towards the post-2015 agenda. At the meeting, a key principle of the Goals, namely universality, was advocated by the Japanese delegate and most of the other East Asian participants. The final section concludes this article.

II. ESTABLISHMENT OF THE DEVELOPMENT COOPERATION CHARTER

From the ODA Charter to the Development Cooperation Charter

The Liberal Democratic Party (LDP) has been the ruling party in Japan for most of the time since the end of World War II. However, the Democratic Party of Japan

(DPJ) led the Government from 2009 through 2012. In June 2010, the Ministry of Foreign Affairs (MOFA) published a guiding principle for international cooperation under the administration of DPJ in a report entitled “Enhancing enlightened national interest” (MOFA, 2010). The title of the report is an indication of the DPJ-led Government’s attempt to reconcile national interests and of the openness of Japanese society to global humanitarianism.

In December 2012, LDP returned to power after a general election. The attitude of the refreshed LDP-led Government on incorporating national interests into international cooperation was similar to that of the DPJ-led Government. The most straightforward manifestation lies in the “Development Cooperation Charter”, which was approved by the Cabinet of Prime Minister Shinzo Abe in February 2015. This charter has renewed the country’s stance on international cooperation, and has superseded the ODA Charter, which was adopted in 1992 and revised in 2003. It is notable that the term “national interests”, which did not appear in the ODA Charter, was introduced in the new charter.¹

The swap of “Development Cooperation” for “ODA” in the two charters coincides with a proposed switch of “aid effectiveness” for “development effectiveness” in the principle of OECD/DAC donors, which was presented by a tripartite research group² comprised of Japan, the Republic of Korea and the United States of the America at the Fourth High Level Forum for Aid Effectiveness, held in Busan, the Republic of Korea, in 2011 (Kharas, Makino and Jung, 2011, p. 30). While “aid effectiveness” has been a concept related to the effectiveness of ODA to achieve goals on international development, the new concept of “development effectiveness” entails examining the effectiveness of all possible resources, not only ODA, but also private firms, philanthropists and civil society, among others, with regard to development. Thus, development effectiveness is a convenient substitute for aid effectiveness, which reduces the burdens on the Organisation for Economic Co-operation and Development (OECD) donors. In the switch from aid effectiveness to development effectiveness, the Japan International Cooperation Agency (JICA)

¹ Objectives referred to in section 1 “Basic Philosophy” of 1992 ODA Charter were poverty, humanity, freedom, human rights, democracy, peace, prosperity, environmental conservation, good governance, basic human needs and friendly relations between Japan and all other countries. Meanwhile, the objectives of ODA appearing in section 1 of 2003 ODA Charter were described as “to contribute to the peace and development of the international community, and thereby to help ensure Japan’s own security and prosperity.” Needless to say, the latter objectives contain national interests of the Japanese as indirect consequences from the country’s contribution to the peace and development of the international community.

² The three institutions are: Brookings Institution; JICA Research Institute; and Korea International Cooperation Agency (KOICA).

played a leading role on behalf of the Government of Japan, as noted by Kharas, Makino and Jung (2011).

The new Development Cooperation Charter of Japan also shares the same orientation with the concept of development effectiveness in the sense that the new charter is also directed towards the alleviation of the burden on the central government. Another conspicuous feature of the charter is the expansion of coverage of the charter's goals beyond poverty reduction.

The features of the new charter are summarized by MOFA in a four page outline of the Development Cooperation Charter posted on the ministry's website.³ According to the outline, the main points of the new charter are fourfold: (a) philosophy of development cooperation (non-military cooperation; and human security, among others); (b) development cooperation in a new era (inclusive and sustainable growth) and ODA to (possibly medium and high-income) countries with special vulnerabilities; (c) development cooperation as a catalyst⁴ (partnership with private sectors, Japanese local governments and non-governmental organizations (NGOs)/civil society organizations (CSOs), and (d) participation of diverse actors in development (promotion of participation of women and other vulnerable groups of people).

Features of the new Charter

The replacement of the ODA Charter with the Development Cooperation Charter augments both the contributors and the recipients of the cooperation from Japan. Figure 1 contains a summary of the changes in the domain of the ODA and the development cooperation that was incorporated into the Development Cooperation Charter. These changes are shown on the horizontal and vertical axes. Augmentation of the "affiliated agencies" is described as the diversification of contributors on the horizontal dimension. In the new charter the "affiliated agency" is counted as a contributor of development cooperation. The vertical dimension of figure 1 exhibits a variety of recipients of Japan's development cooperation. In addition to developing countries, middle/high-income countries and Japanese private firms are added as eligible recipients of development cooperation if certain conditions are met. In subsection Burden sharing to "affiliated agencies", the involvement of the country's private sector into development cooperation is elaborated, while in subsection Shift of

³ Available from www.mofa.go.jp/files/000067702.pdf.

⁴ Note that the word "catalyse" was used in the title of the Brookings Institution-JICA-KOICA book (Kharas, Makino and Jung, 2011). This implies that the new charter was well coordinated with this book, which was published right before the Busan High Level Forum.

Japan to non-poor countries and non-poverty issues, there is a discussion on the diversification of the recipients.

Figure 1. Domain of “development cooperation”

		Contributors	
		Government of Japan	Private sector/local government/NGO
Recipients	Developing countries	ODA	Development cooperation
	Middle/high-income countries	Development cooperation	
	Japanese companies		

Note: The set of cells encircled by the broken line is the domain of development cooperation; ODA limited the contribution of the central government of Japan to central governments of developing countries.

Burden sharing to “affiliated agencies”

The review of the ODA Charter was announced by Fumio Kishida, Minister for Foreign Affairs, in March 2014. During the same month, the review committee for the ODA Charter was formulated, and its first meeting was held on 31 March 2014. On that date, its prospective conclusions were widely broadcast by TV stations and newspapers in Japan, even though the review has just started. The indicated main focuses of the “conclusions” were: (a) proactive contribution to achieving peace; and (b) public-private partnerships. In other words, the review committee’s discussion did not start from scratch, and the directions of the review were determined beforehand.

The point to be highlighted and explored deeply in this article is related to the second focus, public-private partnerships. More broadly, the direction of burden sharing in development efforts requested by the Government of Japan to all other parties, including members of the private sector, is a comprehensive feature of the new charter. It is stated in the charter that the Government of Japan becomes a “catalyst” rather than a main driving force (Cabinet, 2015). This direction is spelled out in the preamble of the new charter as:

(T)he term “development cooperation” refers to “international cooperation activities that are conducted by the government and its affiliated agencies for the main purpose of development in developing regions”. (Cabinet, 2015, preamble)

Thus, the charter covers cooperation activities conducted by not only the Government but also by “its affiliated agencies”.

Several “affiliated agencies” are exemplified in the new charter. The private sector is the most frequently cited agency in the charter. To achieve “national interests” by promoting Japanese industries through international cooperation, the country’s private sector is a natural choice as an “affiliated agency” for the Government. An advocating factor of this orientation is the Base of the Pyramid (BOP) argument, which claims that business with the lowest stratum of the population in terms of income may be profitable as well as help to reduce poverty (Prahalad, 2005). Therefore, the BOP argument is used to justify the burden sharing of international cooperation with the private sector. JICA established the Office for Private Sector Partnership in 2008, which subsequently was expanded as the “Private Sector Partnership and Finance Department”. This department promotes mobilization of resources from the private sector (JICA, 2010, p. 140). Since the establishment of the office, JICA has financially supported Japanese firms with ODA to conduct feasibility studies of BOP business referred to as “preparatory surveys for BOP business promotion” (JICA, 2015, p. 109).

The second and third “affiliated agencies” are local governments, NGOs and CSOs. JICA has devised schemes to mobilize the human resources of local governments, and NGOs and CSOs for years in order to use the skills and experiences of personnel in those local entities (JICA, 2014, pp. 112-113, among others). A highlight of the country’s recent collaboration with philanthropic organizations is the polio eradication project initiated in 2011 in Pakistan together with the Bill and Melinda Gates Foundation (JICA, 2012, p. 9). This project uses a loan conversion mechanism in which the Gates Foundation repays the loan JICA extended to Pakistan if Pakistan achieves performance targets that are set in advance. This result-based project was successfully completed in 2014, and the same scheme was applied to Nigeria (JICA, 2015, p. 56).

As mentioned above, the main “affiliated agency” with which the Government of Japan expects collaboration is the Japanese private sector. Collaboration with the Japanese private sector is consistent with the newly introduced viewpoint of “national interests” in the sense that an increase in ODA funded orders to Japanese firms vitalizes the Japanese economy in the following ways: (a) direct monetary flow to

Japanese companies; and (b) the enhancement of the presence and reputation of Japanese firms in developing countries.⁵

Notably, however, even long before the term “national interests” was explicitly written in the Development Cooperation Charter, pursuit of the national interests of the Japanese through contracts of ODA projects with Japanese private firms has been identified and criticized by scholars and other OECD donors. Arase (1995), Ensign (1992), Leheny and Warren (2010, pp. 4-8), and Orr (1990) noted the tendency of Japanese ODA to be undertaken by Japanese firms and claimed that the Japanese firms were sought out not because of efficiency but out of favouritism.

A symbolic institutional setting associated ODA extended by Japan and Japanese companies is a “tied project”, which requires that its main contractors are Japanese firms. This “tying” issue has been long regarded as a key hurdle for efforts made by Japan to internationalize its government procurement procedures and make them more open to outsiders. Specifically, the ratio of untied aid to total ODA has been carefully examined by OECD/DAC. A report on an OECD peer review published in 1996 indicated that the ratio increased from 28 per cent in 1972 to 84 per cent in 1993 (OECD/DAC, 1996a, p. 37). As far as ODA loans were concerned, the untied ratio reached almost 100 per cent up to the end of the 1990s⁶ (OECD/DAC 1999, pp. 61-62). OECD/DAC was pleased that Japan became “one of the most prominent and vocal advocates of untied aid” (OECD/DAC, 1999, p. 19).

Thus, close ties between ODA extended by Japan and the country’s business sector were heavily imprinted in OECD members’ minds, making the detachment of the Japanese business sector from ODA a large challenge for Japan in efforts to convince fellow OECD members that the country is a donor up to par with most other countries. Previously, Japan made good progress in wiping out this “tied aid” practice. Now, however, the term “national interests” is explicitly installed, which reminds one of the hardly disentangled ties between ODA and business in Japan. Moreover, a new mechanism to fasten the ties, which is referred to as Special Terms for Economic

⁵ This orientation is echoed by the Partnership for Quality Infrastructure, which was announced by Prime Minister Abe in May 2015. This Partnership is an initiative of the Government of Japan in collaboration with the Asian Development Bank to commit \$110 billion for high-quality infrastructure investment in Asia for five years (www.mofa.go.jp/files/000081298.pdf). This partnership covers infrastructure investments that are not financed by ODA. Emergence of China and the Asian Infrastructure Investment Bank, which was inaugurated in January 2016, as influential donors in Asia are believed to have motivated policy changes of Japan, as reflected by the partnership.

⁶ Grants extended by Japan are more likely to be tied, while technical cooperation is almost solely conducted by Japanese experts (OECD/DAC, 1996a, pp. 37-38). Carol Lancaster posed a concern that even untied projects might be consigned to Japanese subsidiary companies registered in aid recipient countries (Lancaster, 2010, pp. 39-40).

Partnership (STEP), was created in 2002. It has been applied mainly to building infrastructure.⁷ STEP is a scheme of tied loans for “raising the visibility of Japanese ODA among citizens in both recipient countries and Japan through best use of advanced technologies and know-how of Japanese firms” (cited by JICA on a website on STEP).⁸

Taking all of this into account, Japan appears to be regressing to how it was when it was an emerging donor in the 1960s and 1970s. Therefore, the public-private partnership proposal introduced in the Development Cooperation Charter does not appear to be something new to observers of Japanese aid.

Shift of Japan to non-poor countries and non-poverty issues

In the previous subsection, expansion of the coverage of the new Development Cooperation Charter in terms of contributors was discussed. Specifically, the domain of development cooperation was enlarged by inputs. It is notable that the domain is extended in terms of outcomes as well, which is the main issue elaborated in this subsection.⁹

First, “proactive contribution to the peace” is incorporated into the philosophy of the new charter (Cabinet, 2015). The contribution is limited to “non-military purposes”. However, this is a drastic policy change from the viewpoint of the country’s security policy. Inclusion of security-related cooperation into the concept of “development cooperation” is also new.

Second, development cooperation covers assistance to not only developing countries but also to middle and high-income countries. The following sentences in the charter spell out the wider coverage of countries to be assisted under the new charter:

Japan will extend necessary cooperation to countries based on their actual development needs and affordability. These include countries that despite progress in development, are laden with challenges that hamper sustained economic growth, notably the so-called “middle income trap,”

⁷ JICA (2013) was published as the latest update of the special terms.

⁸ Its URL is www.jica.go.jp/english/our_work/types_of_assistance/oda_loans/step/index.html.

⁹ Expanding the domain of cooperation helps inflate the amount of Japanese ODA. Japan faces difficulties in raising its ratio of ODA to gross national income (GNI) to the target of 0.70 per cent, which was agreed at OECD/DAC. The country’s ODA-GNI ratio in 2013 was 0.23. To close the gap between 0.70 and 0.23, the inflation of international cooperation in terms of inputs and outputs, which is indicated in figure 1, may help.

as well as with development challenges including global challenges such as exposure to natural disasters, infectious diseases, and environmental issues and climate change; small island countries and others that are faced with special vulnerabilities despite having attained a certain level of per capita income (Subsection II (2) Priority policy issues by region of the Development Cooperation Charter).

Now “despite having attained a certain level of per capita income”, Japan may provide assistance to middle and high-income countries. Thus, substantially developed countries may receive “development cooperation” from Japan.¹⁰

This diversion of the domain of “development cooperation” is combined with the emphasis on the national interests of Japan. A plausible consequence of this combination is an increase in assistance to non-poor countries for non-development purposes. The “development cooperation” defined in the new Development Cooperation Charter is expanded beyond the concept of “development” that has been maintained by the international community.¹¹

Lastly, Japanese companies, in particular small and medium enterprises (SMEs), are counted as partners of the Government for development cooperation (Cabinet, 2015). As a result, Japanese SMEs have been treated as recipients of Japanese ODA more openly. Even before the new charter was established, ODA had been granted to Japanese companies as long as the activities of the Japanese companies were conducive to international development, for example, in the context of BOP business promotion. Upon the replacement of the ODA Charter with the Development Cooperation Charter, the portion of ODA delivered to Japanese SMEs is highlighted more in newspapers and broadcast programmes.

As a result, the number of expected recipients of development cooperation under the new charter had expanded, as described in the vertical axis of figure 1. In addition to developing countries, “ODA graduated countries” are also covered as

¹⁰ There are so-called “pockets of poverty” even in middle-income countries. Moreover, as poverty is multifaceted, there may be pockets of poverty in terms of, for example, health, education and human rights, besides that in income in higher-income countries. The author admits that the international community should pay close attention to this challenge. Nevertheless, it is no doubt that middle and high-income countries are in a better position to take care of the poor in their countries than low-income countries. In addition, projects which are about to be delivered by Japan, are not those associated with the pockets of poverty in recipient countries. A symbolic aid to be granted in this context is a water purification project using high technology of the permeation membrane conducted in an oil-rich Middle East country.

¹¹ For example, a relevant goal from the viewpoint of “development” of the United Nations is incorporated into preamble of the United Nations Charter is written as “to promote social progress and better standards of life in larger freedom”.

recipients of development cooperation if they have “special vulnerabilities”. Examples of the “special vulnerabilities” are the middle-income trap and climate change. On top of that, Japanese private firms have become entitled to be recipients of development cooperation if their business activities are considered to contribute to international development. In conclusion, the domain of development cooperation is enlarged in terms of both contributors (agents for inputs) and recipients (agents for outcomes).¹²

III. SUSTAINABLE DEVELOPMENT GOALS AND JAPAN

Formation of Sustainable Development Goals

The Millennium Development Goals, which have been a focus of international cooperation around the world since the beginning of this Millennium, were superseded by the Sustainable Development Goals, according to the General Assembly resolution 70/1 of 25 September 2015. The Sustainable Development Goals consist of seventeen goals that are classified into the following five categories: people; planet; prosperity; peace; and partnership. The seventeen goals are briefly summarized by the United Nations as follows: (1) no poverty; (2) zero hunger; (3) good health and well-being; (4) quality education; (5) gender equality; (6) clean water and sanitation; (7) affordable and clean energy; (8) decent work and economic growth; (9) industry, innovation and infrastructure; (10) reduced inequality; (11) sustainable cities and communities; (12) responsible consumption and production; (13) climate action; (14) life below water; (15) life on land; (16) peace, justice and strong institutions; and (17) partnerships for the goals.

The process to formulate the Millennium Development Goals was criticized as not being open and transparent, particularly to people in the developing world.¹³ The origin of the Millennium Development Goals was the International Development Goals

¹² There may be a counter argument that the mobilization of resources of the private sector is potentially beneficial to the poor in developing countries and is in accordance with principles of the Sustainable Development Goals. The author agrees with this argument. However, it is important to note that this argument is associated with the participation of the private sector as a contributor to international development as described in the horizontal axis of figure 1. Under the Development Cooperation Charter, the private sector is counted as a recipient of Japanese aid as well, as shown in the vertical axis of the figure. This latter feature is beyond the principle of the Goals, and justified only in the case that the private sector and beneficiaries in developing countries are “win-win”. Even in this case, there is no automatic guarantee that “win” of the latter is greater than that of the former. There is no enforcing mechanism to guarantee “win-win” because the “win” to the private sector is to be given at onset of the project while that to the beneficiaries becomes present gradually and slowly afterwards.

¹³ This weakness was admitted by the United Nations. See United Nations System Task Team on the Post-2015 Development Agenda (2012, pp. 46-47).

proposed by the OECD/DAC in 1996 (OECD/DAC, 1996b, pp. 8-11). The basic structure of the International Development Goals was followed for the Millennium Development Goals. Therefore, examination of the Millennium Development Goals was undertaken by high officials of developed countries and did not involve representative of developing countries.

Addressing this weakness, the formulation of the post-2015 framework was designed to give opportunities to everyone in the world to respond. Discussions on the subject became active in 2011. As early as June 2012, the basic concept of the new goals was determined as the “Sustainable Development Goals” at the United Nations Conference on Sustainable Development, which is known as Rio+20. Three levels of consultation were conducted after Rio+20. They involved (a) eminent persons; (b) general public; and (c) business sector. The high-level consultation was assigned to the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda, which was co-chaired by President Susilo Bambang Yudhoyono of Indonesia, President Ellen Johnson Sirleaf of Liberia, and Prime Minister David Cameron of the United Kingdom of Great Britain and Northern Ireland, in July 2012. The report of the panel was released in May 2013 (High Level Panel on the Post-2015 Development Agenda, 2013). The consultation for the general public was carried out through an online platform named “The world we want”, and in face-to-face consultations taking place in various countries, including developing nations. Consultations with the business sector were made through the United Nations Global Compact with which thousands of companies and organizations are affiliated from all around the world.

Finalization of the goals and targets of the Sustainable Development Goals was made by the Open Working Group Meeting on Sustainable Development Goals (OWG-SDGs, hereafter), which was an intergovernmental meeting among United Nations member and observer States. OWG-SDGs was endorsed by the General Assembly in its resolution 66/288 of 27 July 2013. The first session of OWG-SDGs was held in May 2013. By July 2014, thirteen OWG-SDGs sessions had been organized.¹⁴ Its outcome document was released in August 2014 (see A/68/970). OWG-SDGs adopted a unique consensus-building method in that member countries were encouraged to form a group of countries composed of one to four members voluntarily, and each group was supposed to submit proposals on goals and targets of the Sustainable Development Goals to OWG-SDGs. In the end, thirty groups were formed. Japan formed a group with the Islamic Republic of Iran and Nepal.

¹⁴ In addition to officers of MOFA, officers of JICA were also mobilized to serve on the team of Japan participating in OWG-SDGs.

The proposals submitted by the thirty groups and some other eligible participants up to the tenth session of OWG-SDGs (31 March – 4 April 2014) are compiled in a report entitled *Encyclopedia Groupinica* (OWG-SDGs, 2014a). Those proposals were narrowed down into the final report of OWG-SDGs, which was released right before a General Assembly session held in September 2014 (OWG-SDGs, 2014b). The seventeen goals proposed in OWG-SDGs (2014b) were adopted. They were the same as those of the final version of the Sustainable Development Goals, while some of the 169 targets were revised. Thus, the proposal by OWG-SDGs (2014b) can be taken as the “almost final” version of the Sustainable Development Goals.

The approach of Japan to the formation of the Sustainable Development Goals

Inputs of Japan to the Open Working Group

The Open Working Group was the final and a transparent opportunity for national governments to express their views and opinions on the Sustainable Development Goals. The number of “focus areas” in *Encyclopedia Groupinica*, which were narrowed down to the “Goals” of the Sustainable Development Goals, were nineteen rather than seventeen. The number of proposed targets was about 2,000, which were refined to 169 in the end. Thus, most countries took OWG-SDGs as the final and an important opportunity to affect the substance of the Sustainable Development Goals.

However, Japan proposed only three draft targets (OWG-SDGs, 2014a). This contribution was extremely small in comparison to the total number (about 2,000) of draft targets. The Islamic Republic of Iran/Japan/Nepal group did not submit any joint proposals of targets. Apart from that group, the Islamic Republic of Iran proposed thirteen targets. Nepal did not propose any targets by itself. However, Nepal belongs to Group of 77¹⁵ and least developed countries, both of which collectively submitted many proposals.

Thus, the explicit and open contribution of Japan to the draft Sustainable Development Goals appears to be very limited; all three targets submitted by Japan were related to universal health coverage.¹⁶

¹⁵ Group of 77 was established among developing countries in 1964 to the United Nations Conference on Trade and Development (UNCTAD).

¹⁶ Japan advocates universal health coverage. Prime Minister Shinzo Abe contributed twice to *The Lancet*, a reputed medical journal, to promote this concept (Abe, 2013; 2015).

Post-2015 to be development focused or universal?

Needless to say, OWG-SDGs was not the only a mechanism that brought forward the views of Governments. As mentioned above, the replacement of the Millennium Development Goals by the Sustainable Development Goals had already been determined at the United Nations Conference on Sustainable Development (Rio+20) in June 2012. Consultations by the United Nations Development Programme (UNDP) on the post-2015 development agenda were conducted even before Rio+20.

One such consultation meeting was organized by UNDP in March 2012 in Japan. Among the participants were east Asian experts, including ex-ministers. Though the title of the meeting was the “East Asian Regional Consultation on the Human Development Reports and Measurement of Progress”, a focal issue was on how the post-2015 global goals should take shape (UNDP, 2012). The author of this report participated in this meeting.

A critical question raised by UNDP was whether the new goals should be “development-focused”, similar to the Millennium Development Goals, or be “universal”. According to UNDP (2012), some stakeholders saw the Millennium Development Goals as being less “universal”, and that the new goals should be universal in nature.

The concept of universality implies that the new goals should be directed for all people in the world; as compared with the Millennium Development Goals, which focused only on the poor in developing countries. It is notable that Goal 8 of the Millennium Development Goals, develop a global partnership for development, was assumed to be mainly pursued by developed countries. Therefore, borrowing from the words of Abraham Lincoln, the Millennium Development Goals were pursued “for the poor people by all (poor and rich) people”. Those advocating universality requested that the new goals be “for all people by all people”.

There is concern that the principle of universality weakens the “development-focus” in the Sustainable Development Goals. The Note by the United Nations Environment Programme (UNEP) and the Office of the United Nations High Commissioner for Human Rights (OHCHR) (UNEP and OHCHR, 2015), which was written to advocate the principle of universality, admits people “have expressed a concern that universality could potentially undermine the focus on the poorest”.

The question of whether the new goals should be universal or development-focused was posed at the above-mentioned East Asian regional consultation meeting organized by UNDP in March 2012. The predominant view expressed at the meeting was for universality. This response is understandable, taking into account that most of

the East Asian countries have made good progress in reducing poverty, with many of them graduating to middle-income countries.

A delegate of the Government of Japan to the meeting, who also agreed with the universality principle, presented the country's proposal of post-2015 global goals. It was entitled "Pact for Global Well-being". Under this proposal, environmental sustainability, disaster risk management, economic growth and equity were incorporated into the concept of "well-being". Human security, which has been a central feature of the country's international cooperation since the then Prime Minister Keizo Obuchi used this term in a speech and established the "Trust Fund for Human Security" for the United Nations in December 1998,¹⁷ was embedded in the proposal. Food security, special treatments for fragile States, green growth, inclusive growth, shared growth, knowledge-based growth, employment and infrastructure were proposed to be key parts of the concepts.

There are interesting similarities and differences between the proposal of Japan and the final form of the Sustainable Development Goals. The most visible difference is the overarching concept of new global goals, namely sustainable development and well-being. It is impressive that the delegate of Japan proposed the concept of well-being for the new global goals just three months before the Sustainable Development Goals were finalized in June 2012 at Rio+20. It is likely that the delegate of Japan was not informed that the United Nations discussion had been inclined towards sustainable development. Nevertheless, as noted above, there are many items in common between the proposal of Japan's and the Sustainable Development Goals. For example, equity, economic growth, employment and even infrastructure and energy were incorporated in the Goals and disaster risk management was incorporated in some targets under some goals. Thus, some of the intentions of Japan with regard to the post-2015 global goals were reflected in the final version of the Sustainable Development Goals.

Above all, it is noticeable that the feature of universality, advocated by Japan, was applied in setting the Sustainable Development Goals. It is clear that Japan wanted to ensure that the new global goals would also be aimed at assisting the Japanese that were left out as beneficiaries from the Millennium Development Goals.

¹⁷ The Ministry of Foreign Affairs of Japan has set up a website that gives a summary of the activities undertaken by Japan on human security: www.mofa.go.jp/policy/human_secu/chronology.html.

IV. CONCLUSION

The concept of universality underlying the Sustainable Development Goals is defended by its interpretation as “no one left behind”. The Japanese interpret this as even the Japanese are not left behind. As a result, the Goals are the latest and most comprehensive global goals endorsed by the Government of Japan to pursue the welfare of the people of Japan. This endorsement by the external factor was harmonious with the explicit introduction of national interests into the Development Cooperation Charter.

The country’s foreign policy is often analysed by momenta stemming from internal and external factors (Lancaster, 2010, among others). The Japanese language has terms for internal and foreign pressures, namely *naiatsu* and *gaiatsu*, respectively. A typical *gaiatsu* comes from the United States of America, which intends to use the international cooperation activities of Japan to complement United States foreign policy (Lancaster, 2010). As for replacement of the ODA Charter with the Development Cooperation Charter, a *gaiatsu* (an external factor), which is the establishment of the Sustainable Development Goals, was in unison with *naiatsu*, the pursuit of national interests.

The Millennium Development Goals were a *raison d’être* for Japan to contribute to poverty reduction in the world. Replacing the Millennium Development Goals, the Sustainable Development Goals enables Japan to formulate a more self-oriented international cooperation policy. The new Development Cooperation Charter has a wider scope designed to serve non-poor countries and address non-poverty issues by incorporating profit-seeking actors. The motivation of national interests is openly spelled out in the new charter. In the shadow of rising tides of sustainability and public-private partnerships, the prior orientation towards poverty reduction is diluted. The country’s efforts involving national interests are facilitated by the Sustainable Development Goals principle of universality, which appears to be seemingly non-controversial under the slogan “no one left behind”. The problem is that this slogan covers up the dilution of the focus on poverty reduction through the Goals and makes it difficult for global citizens to notice the common orientation of the Goals and the Development Cooperation Charter, which openly publicizes the country’s pursuit of national interests through “development cooperation”.

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AN ANALYSIS ON THE POTENTIAL COMPETITIVENESS OF THE ASIAN INFRASTRUCTURE INVESTMENT BANK

*Meibo Huang, Na Chen and Yanhong Chen**

The establishment of the Asian Infrastructure Investment Bank (AIIB) is a response to the wide gap between the financing need and supply of global infrastructure investment, especially in Asia. The potential competitiveness of AIIB, as compared to other multilateral development banks, is that it has a more focused function, better balanced governance structure and sound financing and can strike a balance between the requirements of developing countries and conducting operations efficiently.

JEL classification: G29, O18.

Keywords: Asian Infrastructure Investment Bank, AIIB, infrastructure, competitiveness, multilateral development banks.

I. INTRODUCTION

Multilateral Development Banks are transnational financial institutions that provide loans to developing countries and contribute to achieving regional financial integration in specific areas (Eric and Richard, 2010). The construction of an international development financing system began after World War II. The system consists of global and regional multilateral development banks. The World Bank is the global multilateral development bank as well as oldest and most influential multilateral

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development bank. The most renowned regional multilateral development banks are the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Inter-American Development Bank (IDB), the Asian Development Bank (ADB), the African Development Bank (AfDB) and the Corporación Andina de Fomento (CAF).

Since the beginning of the twenty-first century, the global development financing environment has changed considerably, especially after the global financial crisis of 2007-2008. The demand for capital has increased significantly with additional pressure coming from the large financing need from emerging economies and other developing countries for their economic development needs. Developed countries are a major source of capital under the current international development system, but it is difficult for them to provide large amounts of funds to emerging economies and other developing countries because of their lagging economic performance. On the other hand, some developing countries with surplus funds, such as China, cannot provide the amounts of capital needed through the existing international development financing system. This has prompted China to establish a new multilateral development financing institution with the objectives to close the funding gap and to promote the reform of the international development financing system.

Xi Jinping, President of China, proposed to establish the Asian Infrastructure Investment Bank (AIIB), at the twenty-first Asia-Pacific Economic Cooperation (APEC) informal economic leaders' meeting after State visits to Indonesia and Malaysia, all of which took place from 2 to 8 October 2013. Then, from 9 to 15 October 2013, Premier Li Keqiang reiterated this proposal at a summit of East Asian leaders and during visits to Brunei Darussalam, Thailand and Viet Nam. A little more than a year later, on 24 October 2014, finance ministers and authorized representatives from 21 countries, the first batch of prospective founding members, signed the Intergovernmental Framework Memorandum for Building Asian Infrastructure Investment Bank.

Subsequently, five meetings of the prospective founding members of AIIB negotiated the draft AIIB charter between late November 2014 and the end of March 2015. The Asian Infrastructure Investment Bank Agreement was signed at the end of June 2015 and the Bank began operating on 16 January 2016.

Adhering to the two principles of "inside first, outside later" and "open regionalism", AIIB is being developed step by step. Up until 16 September 2016, AIIB had 57 prospective founding members, including 37 countries from inside Asia and 20 countries from outside the region.

Taking into consideration existing global and regional multilateral development banks, is there operating space left for AIIB? Can AIIB compete with the other

multilateral development banks, such as the World Bank and ADB, and if so, what are its competitive advantages? These points are the major concerns of China and many other developing countries.

II. THE POTENTIAL COMPETITIVENESS OF THE ASIAN INFRASTRUCTURE INVESTMENT BANK

The large infrastructure funding gap may offer great opportunities for AIIB, but it is facing the challenges of ensuring the bank's function and promoting economic and social development in Asia. AIIB must have its own unique niche to ensure its development and usefulness. The traditional multilateral development banks have already accumulated rich financing and operating experience, which AIIB should draw on to develop its own practices. However, based on analyses of the other multilateral development banks, it appears that some obstacles are impeding further development of these institutions. How to avoid similar problems is the key determinant for the success of AIIB. Apart from wide-scale participation of members inside and outside Asia and its clear objectives, AIIB has several characteristics, which make it different from other multilateral development banks. These characteristics can potentially make AIIB competitive.

Clear objectives and more focused function positioning

The founding objectives and functions of the other multilateral development banks can be divided into the following four areas: to reduce poverty and develop the global economy and regional economies, which has become the basic and traditional objectives; to accelerate regional development and integration; to promote the development of small and medium-sized enterprises; and to ensure sustainable development. From these objectives, it appears that most multilateral development banks, including the World Bank and ADB, have broad functions. The functions of the World Bank have undergone dramatic changes since it was founded. The World Bank made "eradicating extreme poverty and hunger" its new overall goal after a United Nations conference in 2000. It has set two ambitious goals to push extreme poverty to no more than 3 per cent by 2030, and to promote shared prosperity and greater equity in the developing world. As a global multilateral development bank, the function of the World Bank covers a wide geographical area, and its major financing area varies among regions based on specific circumstances. Compared with the World Bank, the functions of ADB are more concentrated, namely to help members in the Asia-Pacific region to eliminate poverty through development assistance and to promote economic and social development in the Asia-Pacific region. Moreover, its priority areas are economic growth, human promotion, gender and development, environmental

protection, the development of private sectors and regional collaboration (Huang and others, 2013). Looking at the sectoral distribution of loans, the proportion of the commitments of the World Bank directed to the infrastructure sector was 35 per cent in 2015, while that of ADB was about 71 per cent. Although the amount of loans of ADB to the infrastructure sector is much higher than that of the World Bank, the flow to non-infrastructure projects also occupies a considerable proportion, and this situation will not change in the short term.

The function of AIIB is more concentrated, with its objectives being to enhance interconnectivity and regional economic cooperation and to accelerate economic development for its members through supporting infrastructure construction in Asia (focusing on communication infrastructure, such as dams, port logistics, highways, bridges, and railways, as well as energy, urban development and communication networks) and investments in relative areas. Its main business scopes include providing direct loans or participation loans for its members, financing infrastructure construction projects, extending technical assistance for these projects in Asia and attracting infrastructure investments by cooperating with other international institutions or through public-private partnerships in order to promote regional cooperation and partnerships (Bai and Zhao, 2015). The focus of AIIB on the infrastructure sector could make it more professional in infrastructure financing and enable it to make better use of its funds in meeting the extensive need for infrastructure investment in Asia. With this focus, AIIB could concentrate on exploring ways to better finance infrastructure through its own experience or by drawing on those of other multilateral development banks, making it more professional overall in infrastructure financing. In addition, as the dominant member of AIIB, China has been building infrastructure (including railways, highways, airports and power plants) throughout Africa, Asia, Eastern Europe and Latin America. The country has already gained considerable experience in project planning, building and financing with strong international competitiveness. Therefore, AIIB will gradually be in a position to conduct business that clearly related to its objective and function, and use the infrastructure construction experience of China and other countries to improve the infrastructure in Asia.

Properly allocated voting power and balanced governance structure

A review of the voting distribution of the other multilateral development banks shows that in most of the regional ones, the voting proportion of regional members accounts for more than 60 per cent (AfDB is an exception) (table 1). From the perspective of dominance or power of regional members, regional members of ADB account for 65.15 per cent of the total votes, which fully ensure that they control the power. Most multilateral banks have received criticism over the dominance of a few members, especially by several non-borrowing members, with lenders playing an

increasingly important role in multilateral development financing. In addition, strong shareholders always have political influence in the decision-making process and results of multilateral development institutions. This kind of influence is more significant when the economic strength of recipient countries is weak. Humphrey and Michaelowa (2013) pointed out that lenders are playing an increasingly important role in multilateral financing for development. In terms of equity distribution, the voting power of ADB is mainly dominated by the United States of America and Japan, each with a 15.6 per cent voting share. Lending countries, such as Australia, Japan, those in the Eurozone and the United States, hold 50.6 per cent of the voting power, so it is difficult to judge whether the vital decisions made by ADB reflect the needs of developing countries (Ming, 2014). From 2010 to 2020, demand for infrastructure investment in China accounted for 53.12 per cent of the total needs in Asia in non-cross-border infrastructure and in India, 26.42 per cent. Therefore, the total demand for infrastructure investment in these two countries together accounted for almost 80 per cent of the total needs in Asia in non-cross-border infrastructure. Apart from the large financing demand, thanks to their large savings rates, China and many emerging countries are in a position to provide funds for countries in need of financing. Therefore, either in terms of demand or supply, China, India and other emerging developing countries should hold greater voting power in the governance of multilateral development banks and in deciding how to provide funds more efficiently. Currently, the voting power of China and India in ADB are 5.5 per cent and 5.4 per cent, respectively.

Table 1. Voting power concentration of multilateral development banks

(Per cent)

Distribution of voting power	World Bank	Regional multilateral development banks					
	IBRD	IDB	EBRD ^a	EIB	ADB	AfDB	CAF
Regional members	–	84.06	63.13	100.00	65.13	59.86	95.40
Non-regional members	–	15.94	36.87	0.00	34.87	40.14	4.60
Borrowing members	36.92	50.01	16.62	100.00	35.88	59.86	95.40
Non-borrowing members	63.08	49.99	83.38	0.00	64.12	40.14	4.60

Source: The official website of each multilateral development bank.

Note: ^a EIB and EU are also the shareholders of EBRD, so the voting proportions of these borrowing/non-borrowing countries and regional/non-regional countries include the ratio of these two institutions.

The governance structure of most multilateral development banks are also under scrutiny. For example, the resident (executive) directors arrangement applied by multilateral banks, except for EIB, is popular in multilateral development banks because of special historical and realistic reasons. Specifically, the resident (executive) directors arrangement in the World Bank was the result of competition for hegemony in the establishment of the Bretton Woods system between the United Kingdom of Great Britain and Northern Ireland and the United States; at the same time, the transportation and communication technology (mainly in shipping and telegraph) was developed to the point that non-resident (executive) directors could effectively participate in decision-making at the World Bank. The political and economic environment has changed significantly since then. Deficiencies among resident (executive) directors have become more and more prominent: full-time jobs result in high staffing cost. According to Dollar (2015a), the resident board is both a large financial burden to the World Bank (US\$70 million per year) and an extra layer of management that slows down project preparation and renders the bank less efficient.

The Asia Infrastructure Investment Bank is trying to prevent similar defects by ensuring an effective voice of all members and limiting dominance by only a few members.

First, the voting power of AIIB is linked to financial contributions. Each member's voting power is the sum of its basic vote, share vote and, where applicable, founding member vote. Basic votes for all members constitute 12 per cent of the total number of votes (basic votes, share votes and founding member votes) at any time; an equal number of basic votes is allocated to each member. The distribution of share votes (up to 85 per cent of the total number of votes) is based on the funding ratio. Each member has one vote for each share of capital stock held. Each of the 57 founding members is allocated 600 founding member votes.¹

The Asian Infrastructure Investment Bank endeavors to see a more balanced voting power between the regional and non-regional members to ensure the dominance of regional members. As a regional multilateral bank, AIIB allocates about 73 per cent of its voting power to regional members to guarantee the absolute leading status of regional members.² AIIB also provides enough voting power to non-regional members to improve its financing competence at the same time.

¹ See www.aiib.org/html/pagefaq/Key_Provisions/.

² See www.aiib.org/html/aboutus/Basic_Documents/?show=0.

The Asian Infrastructure Investment Bank is also striving for a more balanced voting power between the borrowing members and non-borrowing members to ensure that borrowing members have a voice in the operation. It assesses each country's economic scale, investment demand in infrastructure, financing competence and other factors objectively and comprehensively, so that the allocated voting power can better reflect the actual supply as well as demand situation of Asia-Pacific infrastructure and better facilitate its development.

In terms of governance structure, AIIB has learned a lot from the success of the EIB Statute and the Agreement Establishing the Asian Development Bank (the ADB Charter). The aim of AIIB is to build a "lean" multilateral bank, which intends to avoid overstaffing and excessive bureaucracy, reduce layers of management, and build a non-resident board. For example, to overcome the drawbacks of the resident (executive) director's arrangement and simplify the bureaucracy, AIIB is adopting the non-resident directors system applied by EIB, according to the provisions of the Asian Infrastructure Investment Bank Articles of Agreement. The non-resident directors of the AIIB are responsible for setting a development strategy, lending policies and standards. At the same time, AIIB will not pay the directors. The power of the AIIB directors is evidently weaker than those of the World Bank and other multilateral development banks (International Bank for Reconstruction and Development Articles of Agreement, Article V, Section 4 (g); the Asian Infrastructure Investment Bank Articles of Agreement, Articles 28, Section 3; and the Agreement Establishing the Asian Development Bank, Articles 33, Section 3). Similar to EIB, the management of AIIB has greater power and plays a more important role in governance structure. The management committee (the president and vice presidents) is responsible for the daily operations of AIIB, including examination and approval of projects according to the established rules. The number and composition of the directors of AIIB are more similar to those of ADB and the World Bank. The EIB model could result in a large number of board of directors in AIIB. According to the EIB Statute, the board of directors shall consist of 29 directors (one nominated by each member State, and one nominated by the Commission) and 19 alternate directors (some seats shared by several members). The board of directors shall co-opt six non-voting experts: three as members and three as alternates. Each director has one vote on the board of directors, and the voting share is in accordance with the funding ratio. AIIB is carrying out a "constituency" arrangement implemented by ADB and the World Bank. The board of directors of AIIB is composed of 12 members (each appointing an alternate), of whom nine shall be elected by the regional members and three by the non-regional members.

Sound financing structure and financial sustainability

At present, EIB is the largest multilateral development bank in the world in terms of subscribed capital and outstanding loans, followed by IBRD. Table 2 show the wide variation in capital and operation scale among the multilateral development banks.

Table 2. Capital and operation scale of the multilateral development banks

Multilateral development banks	Subscribed capital	Paid-in capital	Callable capital	Paid-in/ subscribed (per cent)	Equity	Loans outstanding
IBRD ^a	232.80	14.00	218.80	6.00	40.00	154.00
ADB	153.10	7.70	145.40	5.30	16.90	55.90
EBRD ^b	29.70	6.20	23.50	21.00	14.10	21.00
EIB ^b	243.30	21.70	221.60	8.90	60.60	449.40
CAF ^c	10.00	6.16	3.84	61.60	8.80	19.10
IDB	144.30	5.40	138.90	3.90	23.70	74.60
AfDB	94.40	7.10	87.30	8.10	10.90	18.30

Source: Annual Reports of the multilateral development banks and rating reports of Standard and Poors, Fitch and Moody's.

Note: ^a The data of IBRD are as of 30 June 2014; the data of other multilateral development banks are as of 31 December 2014.

^b For the data of EBRD and EIB, the unit is € billion, for the other multilateral development banks, the unit is US\$ billion.

^c Statistical indicators of CAF are different from other multilateral banks. In the annual reports of CAF, as of 31 December 2014, the "subscribed and paid-in capital" was \$6.16 billion, but in the rating reports of Moody's and Standard & Poors, this amount is incorporated in "paid-in capital".

To meet the enormous capital demand in global developing financing, multilateral development banks have increased their capital in varying degrees to expand their operation scale in recent years. From 2007 to 2014, capital growth of IBRD, ADB, EBRD, EIB, IDB, AfDB and CAF was 22.65 per cent (from \$189.80 billion to \$232.79 billion), 173.42 per cent (from \$55.98 billion to \$153.06 billion), 49.91 per cent (from €19.79 billion (\$20.72 billion) to €29.67 billion), 47.62 per cent (from €164.81 billion to €243.28 billion), 42.90 per cent (from \$100.95 billion to \$144.26 billion), 175.27 per cent (from \$34.28 billion to \$94.37 billion), and 173.99 per cent (from \$2.25 billion to \$6.16 billion), respectively.³ In 2015, the authorized capital

³ Moody's, Rating Reports on multilateral development banks in relevant years.

of CAF rose to \$15 billion from \$10 billion in 2014, and paid-in capital climbed to \$10 billion, callable capital reached \$5 billion.⁴

Despite this, there is still a wide gap between infrastructure financing need and supply. For example, the Asian Development Bank Institute expects the demand of the 32 developing members of ADB for non-cross-border infrastructure investment will amount to \$8.22 trillion during the period of 2010-2020, accounting for 6.5 per cent of the Asian regional gross domestic product (GDP) forecast values, along with average annual investment needs of \$747 billion. Among them, 68 per cent of the funds will be needed for new infrastructure investments, while the remaining 32 per cent will be required for maintenance and replacement of existing infrastructure (Bhattacharyay, 2010). Strategy 2020 of ADB emphasizes that multilateral development banks need to cooperate with the private sector through public-private partnerships (PPPs). These arrangements will also provide ADB with an opportunity to significantly leverage its limited resources in attracting private sector investments and commercial financing to meet the Asia and Pacific region's vast and growing infrastructure investment needs (ADB, 2012). However, not all infrastructure projects are suitable for PPPs. Instead, serving as a replacement, PPPs can only complement the public sector, official development assistance and other sources in infrastructure and service delivery. Even in a mature market, such as the United Kingdom, PPPs play a small but important role in the government's investment in public services and represent about 10-15 per cent of the overall public sector procurement (United Kingdom, 2016, p. 15).

The authorized capital of AIIB is expected to be \$100 billion, contributed by members in installments. Although the authorized capital only comprised two thirds of the recent authorized capital of ADB, the authorized capital of ADB was only \$55 billion prior to a capital increase in 2009. Therefore, AIIB is in a competitive position with regard to authorized capital. Specifically, the initial subscribed capital of AIIB is \$50 billion, consisting of about \$10 billion in paid-in shares, which should be completed in the early stage (within 5 years) and another \$40 billion worth of callable shares, which can be called at any time. In addition, AIIB will seek appropriate opportunities to boost capital by attracting, so as to expand the business scope and promote business competence (Bai and Zhao, 2015). That is to say, with the increasing callable shares in total subscribed capital and the additional new members, the funding supply advantage of AIIB will be further enhanced. Moreover, the future financing models of AIIB will be classified in three ways: (a) interbank; (b) centralizing the founding members' sovereign credits to issue bonds; and (c) establishing a special fund to attract idle investment. Among them, AIIB will consider to establish

⁴ Moody's, Capital Increase Demonstrates Shareholder Commitment and Strengthens Countercyclical Role, 18 March 2015. Available from www.caf.com/media/2855574/documento_de_aumento_de_capital_autorizado_mar_2015.pdf.

a trust fund by using a PPP to raise funds, sovereign wealth funds and other social capital. This kind of funds tends to be of a large scale and placed in investment projects with long-term and stable returns, which has similar characteristics to the funds used for infrastructure projects (Zhong, 2014). Special attention needs to be focused on two main bodies in a core position of the PPP mode, the public sector and the private sector; resolving any conflicts that arise between them is key to success in operating PPPs. The public sector concentrates on the provision of public services, while the private sector focuses on return on investment, and the longevity, complexity and systematicness on projects that involve PPPs. Therefore, the interests between the private and public sectors must be balanced when promoting PPPs. To solve the conflict of interest between the public and the private sectors, AIIB should follow three courses of action. First, the public sector's role in PPP should shift from being investors, operators and managers to being providers, rule makers and regulators. The public sector should bring forward ideas, restrict power, cultivate camaraderie and set up an efficient supervision system. Second, the private sector's economic activities could be carried out in a rational and normative institutional environment, and have a high degree of social responsibility. Third, the private sector should establish and improve the system of information disclosure and public participation mechanism to allow a third party to be involved in the project supervision, and thus increase the transparency of PPP.

In addition to funding capacity, AIIB can be competitive with regard to lending rates. Its annual lending volume is expected to initially reach \$5 billion, and then gradually rise to \$10 billion. With the expected increase in the loan amount, AIIB will need additional financing, and financing from international capital markets is one of the main channels. Its financing costs in the international markets will be determined by its credit rating; the lower the credit rating, the higher the risk, which translates to rising financing costs. If AIIB were to issue bonds in multiple currencies, the bank's credit rating would be further affected by each founding member (Syadullah, 2014). Therefore, the participation of AAA rated countries, such as Australia, Germany, the United Kingdom, and Singapore,⁵ will improve the overall rating and financing conditions of AIIB to a certain extent. Furthermore, Humphrey (2014) has found that additional financing costs do not necessarily lead to a gap in loan interest, and this gap that exists is narrowing. Therefore, even if the credit rating of AIIB cannot reach the AAA level of ADB and the World Bank, the Bank's loan interest may still be competitive. In addition, loans from the World Bank and ADB are prioritized towards poverty reduction and social development, while the objective of AIIB is to promote infrastructure development in the Asia-Pacific region with stronger commercial

⁵ Data were originated from the official website of Standard and Poors: www.standardandpoors.com/ratings/sovereigns/ratings-list/en/ap/?subSectorCode=39&start=0&range=5.

properties. This, in turn, will help AIIB to attain more scope for profitability and enable it to be more flexible in adjusting its lending rates to a certain extent.

Balance between the requirements of developing countries and operating efficiency

The projects financed by the other multilateral development banks have failed to satisfy the practical needs of the recipient countries. There is still large space to improve project design and implementation.

First, in traditional development financing institutions, developed countries emphasize the principles of fairness, transparency, accountability and participation during the development assistance “process”, and apply human rights and democracy as the foundation of sustainable development. In many cases, they combine development financing with the process of democratization in developing countries, set political conditions when extending loans for development projects, and focus on human rights, democracy and liberal market economic order all the time. These values are based on the practical experience of Western developed countries, ignoring the complicated history and reality of the developing countries, which makes it difficult for the latter to meet those requirements under their current situations. Second, multilateral development banks need to improve their project design and implementation. Currently, the project designs are too complex and fail to give adequate consideration to the local conditions and government capacity. During the implementation phase, a series of problems often arise, such as complex and ambiguous institutional arrangements, long working processes, low quality of consultants or contractors, delayed and inadequate responses and lack of government enforcement. For example, because of the problems in design and implementation, about 23 per cent of the ADB projects were not completed as expected during the period 2011-2013. Moreover, with regard to the successful projects in the same period, about 16 per cent of them encountered cost overruns problems and their expected results were lowered. Apart from problems with the project design and implementation, there are often delays in starting and completing the projects. With regard to ADB, the interval between project approval and first contract signed has been shortened to one year, however, it is still too long, while more than half of the first contracts are signed only with advisory agencies (ADB, 2013). Also of note, compared with the delayed start, the delayed completion was even more common; the actual finishing dates for about 47 per cent of the projects were postponed by more than a year. Nelson (2015) is of the view that multilateral development banks (including ADB, AfDB, ADB, EBRD, IDB and the World Bank focus more on lending funds instead of serving as a provider of funds to countries for worthwhile projects.

With regard to operating principles, concerns about ensuring the social and environmental suitability of projects should not be ignored. Environmental and social safeguard policies are international benchmarks for identifying and managing environmental and social risks within the private sector, which intend to help borrowers contribute towards efforts to achieve sustainable development.

There is also controversy associated with the degree of strictness in the safeguard policies of the traditional multilateral development banks. Civil society actors argue that safeguards tend to be too weak. In that regard, the following statement was made: the World Bank fails to recognize that strong safeguards are essential to ensuring that project benefits are fairly shared and that the costs are not borne by the poor and the marginalized.⁶ Meanwhile, some authorities maintain that weakening the existing safeguard policies would make the Bank's goals of ending extreme poverty and promoting shared prosperity impossible to achieve. On the other hand, some borrowers and banks argue that safeguard policies now employed are stricter than necessary. Borrowers are finding it difficult to finance projects in compliance with the protocol, which results in the exacerbation of project design and implementation woes due to the disparate gap of expectations, resources, and abilities between them and the lenders. They hold that the safeguard policies increase project preparation costs by about \$200 million to \$300 million annually, and that social and environmental costs significantly outweigh the benefits of safeguard implementation when risks are underestimated or when communities do not benefit from the project. In addition, some policies may affect the motivation of bankers to take on certain projects, which can be viewed as a limitation of strict safeguards, as they are substantially less likely to take on projects that have high probabilities of delays and difficulties in implementation (Mourant and others, 2015). Additionally, many governments regard loans with governance conditions attached as intrusive political meddling.

Weak safeguard policies threaten to leave environmental and social risks unchecked, yet corrective safeguard policies that become too strict may actually become self-defeating by making projects costs prohibitive and could push borrowers towards choosing less stringent options. Similarly, countries that have the option to borrow from capital markets, rather than from multilateral development banks, are choosing to do so more often, resulting in processes that have even less scrutiny.

The World Bank has realized the drawbacks of its safeguard policies. On 4 August 2016, it approved a new environmental and social framework, which expands protection for people and the environment in bank-financed investment

⁶ Civil society statement on World Bank safeguards. Available from https://consultations.worldbank.org/Data/hub/files/civil_society_statement_on_world_bank_safeguards_1.pdf.

projects. This framework was considered by the international society as a weaker version than the previous one (Biron, 2014). Through it, Country Safeguard Systems (CSS) of borrowers could play a more important role. To some extent, it means greater flexibility needed for poorer countries.

The Asian Infrastructure Investment Bank is trying to develop a more suitable, unbiased standard of development financing for developing countries based on South-South cooperation. It is aiming to meet the development needs of the borrower based on high environmental and social framework standards. Most developing countries tend to be against too much emphasis on “development assistance”, and put greater focus on the main incentive of economic growth. China has already formed a unique “China’s developing experience” and “development-oriented poverty reduction” during the process of reform and development, which has spanned more than 30 years. Similarly, other emerging economies and developing countries are also exploring extensively their process of development and poverty reduction. In other words, developing countries have a better understanding, to some extent, of their own development processes and difficulties. AIIB aspires to better respect the borrowers’ choice of development approaches, limit political conditions to the minimum, refrain from intervening in the borrowing countries’ internal affairs through development financing, and make its designs and implementation more flexible and loan programmes better targeted. According to Dollar (2015b), AIIB has attracted wide-scale participation of developing countries because its operating procedures are expected to be more efficient than those of other multilateral development banks. Developing countries, such as China, have accumulated rich experience in building infrastructure. That coupled with the fact that the developing members of AIIB are all Asian countries, the discrepancies of infrastructure financing needs among those countries are relatively small, and as AIIB has less difficulty in understanding the borrowers’ situation, it can better ensure the practicability of the design and implementation of projects.

This is by no means neglecting environmental and social safeguard in projects financed by AIIB. The president of AIIB, Jin Liqun, has pointed out several times in public speeches that AIIB will be a “green” multilateral development bank that encourages sustainable development through investments in renewable energy and energy efficiency. To clarify further, he has stated the following: AIIB would not conduct business with companies that have a record of not considering the more extensive implication of their projects on the environment and on society; and that projects should promote sustainability. He has also hinted that AIIB would consider investing in coal-burning power stations in order to bring electricity to places where it is most needed and where there is no greener alternative; however, instead of building new power stations, AIIB will soon invest in projects that can increase the

efficiency of power delivery and free up generated power for wider use (Howard, 2015).

The Asian Infrastructure Investment Bank could emphasize the following points in its future safeguard policy.

First, in project planning and designing, safeguards are integral component. When done correctly, safeguards actually prevent unnecessary delays and costs during implementation by appropriately accounting for contingencies during the planning phase. Cost overruns, instead, are often associated with poor planning due to the rush to fast track the project implementation. Rather than being an additional cost to the planning of a project, it is the integral role that planning for safeguards should play from the onset of project design (Syadullah, 2014). For example, projects financed by AIIB should take sensitivity into consideration during the design phrase. This entails coordinating between economy-promoting projects and ecological protection strategies for safeguarding biological diversity in the long term. As another example, it should promote green investment and financing, and set relatively high standards on environmental and social risk management for bilateral or multilateral investment projects, which entails motivating optimal resource-allocations through financial incentives, evaluating environmental risks thoroughly during the investment decision process and regulating polluting investments. Some multilateral development banks, such as the World Bank have required borrowers to develop socioenvironmental safeguard policies before the projects start, monitored the projects implementation, and carried out an in-depth assessment or impact assessment after the projects have been completed. AIIB is expected to establish high-standard safeguard systems to promote the implementation of green credits.

Second, AIIB should establish independent assessment bodies and corresponding information exchange and communication platforms. Based on past experience, Dollar (2015a) believes that evaluation and transparency are more important than the written policy, and consequently advocates independent and public project evaluation. Moreover, project evaluation and feedback after the completion of the project facilitates the conclusion of the successful experience of projects related to construction and management. In addition, they facilitate the project summary of the lessons learned in the implementation process. AIIB could refer to the performance evaluation standards of the other multilateral development banks, such as the Common Performance Assessment System (COMPAS) and the Evaluation Good Practice Standard from the Evaluation Cooperation Group (ECG). Also of note, some scholars suggest that AIIB use modern network communication technology and governance models (such as removal of the Board System), on the view that those measures can significantly reduce operation costs and enhance operating efficiency (Gao, 2015).

Third, efforts should be made to improve the capacity of borrowing countries in making and implementing their country safeguard systems. These systems refer to the laws, regulations, rules and procedures in policies relating to environment, involuntary resettlement and safeguards of indigenous peoples and their implementing institutions.⁷ That is, AIIB should provide technical assistance to help the borrowing countries to strengthen the legal and institutional framework to efficiently employ safeguard systems. In particular, AIIB should consider more flexible principle-based and use of country system approaches to safeguard policies, and ensure appropriate monitoring and reporting in which safeguard implementation is assessed on a regular basis (Mourant and others, 2015).

III. CONCLUSIONS

There is a large infrastructure investment demand in Asia, especially in China, India and other developing countries in East Asia, South-East Asia and South Asia. AIIB is being set up to help close this enormous financing gap.

Compared with the World Bank and ADB, AIIB has its own unique features, which are supported by its potential competitiveness. First, AIIB focuses on infrastructure investment in Asia, while other multilateral development banks have multiple priorities, which opens the door for AIIB to be more professional in infrastructure financing. Second, a more rational voting power allocation among regional and non-regional countries, borrowing and non-borrowing countries and the more reasonable governance structure of AIIB enable the financing to flow to the countries and sectors with urgent needs, so as to exert the maximum utility. Third, the operation scale of AIIB would be considerable, and the lending rate would be competitive, taking into consideration its authorized capital and number of members with high credit rating. Fourth, based on South-South cooperation, AIIB has its own characteristics, which is known as depoliticization, in its projects and loan conditions, and the business operations will be more catered to the demands of developing countries based on the development experience of developing countries, such as China.

Above all, the establishment and the development of the AIIB reflect the needs of the global development financing system. In terms of the competitiveness, the future is bright for AIIB, even though many challenges remain.

⁷ See www.adb.org/site/safeguards/country-safeguard-systems.

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IN QUEST OF UNIVERSAL GOALS: ANALYSIS OF STATEMENTS FROM THE OPEN WORKING GROUP ON SUSTAINABLE DEVELOPMENT GOALS AND THE UNITED NATIONS GENERAL ASSEMBLY VOTING

*Denis Degterev**

On 25 September 2015, during the 70th anniversary session of the United Nations General Assembly, the 193 Member States adopted a comprehensive and ambitious set of development goals aimed at the eradication of poverty in all its forms. The present article analyses the consultative process of the Sustainable Development Goals, as well as the positions of countries in negotiations, divided into two groups: donor countries and recipient countries. As to the consultative process, a detailed analysis of the main groups is submitted, along with the institutional design of the process. In addition, a comprehensive review of the countries' positions in the Open Working Group (OWG) on Sustainable Development Goals, which includes a comparative analysis of the donor country statements (traditional, BRICS (Brazil, Russian Federation, India, China and South Africa) and Arabic donors) and statements from recipient countries (by region) is presented. The position of the Russian Federation as a donor country is particularly noted. This position along with that of other BRICS countries is closer to position held by recipient countries, namely the Global South position. An analysis of the G20 countries' annual voting on the United Nations General Assembly resolution 41/128: Declaration on the Right to Development is also provided. In conclusion, the progress achieved in the negotiation process for setting the Sustainable Development Goals presents a solid platform for further progressive work and the opportunity to tackle global challenges.

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JEL classification: D70, F35, F55.

Keywords: Sustainable Development Goals, United Nations, Global South, donor countries, recipient countries, conflict goals, the Right to Development, Russian Federation.

I. INTRODUCTION

The basic questions related to the elaboration of the global development strategy include several eternal issues that preoccupy an expert community: finding the balance between aid recipient's real needs and donor interests (Nelson, 2012); and finding the right theory of development that would really work in the local environment (Burkett and Hart-Landsberg, 2003). Regional specifics should also be taken into consideration, especially when linking economic and political aspects of development, namely the human rights agenda (Ryu and Ortuoste, 2014; Vandernhole and Gready, 2014). National cultural traditions and perceptions are also of great importance in this perspective (Oldfield and Shaw, 2002). How can one get a fully detailed picture of positions of all development process stakeholders and compare regional approaches to development? What kind of methodology is appropriate to use to understand the differences and similarities in stakeholders' positions? Content-analysis of official country statements and their voting in the General Assembly gives us such an opportunity.

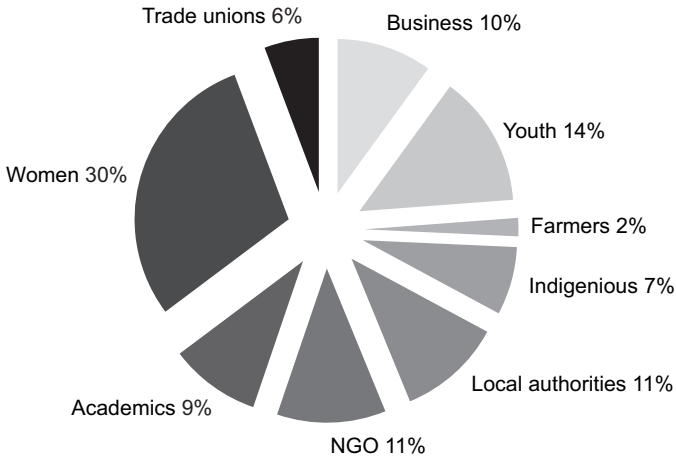
II. INSTITUTIONAL DESIGN OF CONSULTATION PROCESS

To elaborate the Rio+20 outcome document, "The future we want", the Open Working Group (OWG) of the General Assembly was formed. The main purpose of OWG was to prepare a report containing proposals for Sustainable Development Goals. It seemed reasonable to analyse the way of forming a global approach to a problem of development from a variety of regional approaches, which were later enshrined in the Post-2015 Development Agenda. Special emphasis was paid to the differences in positions among countries, as well as to the position of the Russian Federation as an international donor.

Elaboration of the Sustainable Development Goals and the Post-2015 Development Agenda was characterized by unprecedented inclusive and open consultations with representatives of all interested countries (different groups — stakeholders) and covered a wide number of thematic areas. Among the key interested parties (stakeholders) involved in the consultative process, the most active were women (figure 1). In addition, governments opened up the consultative process

to a number of other interested parties, including volunteer groups and foundations, migrants and their families, the elderly and persons with disabilities, by allowing them to work in close cooperation with the main stakeholders.

Figure 1. Number of statements made by different stakeholders groups



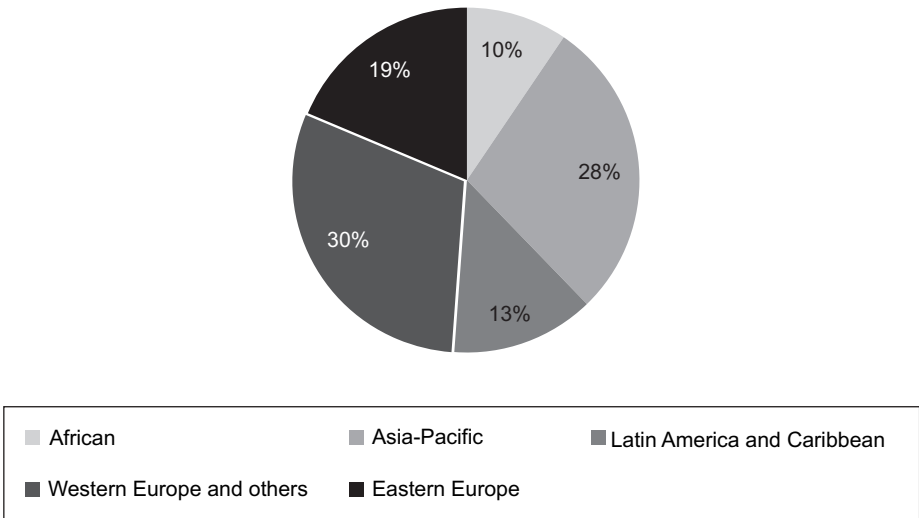
Source: Compiled by the author.

To take into account the positions of the representatives of various countries, the Open Working Group was formed in January 2013. While creating this group, there were some difficulties in reaching an agreement on the distribution of representatives. As a result, the Member States decided to implement an innovative system based on the election of representatives, consisting of 70 Member States and sharing 30 permanent seats. This system was set with respect to the general principles of equitable geographical representation and equal (parity) representation of groups of countries with distinct interests. In the end, seven seats were reserved for African countries, another seven for countries in the Asia-Pacific region, six for Latin American and Caribbean countries and ten for European and North-American countries. High-income countries occupied 10 seats, 12 were allocated to middle-income countries, four were given to countries with various levels of development and four to low-income and least developed countries. Moreover, the latter group was represented mostly by sub-Saharan states in a “one country – one seat mode” (Benin, the Congo and Zambia/Zimbabwe and the United Republic of Tanzania). However, according to some experts, the interest of the poorest countries was underrepresented (Bhattacharya, Khan and Salma, 2014).

The list of responsibilities of the groups included the representation of its members during each session.¹ Representatives of other Member States – those that were not allocated a place in the Open Working Group – were allowed to participate and speak on behalf of their respective countries at the Open Working Group meetings. For example, the Russian Federation, which was not included in the Open Working Group, made a number of statements, namely about the undesirability of Sustainable Development Goal 16 and the politicization of the global development agenda (Bartenev, 2015).

Member States were represented in the different regional groups in the Open Working Group (figure 2).

Figure 2. Number of statements made by the different regional groups

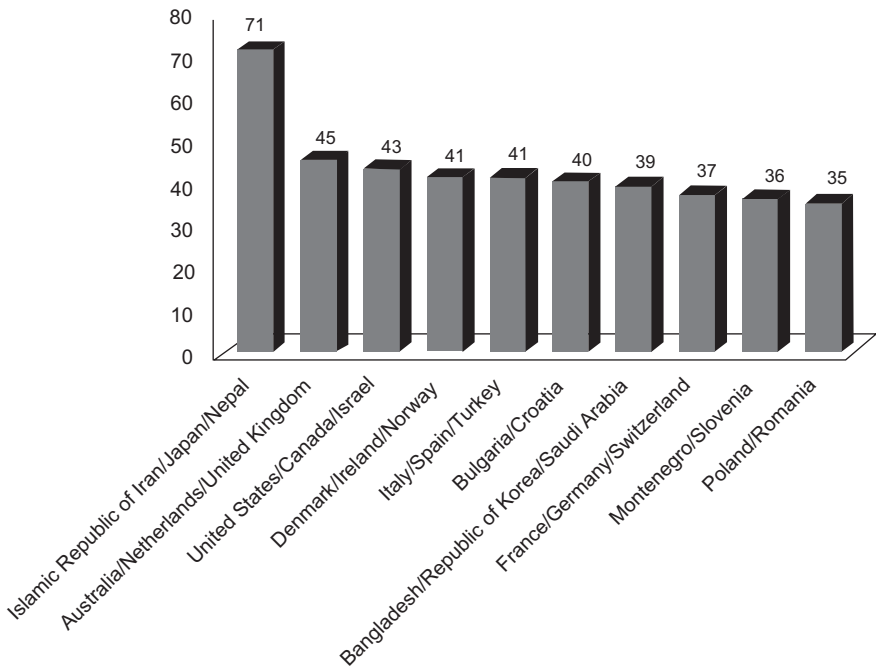


Source: Compiled by the author.

¹ See Progress report of the Open Working Group of the General Assembly on Sustainable Development Goals. Available from <https://sustainabledevelopment.un.org/content/documents/3238summaryallowg.pdf>.

During the discussions on the Sustainable Development Goals, positions of the countries were presented by separate statements from each country and by joint statements of groups of countries. The following groups made the most statements during the consultation process: Islamic Republic of Iran/Japan/Nepal; Bulgaria/Croatia; Brazil/Nicaragua; Bangladesh/Republic of Korea/Saudi Arabia; United States/Canada/Israel, and the groups comprised of countries in Europe (figure 3).

Figure 3. Number of statements made by top 10 groups of countries



Source: Compiled by the author.

Unfortunately, despite the high level of transparency of the consultation process, at the end of 2015, some of the statements made by the representatives of the Open Working Group that had been posted on the Group’s website, <https://sustainabledevelopment.un.org>, were removed. In 2016, the rest of the statements, which exceeded 600, were also removed, making it difficult to replicate the content for this research.

III. POSITION OF DONOR COUNTRIES

More than 300 statements made by donor countries during the Opening Working on Sustainable Development Goals sessions were analysed (table 1). Different groups of countries have different interpretations of the concept of poverty, and have a different vision of how to solve this problem (Degterev, 2013b). In this regard, a group of traditional donors — Organisation for Economic Co-operation and Development (OECD) countries, BRICS donors and Arabic donors - Saudi Arabia, the United Arab Emirates, Qatar and Kuwait can be formed.

Table 1. Position of donor countries on Sustainable Development Goals

Sustainable Development Goals	Traditional donors	BRICS donors	Arabic donors
Goal 1	Eradication of poverty in one generation	Technology, investment and sustainable development	
Goal 2	–	Access of developing countries to world markets; access of all people to food; assistance to developing countries in the development of agriculture, technology and investment	The need to pay attention to desertification
Goal 3	Investment in youth; gender equality	Stable migration policy; universal health care; access to technology; investment in research and development in developing countries	
Goal 4	Equal access to education	Access to basic education for all	
Goal 5	Cessation of violence, access of women to economic and political activity	Technical and financial assistance to developing countries; equal rights for women and men	The need to respect the cultural and religious traditions of all countries
Goal 6	Universal access to safe drinking water	Investment and technology	
Goal 7	Development of renewable energy and green energy; efficient use of energy	Investment in clean energy and the transfer of technology to developing countries; improving energy efficiency	

Table 1. (continued)

Sustainable Development Goals	Traditional donors	BRICS donors	Arabic donors
Goal 8	Gender equality; decent work for all	Financial and technological support, as well as access to markets for developing countries; reform of global economic governance to ensure the participation of developing countries in decision-making	Decent work for all; "green" job
Goal 9	Macroeconomic stability; policy and regulatory framework that encourages private sector investment; effective market system	Infrastructure investment and transfer of technology to accelerate the industrialization of developing countries	–
Goal 10	–	Equality of economic opportunities for all countries; strengthening of international cooperation, including the provision of financing and technology transfer to developing countries	–
Goal 11	Strengthening of local and regional authorities; environment protection; development of resource-cities; energy efficiency and development of renewable energy sources	Provision of funding to developing countries to promote sustainable development of urban areas	Sustainable transport; integrated urban planning and management

Table 1. (continued)

Sustainable Development Goals	Traditional donors	BRICS donors	Arabic donors
Goal 12	Efficient use of resources and energy; development of recycling technologies; private sector involvement	Changing unsustainable patterns of production and consumption in developed countries; improving access of developing countries to markets of products and technologies; reducing energy consumption and waste in developed countries	–
Goal 13	Environmental protection; sustainable patterns of production and consumption; sustainable urban development	Emissions reductions in developed countries; providing financial and technical support to developing countries	Urgent action to mitigate and adapt to climate change
Goal 14	Expansion of existing contracts; elimination of illegal and unregulated fishing	–	–
Goal 15	Good governance of natural resources	–	Protection and restoration of terrestrial ecosystems; inadmissibility of biodiversity loss
Goal 16	Private investments political and economic reforms to create an attractive investment climate	Strengthening of South-South cooperation; assistance to developing countries	Strengthening of the global partnership for sustainable development; transfer of technology to developing countries
Goal 17	Improving the global trading and financial system	Improving the global financial system; investment and technology	–

Source: Compiled by the author.

Based on the analysis of countries statements, the positions of donors can be divided into two groups: positions held by the developed Western countries group or the traditional donors (members of the OECD Development Assistance Committee), and those held by new donors (BRICS) and Arab donors. BRICS and Arab donors have taken the side of developing countries. This is apparent from the content of their speeches and frequent references and statements of solidarity of developing countries, in particular with the Group of 77 and China, the Caribbean Community (CARICOM) and the African Group. In pursuit of the same objectives in the face of poverty eradication, the elimination of all kinds of inequalities, achieving the sustainable development, ensuring security at the global level, these countries hold different views in their approaches.

In particular, Saudi Arabia has declared the need for equal access to energy, as this will have a positive impact on many other development issues, such as education, health, water and agriculture. In the framework of these activities, the provision of technology, “green energy” to developing countries will be very important.² Actively supporting this position, countries have mentioned the problem of the inequality of access to technology, which can be attributed to the reluctance of developed countries to share the innovations and have pointed out the negative consequences associated with this, particularly with regard to the containment of development process. Along with the technology, emphasis has been placed on the issue of investment of developed countries in developing countries, and the need of investments for the development is stressed. It is stated that the international community should create favourable economic conditions and a favourable environment for trade and investment in order to accelerate the reform of global economic governance by increasing the representation and participation of developing countries and establishing a fair international economic and financial system so that the people of all countries can benefit equally from global economic development.³

In addition, these countries believe that the goals and objectives should be indicative and not mandatory or prescriptive. Member states should be free to pursue those aims and objectives, which, in their opinion, fit their own policy, the environment and their national priorities and characteristics, as this will ensure the successful achievement of the goals and objectives.⁴

² Statement by Saudi Arabia, Debate on economic growth, industrialization, infrastructure and energy, 2 April 2014.

³ Statement by India, Debate on poverty eradication, 18-19 April 2013.

⁴ Statement by India, Means of implementation and global partnership for sustainable development, 9 May 2014.

Issues, such as social, political rights, gender equality, access to clean water and sanitation, provision of adequate health care, equal access to education, the rational use of natural resources, respect for the environment, water spaces, adaptation to environmental changes, achieving global governance, conflict prevention, post-conflict world order and the promotion of durable peace, the rule of law, the involvement of the private sector for the tasks are more touched upon by developed countries than developing ones.

Traditional donors also consider the eradication of poverty as one of the main tasks, but they propose other solutions. In the long term, poverty reduction and shared prosperity require rapid economic recovery. This rise is also required to ensure peace and global security in order to create jobs. Economic growth and trade are the main factors of national and international prosperity. However, this vision brings forward a divergence of views between developed and developing countries. For instance, developing countries insist on providing technology and investment, while developed countries persist in the opinion that developing countries should create favourable conditions for attracting investments, and that developed countries can only support them in this endeavour and assist them in the effective use of finances. The improvement and strengthening of internal resources, in particular, the improvement of the tax system and the elimination of corruption are considered to be basic measures to improve the investment climate. Developed countries do not believe that they should be the only source of investment and financial resources for developing ones; they also advocate the involvement of the private sector and different organizations.⁵

The issue of overcoming poverty is seen in close connection with the issue of environmental degradation at global, regional and local levels, which exacerbate social and economic problems. According to the developed countries, it is necessary to recognize the links between environmental, social and economic goals and to realize that a healthy environment favours economic and social development.⁶ Sustainable management of natural resources is essential for the eradication of poverty and the creation of lasting, sustainable growth and protecting the environment for future generations. BRICS and Arab donors, as well as traditional donors also raised the issue of energy, but in contrast to other donors, they consider the development of green energy, investments in renewable and efficient energy use as the main ways for solving problems in this area. Developing countries see the solution

⁵ Statement by United Kingdom, Debate on global partnership for achieving sustainable development, 10 December 2013.

⁶ Statement by France, Proposal for statement on economic growth, employment and infrastructure, 12 May 2014.

to the problem of environmental pollution in developed countries as being in accordance with their historical responsibility, making it necessary for them to take the lead in reducing emissions and providing adequate financial and technical support to developing countries.

Considering the issue of global governance, developed countries believe that it should work to support integration.⁷ This will require enhanced cooperation between the relevant actors and better integration of all aspects of sustainable development, which, in turn, will lead to greater consistency in the decision-making process and increase the effectiveness of the development on the basis of agreed principles. In fact, global governance is equal to the global partnership in that active participation of civil society and not only States is required. The joint solution of current challenges is vital in order to overcome conflicts, violence and instability, which are the most crucial obstacles to global development. At the global level, these obstacles undermine development. No country alone can solve these problems; collective action is indeed needed to address these issues. Violence can be prevented. It is not inevitable. Investment in conflict prevention may accelerate overall economic development.

IV. POSITION OF AID RECIPIENT COUNTRIES

In addition to statements of donor countries, the statements of the recipient countries of Africa, South-East Asia, Latin America, the Caribbean and small island developing States were analysed. Similar to donor countries, recipient countries hold differing positions on the Sustainable Development Goals among each other (table 2).

The positions of the recipient countries are as diverse as the positions of the donor countries. However, the recipient countries' positions on some issues were quite similar, including, with regard to eradication of poverty, protection of the rights of migrant workers and the sustainable use of the oceans, seas and marine resources. On the issue of poverty eradication, all groups of countries expressed the need to focus not only on people in extreme poverty, but also on people living just above the poverty line and those who are at risk of falling into poverty. In addition, the eradication of poverty requires strong and inclusive economic growth and the elimination of corruption.

⁷ Statement by Germany, Post-2015 Agenda for Sustainable Development: key positions of the German Government, 15 February 2015.

Table 2. Position of aid recipient countries on the Sustainable Development Goals

Sustainable Development Goals	African countries	Asian and Latin American countries
Goal 1	Eradication of extreme poverty; attention to people living not only in extreme poverty, but to those living just above the poverty line; sustainable and inclusive economic growth; the elimination of corruption; the elimination of discrimination and inequality	
Goal 2	Increasing agricultural production in developing countries; the fight against drought; reduction of subsidies in the agricultural sector in developed countries; sustainable ecosystem approach to land management; transfer of technology to African countries for the development of agriculture	Reduction of agricultural subsidies in developed countries; transfer of technology to developing countries for agricultural development
Goal 3	Increase in life expectancy to at least 60 years; universal access to health services and essential drugs and vaccines; zero maternal and infant mortality; universal access to HIV/AIDS treatment; strengthening of national health systems; elimination of environmental causes of diseases	
Goal 4	Universal, free and qualitative primary and secondary education for all children; achieving 100% literacy rate among adults and young people; elimination of gender discrimination in educational institutions	
Goal 5	By 2030 the cessation of all forms of discrimination against women; no violence; equal participation of women in decision-making in public and private institutions; equal employment opportunities for women and equal pay for equal work	
	Prohibition of child and early marriage	–
Goal 6	Improving the efficiency of water use in agriculture; access to safe drinking water in homes, schools and health facilities	
Goal 7	A decrease in energy prices and achieving 100% access to electricity for the population of developing countries by 2030; increase energy efficiency; promote the use of environmentally sound energy technologies in developing countries; technology transfer, financing and investment in the energy sector in developing countries	

Table 2. (continued)

Sustainable Development Goals	African countries	Asian and Latin American countries
Goal 8	Achievement of 6-7% economic growth in low-income countries; creation of new jobs in developing countries	Creation of decent jobs with decent wages, without discrimination; support family businesses to create jobs; support of countries with low and middle-income
	Protection of the rights of all workers, including migrant workers, in accordance with the fundamental rights of the International Labour Organization	
Goal 9	Implementation of the Bali Strategic Plan for Technology Support and Capacity Building; ^a ensure the full functioning of a capacity-building and technology support database to promote the development of technological capacity of developing countries	
Goal 10	Cessation of all forms of foreign occupation and colonial domination	Protection of rights and fundamental freedoms without discrimination on any ground
	Ensuring equality of access to technology and innovation; decrease in income inequality among countries; increased investment in the social and economic infrastructure and human resources development in developing countries	
Goal 11	To make all cities accessible to people with disabilities by 2030; to ensure access of all people to decent and affordable housing	Investment in developing countries to build "clean" cities; elimination of slums; sustainable and integrated rural and urban development
Goal 12	–	Technology and investment to developing countries
Goal 13	–	Technology transfer and investment in developing countries to mitigate and adapt to climate change
Goal 14	Prevention of marine pollution and limiting emissions and waste disposal into the sea; restoration and protection of marine ecosystems from destruction	
Goal 15	Cessation of logging and reforestation	
Goal 16	Democratization of international institutions; access of developing countries to international decision-making; strengthening regulation of financial markets and institutions to ensure global financial stability; reform of the international monetary system	

Table 2. (continued)

Sustainable Development Goals	African countries	Asian and Latin American countries
Goal17	Elimination of all trade protectionist measures to increase the exports of developing countries; return of all illegal financial resources to their countries of origin; development of an open, predictable, nondiscriminatory trading and financial system; reform of major international economic organizations such as the World Bank, the International Monetary Fund (IMF) for a balanced and democratic regional representation by 2020	

Source: Compiled by the author.

Note: ^a For details about the Bali Strategic Plan, see www.unep.org/ozonaction/About/BaliStrategicPlan/tabid/1060467/Default.aspx.

Countries also are in total agreement on the sustainable use of the oceans, seas and marine resources. Most developing countries are coastal States and their well-being depends largely on the state of the marine environment. As a result, this group of countries advocates for pollution prevention and the limitation of emissions and waste in the sea. In addition, developing countries call for respect of international law and the joint elimination of illegal and unregulated fishing. The greatest concern on issues related to water resources has been shown by developing States representing small islands. These countries have repeatedly raised questions about the rise of the sea level, and the restoration and protection of marine ecosystems from destruction.⁸ The positions of the countries on protection, restoration and sustainable use of terrestrial ecosystems are also very close. Countries have expressed concern about deforestation and called for reforestation. In addition, all countries agree that it is necessary to ensure sustainable management of forests and mountain ecosystems and to stop the loss of biodiversity.

As for the gender equality, countries indicate quite similar positions. Recipient countries support: ending all forms of discrimination against women by 2030; the cessation of violence; women's equal participation in decision-making in public and private institutions; enhancing the role of women in the economy; equal employment opportunities for women and men; and equal pay for equal work. The only controversial is on the issue of early marriages. African countries express the need for the prohibition of early marriage, while most of the developing countries take the view that national and cultural traditions should be respected.

⁸ Statement by Pacific small island developing States, Debate on climate change and disaster risk reduction, 9 January 2014.

The general idea, passed almost through all the statements of the Group of 77, was expressed by the representative of Bangladesh during the first meeting of Open Working Group, who stated the following: developing countries still did not have enough money to achieve the Sustainable Development Goals, thus an integral part of the solution of all the issues should be investment, financial assistance and transfer of technology to developing countries.⁹

IV. CONFLICT OF INTERESTS IN ELABORATION OF UNIVERSAL GOALS

The process of elaborating a universal approach to development issues shared by countries with different levels of socioeconomic development and civilization features is not new to the United Nations. It is worth recalling the adoption of the International Covenants on Human Rights in 1966 after almost 20 years of discussion. Western countries pushed mainly for political rights, focusing on the French Declaration of the Rights of Man and of the Citizen of 1789 and the United States Constitution of 1787 and proclaiming the natural character of human rights and fundamental freedoms in line with the concepts of J. Locke and T. Hobbes, but initially opposed the inclusion of socioeconomic rights in the International Covenant on Civil and Political Rights. In turn, the former Union of Soviet Socialist Republics and the other socialist countries insisted on the inclusion of these documents in a wide range of socioeconomic rights, objecting to certain civil and political rights. Developing countries occupied a special position, mainly because of the attitude of Islamic States to the rights of women (Sarkar, 2009, pp. 200-206).

Following the discussions, General Assembly resolution 2200(XXI) was adopted, which contains a general preamble and a concluding article along with three separate international instruments: International Covenant on Economic, Social and Cultural Rights; International Covenant on Civil and Political Rights; and Optional Protocol to the International Covenant on Civil and Political Rights. Voting for each of the three documents was held separately. The total number of Member States at that time was 122; 104 States voted for the adoption of the International Covenant on Economic, Social and Cultural Rights while 18 did not vote. For the adoption of the International Covenant on Civil and Political Rights, 102 states voted in favour of it while 3 abstained and 17 did not vote. Finally, the adoption of the Optional Protocol establishing the Human Rights Committee was voted on by 76 countries, 18 countries (including the socialist countries) voted "against", while 13 countries abstained and 15 did not vote.

⁹ Statement by Bangladesh, Statement under agenda item 3: general discussions, 14-15 March 2013.

Another historical example within the United Nations was the adoption of the Declaration on the Right to Development. The United Nations Human Rights Commission established in 1981 the Working Group of Governmental Experts on the Right to Development, consisting of 15 experts. The Declaration on the Right to Development elaborated by the Working Group was adopted in 1986 by the General Assembly in resolution 41/128 by a majority of 146 votes in favour, one vote "against" (the United States of America), eight abstentions (the United Kingdom of Great Britain and Northern Ireland, Denmark, Iceland, Israel, Finland, Germany, Sweden and Japan) and four not voting. The Declaration certainly reflected the interests of developing countries – aid recipients, and to a lesser extent was in the interests of the donor countries. Subsequently, the resolution "Right to development" is adopted each year by the General Assembly.

In contrast to the Millennium Development Goals, which were aimed at increasing the socioeconomic level of the recipient countries, the Sustainable Development Goals relate to quality of life of both donor and recipient countries; they can be characterized as being *universal goals*. Accordingly, the emphasis was significantly shifted from the problems of the developing countries to developed ones. Instead of the three Millennium Development Goals related to health care (Millennium Development Goals 4-6) and one environmental goal (Millennium Development Goal 7), there are three goals related to the environment (Sustainable Development Goals 13-15) and only one goal pertaining to the health sector (Sustainable Development Goal 3). In addition to socioeconomic goals, there is also a political one (Sustainable Development Goal 16). Finally, in the Millennium Development Goals only the goals were identified, but not the means to achieve it, with the exception of Goal 8, while each Sustainable Development Goal has a number of subitems for its practical implementation (special paragraphs a, b, c, ... for each goal). On the one hand, the presence of such subparagraphs specifies the commitments, but, on the other hand, there are several paths of development that may eventually lead to the desired socioeconomic indicators. Excessive detail should not lead us to the "only right" path of development to achieve each of the goals.

There is no denying that an attempt to combine the goals for developed and developing countries in a number of cases may lead to a conflicting target. Here are some of the most obvious examples: Goal 7, target 7.1 requires access to cheap energy, while Goal 12, target c stipulates the need to rationalize subsidies to fossil-fuel subsidies. In poor countries that provide natural resources, fuel subsidies allow ordinary citizens to get access to cheap energy. Another example, in Goal 2, target 1, and Goal 2, target 3, the need to use more fish in the diet is implied, while Goal 14, targets 4 and 6 refer to preventing overfishing. Finally, Goal 9, targets 1 and 2 make reference to revitalization of infrastructure development and the speedy

industrialization, while in Goal 9, target 4, the priorities of development of green technologies are stipulated. As the example of China shows, the country initially strived for large-scale industrialization, reaching a leading position in a number of markets on a global scale, and then began to pay more attention to the quality of economic growth. Would China have achieved the same success, if the drive for industrialization had been originally conceived primarily for green technologies, rather than for scale of production? Hardly. Industrialization is important for a number of developing countries, while developed countries have already developed an industrial base and are now seeking cleaner production. Though of course, in many cases, this refers to the fragile ecosystems in developing countries (for example, in small island States).

Often criticism is directed at the goals that can stand for certain business interests. In contrast to the Millennium Development Goals, the pharmaceutical industry is considered to be left out in the cold in the formulation of the Sustainable Development Goals (for reasons already mentioned), while in the first position this time comes tourist lobby with the introduction of the concept of “sustainable tourism” (Sustainable Development Goal 8, target 9 and Sustainable Development Goal 12, target b) without any reference to the poorest countries. For example, tourism in traditional European routes also falls under this concept.

One way to reconcile developed and developing countries in assuming their responsibility for sustainable development could be through an approach based on the principle of Common But Differentiated Responsibility (CBDR), which has been constantly mentioned by G77+China representatives in its statements and has been set out in the Rio+20 outcome document, “The future we want”. In the document, CBDR is proposed to serve as a key approach, which implies that the Sustainable Development Goals should not place additional burdens on developing countries, but, instead, donor countries should be required to respect their international commitments concerning financial resources, capacity and technology transfer.

VI. RUSSIAN FEDERATION AS A DONOR

National priorities in the area of the development assistance were set out initially in the Concept of Russia’s Participation in International Development Assistance, signed by the country’s president, Vladimir Putin, on the 14 June 2007.¹⁰ Even though it refers to the consistent implementation of the Concept “... in accordance with the Action Plan on Russian participation in the IDA [international

¹⁰ Concept of the Russian’s Participation in International Development Assistance, 25 June 2007. Available from http://archive.mid.ru/brp_4.nsf/0/571FEF3D5281FE45C32573050023894F.

development assistance], approved by the Russian Government on the three-year period”, further strengthening the capacity of the Russian Federation as an international donor slowed and a corresponding action plan was not adopted (Degterev, 2013a). In 2014 the Concept of the Russian Federation’s state policy in the Sphere of International Development Assistance was adopted,¹¹ advancing the guidelines of the first concept. Formation of a national mechanism for providing IDA continues. The positions of the Russian Federation towards the Millennium Development Goals can be traced by two indicators: the annual vote of the Russian Federation in the General Assembly for the resolution on the right to development (table 3) and through remarks made by Sergey Lavrov, the Foreign Minister of the Russian Federation, at the United Nations Summit for the Adoption of the Post-2015 Development Agenda, in New York on 27 September 2015.

The results of the vote on the General Assembly resolution on the right to development can be considered as an important indicator of the attitude of different groups of countries towards issues related to sustainable development. This resolution is adopted annually. It was first adopted in 1986 after the adoption of the landmark declaration on the Right to Development. During the period 1987-1996 and in the 2000 resolution of the right to development, it was adopted without a vote. The Russian Federation (up to 1991 the Union of Soviet Socialist Republics (USSR)) has always supported this resolution, together with the countries comprising the Global South such as Argentina, Brazil, Mexico, China, and Saudi Arabia. The United States has traditionally voted against the resolution. Positions of the other leading world countries, members of the G20 vary between these two poles.

Even though the international development assistance issue is not present in the broad public discourse of the Russian Federation in the relevant documents and reports, and is a rather narrow path of research for some experts, the country’s minister of foreign affairs, broadly touched on this topic in a public speech at the anniversary summit of the United Nations. During the address, he actually marked the attitude of the Russian Federation to the basic goals of sustainable development.¹² In this regard, it is worth conducting a detailed analysis of the country’s attitude towards the Sustainable Development Goals.

¹¹ Concept of State Policy of the Russian Federation in the Field of International Development Assistance. Approved by Presidential Decree of 20 April 2014 No. 259. Available from <http://archive.mid.ru/ns-osndoc.nsf/0e9272befa34209743256c630042d1aa/00cc9154529e1c7fc32575bc002c6bb5>.

¹² Remarks by the Ministry for Foreign Affairs, Russian Federation, made by Sergey Lavrov at the United Nations Summit for the Adoption of the Post-2015 Development Agenda, New York, 27 September 2015. Available from www.mid.ru/foreign_policy/news/-/asset_publisher/cKNonkJE02Bw/content/id/1794073?p_p_id=101_INSTANCE_cKNonkJE02Bw&_101_INSTANCE_cKNonkJE02Bw_languageId=en_GB.

Table 3. Position of G20 countries on the Declaration on the Right to Development

		The Right to Development																		
Title of United Nations resolution	United Nations resolution symbol	A/RES/41/133	A/RES/52/136	A/RES/53/155	A/RES/54/175	A/RES/56/150	A/RES/57/223	A/RES/58/172	A/RES/59/185	A/RES/60/157	A/RES/61/169	A/RES/62/161	A/RES/63/178	A/RES/64/172	A/RES/65/219	A/RES/66/155	A/RES/67/171	A/RES/68/158	A/RES/69/181	A/RES/70/155
Voting date		04.12.1986	12.12.1997	09.12.1998	17.12.1999	19.12.2001	18.12.2002	22.12.2003	20.12.2004	16.12.2005	19.12.2006	18.12.2007	18.12.2008	18.12.2009	21.10.2010	19.12.2011	20.12.2012	18.12.2013	18.12.2014	17.12.2015
Argentina		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Australia		A	Y	A	A	A	N	A	A	A	N	N	Y	N	N	A	A	A	A	A
Brazil		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Canada		N	N	A	N	A	A	A	A	A	N	N	A	N	N	N	N	N	N	N
China		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
France		Y	A	A	A	A	A	Y	Y	Y	N	N	Y	A	A	Y	Y	Y	Y	A
Germany		N	A	A	N	A	A	Y	Y	Y	N	N	Y	N	N	A	A	A	A	A
India		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Indonesia		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Italy		N	A	A	A	A	A	Y	Y	Y	N	N	Y	A	A	Y	Y	Y	Y	Y
Japan		N	N	A	N	N	A	A	A	A	N	N	Y	A	N	A	A	A	A	A

Table 3. (continued)

The Right to Development	
Title of United Nations resolution	A/RES/41/133
United Nations resolution symbol	A/RES/52/136
Voting date	04.12.1986
Mexico	Y
Republic of Korea	
Russian Federation (USSR)	Y
Saudi Arabia	Y
South Africa	NV
Turkey	Y
United Kingdom	N
United States	N
	A/RES/53/155
	A/RES/54/175
	A/RES/56/150
	A/RES/57/223
	A/RES/58/172
	A/RES/59/185
	A/RES/60/157
	A/RES/61/169
	A/RES/62/161
	A/RES/63/178
	A/RES/64/172
	A/RES/65/219
	A/RES/66/155
	A/RES/67/171
	A/RES/68/158
	A/RES/69/181
	A/RES/70/155

Table 3. (continued)

The Right to Development	
Title of United Nations resolution	United Nations resolution symbol
	A/RES/41/133
Voting date	04.12.1986
Total voting membership	159
Yes	133
No	11
Abstentions	12
Non-voting	3
	A/RES/52/136
	A/RES/53/155
	A/RES/54/175
	A/RES/56/150
	A/RES/57/223
	A/RES/58/172
	A/RES/59/185
	A/RES/60/157
	A/RES/61/169
	A/RES/62/161
	A/RES/63/178
	A/RES/64/172
	A/RES/65/219
	A/RES/66/155
	A/RES/67/171
	A/RES/68/158
	A/RES/69/181
	A/RES/70/155

Source: Compiled using United Nations Bibliographic Information System (UNBISnet).

Mr. Lavrov mentioned that the Russian Federation welcomed the adoption of the new 2030 Agenda for Development and was ready to support the successful implementation of this programme at all levels. He went on to say that poverty eradication was a key objective of the country's IDA policy (**Goal 1**) and stressed its development assistance was invariably aimed at solving the most pressing challenges faced by countries in need. In those efforts, the country was neither trying to lecture its partners on how they should build their lives, nor impose political models and values (against politicization of development agenda, **Goal 16**). The Russian Federation actively uses the capacities offered by the United Nations development system organizations and humanitarian agencies "...that provide assistance without conditions and in a politically unbiased manner".

Debt relief is an effective tool of poverty eradication. Under the Heavily Indebted Poor Countries (HIPC) Initiative, the Russian Federation has written off more than US\$20 billion of debt owed by African countries alone. The country also contributes to reducing the debt burden of the poorest countries beyond the Initiative through debt-for-aid swaps (**Goal 17**). It has been funding and implementing aid projects on education (**Goal 4**), health care (**Goal 3**), energy (**Goal 7**), food security (**Goal 2**) and infrastructure (**Goal 9**). Despite the challenging economic environment, the Russian Federation remains a responsible and reliable partner to developing countries in addressing the most pressing challenges confronting its citizens, such as the spread of HIV/AIDS, tuberculosis and malaria, maternal, infant and child mortality issues or the Ebola outbreak (**Goal 3**). ODA extended by the Russian Federation is increasing. In 2014, it rose by more than 20 per cent and the overall amount of ODA from the Russian Federation, in accordance with OECD methodology, surpassed \$875 million (**Goal 17**).

Mr. Lavrov has stressed, that "a new socioeconomic agenda should ensure the indivisibility of sustainable development". The Russian Federation stands for creating a more equitable global economic order and ensuring better governance for global development. It is especially important to ensure fair trade (**Goal 10; Goal 17**) and enhanced access to cutting-edge technologies (**Goal 17**). According to the foreign minister, the Russian Federation calls "... for more consistent efforts to reform the governance structures, in particular the IMF and the World Bank, by strengthening the developing countries' positions (**Goal 10; Goal 16**). We stand for a more efficient interaction between the General Assembly and ECOSOC [Economic and Social Council] and the Bretton Woods institutions and the WTO [World Trade Organization]".

The Russian Federation remains committed to consolidating regional cooperation, including integration in the Eurasian space. While developing a Eurasian Economic Union, the Russian Federation always stands for the harmonization of the

various integration mechanisms both in the East and in the West. Unilateral coercive measures that are imposed in violation of the United Nations Charter are in direct contradiction with the achievement of Sustainable Development Goals. This fully applies to lifting the embargo against Cuba, as well as to other sanctions which have bypassed the United Nations Security Council.

The Russian Federation is well known for its debt relief programmes and socioeconomic programmes. However, the country also pays special attention to climate issues, considering that a solution to the climate change problem is one of the key preconditions for achieving sustainable development. The Russian Federation is the global leader in the cumulative reduction of greenhouse gas emissions and compensates for the increases in emissions in other countries and regions of the world. The country has gone beyond its commitments under the Kyoto Protocol by reducing emissions by 31 per cent below 1990 levels (**Goal 13**). The country also highlights the role of its boreal forests, which absorb about 600 million tons of carbon dioxide per year. The country will push for including the forest factor in the framework of a new climate agreement and also consider complementing the efforts under the aegis of the United Nations Forum on Forests with practical actions within some form of a United Nations centre for planning, protection and the rehabilitation of forests (**Goal 15**). Although the Russian Federation was not a member of any of the groups set up during the Open Working Group consultations and made only a few statements on the Sustainable Development Goals, the above-mentioned information provided by Mr. Lavrov offers the possibility to evaluate position of the Russian Federation towards most of the Sustainable Development Goals.

VII. CONCLUSION

An analysis of the statements of donor countries and recipient countries shows the heterogeneity of their positions, as well as the divergence of the views on ways to achieve the Sustainable Development Goals. The position of donors from the BRICS countries, including the Russian Federation, on a number of the goals is close to that of aid recipient countries. However, despite the differences of opinion between donor countries and recipient countries, the consultative process for the elaboration of Sustainable Development Goals has shown good results. This positive start gives a good perspective for further progressive work of all participating countries and the possibility of progress towards the achievement of the Sustainable Development Goals.

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ANNEX

List of the Sustainable Development Goals

Goal	Short name	Full name
1	No poverty	End poverty in all its forms everywhere
2	Zero hunger	End hunger, achieve food security and improved nutrition and promote sustainable agriculture
3	Good health and well-being	Ensure healthy lives and promote well-being for all at all ages
4	Quality education	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
5	Gender equality	Achieve gender equality and empower all women and girls
6	Clean water and sanitation	Ensure availability and sustainable management of water and sanitation for all
7	Affordable and clean energy	Ensure access to affordable, reliable, sustainable and modern energy for all
8	Decent work and economic growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
9	Industry, innovation and infrastructure	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
10	Reduced inequalities	Reduce income inequality within and among countries
11	Sustainable cities and communities	Make cities and human settlements inclusive, safe, resilient and sustainable
12	Responsible consumption and production	Ensure sustainable consumption and production patterns
13	Climate action	Take urgent action to combat climate change and its impacts
14	Life below water	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
15	Life on land	Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss

ANNEX *(continued)***List of the Sustainable Development Goals**

Goal	Short name	Full name
16	Peace, justice and strong institutions	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
17	Partnerships for the goals	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Source: A/RES/70/1 – Transforming our world: the 2030 Agenda for Sustainable Development.

FINANCING SUSTAINABLE DEVELOPMENT WITH ENHANCED DOMESTIC RESOURCE MOBILIZATION: TRANSITIONAL ROLE OF INTERNATIONAL COOPERATION

*Koji Yamada**

The Sustainable Development Goals are very comprehensive, reflecting the increased diversification and complication involved with the development challenges the world is facing in the post-2015 period. Also taking place is a dramatic change in the global landscape of development finance, in which domestic public revenues have risen rapidly to become the largest source of finance. Official development assistance (ODA) for domestic resource mobilization (DRM) will remain essential to accelerate economic growth and lift people from extreme poverty, particularly in the low-income countries. The combination of technical assistance and increased financing for capacity-building can play a vital role in strengthening DRM and lead to more effective and efficient use of public expenditure. The present report first reviews the latest literature on the rationale for this path and the emphasis on public domestic resource mobilization. It then looks at the two-decade experience of the Japan International Cooperation Agency (JICA) with the Mongolian tax authority as an example of international cooperation that supports enhanced DRM. After reviewing the events chronologically from the mid-1990s to the 2010s, key takeaways from JICA are given with a focus on capacity development. Finally, the report discusses the transitional role of international cooperation in this regard. It points out that to effectively carry out capacity development, a long-term commitment and joint concerted efforts from the global community are needed. This, in turn, requires a change in mindset from being oriented towards results management at the individual project level to applying programme-based management, which entails combining different types

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of operations to meet the national development goals and strategy. In addition, it must go hand-in-hand with strong country ownership to come up with indigenous solutions. In the case involving JICA and the Mongolian tax authority, implementing quick-impact projects and showing the impacts at each stage has convinced the latter of the need for a long-term commitment to the results. The long-term commitment of traditional donors from the North could facilitate the participation of emerging donors in a concerted manner. It could scale up capacity development efforts by facilitating triangular cooperation to promote DRM in many countries.

JEL classification: H21, K34, Q01.

Keywords: Sustainable Development Goals, capacity development, taxation, domestic resource mobilization, Global Partnership for Effective Development Cooperation (GPEDC), triangular cooperation.

I. INTRODUCTION

The Third International Conference on Financing for Development, held in Addis Ababa in July 2015, adopted the Addis Ababa Action Agenda (AAAA). In the Agenda, the Conference called for the global community to make a strong commitment to achieve all the Sustainable Development Goals, which were agreed upon later in the same year at the United Nations Summit on Sustainable Development in New York.¹ Compared with their predecessor, the Millennium Development Goals, the Sustainable Development Goals are comprised of more goals and associated targets, which amplifies the increased diversification and complications involve with development challenges the world is facing in the post-2015 period.

Prior to the Third International Conference on Financing for Development, the Joint Ministerial Committee of the Boards of Governors of the World Bank and the International Monetary Fund (IMF) discussed measures to transfer real resources to developing countries based on a report jointly prepared by the World Bank, IMF and other regional development institutions. The report titled “From billions to trillions,” reflects the shift in the global landscape of development finance. The following is written in the preface of the report:

¹ See A/RES/69/313.

To meet the investment needed to achieve the Sustainable Development Goals, the global community needs to move the discussion from “billions” in overseas development assistance (ODA) to “trillions” in investments the public and private sectors, national and global, and in both capital and capacity. (AfDB and others, 2015, p. 1)

In the report, it is then written that despite the dire need for funds to achieve the proposed Sustainable Development Goals globally, ODA resources available at the beginning of the post-2015 period were estimated to be about \$135 billion per annum. While the global community continues in its efforts to increase the volume of ODA flow and reach the 0.7 per cent target of gross national income (GNI), it states that ODA alone will be insufficient and that other international financial flows, such as philanthropy, remittances, South-South flows and foreign direct investments (FDIs) totalling almost \$1 trillion per annum will be needed to close the funding gap.

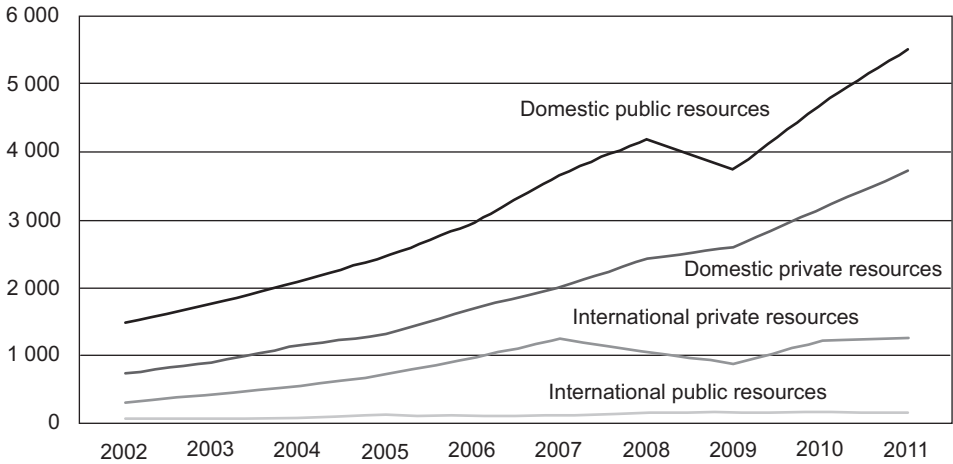
The report also highlights that development financing at the national level in the form of domestic public resources is the most substantial source of funds, even though the largest potential lies in financing from private sector. It emphasizes that each country and the global community must support this trajectory from billions to trillions.

The present report reviews literature that supports this investment path, and emphasizes domestic resource mobilization (DRM), focusing on the public resources. Then the two-decade-long experience of the Japan International Cooperation Agency (JICA) with the Mongolian tax authority is reviewed as an example of international cooperation that supports enhanced DRM. Reviewing events chronologically from the mid-1990s to the 2010s, the report then contains a discussion on the key takeaways from their experience through the lens of capacity development. It concludes with a discussion on the transitional role of international cooperation in this regard.

II. RATIONALE FOR DOMESTIC RESOURCES MOBILIZATION

A dramatic change in the global landscape of development finance has occurred since the turn of the century (figure 1). Domestic public revenues have risen rapidly to about \$5.5 trillion to become the largest source of finance, while domestic private resources have quadrupled to reach about \$4 trillion. Meanwhile, international public finance, net ODA and other official flows, have increased only moderately, resulting in a small absolute amount and declining relative importance as a source of development finance.

Figure 1. Trends in finance to developing countries, 2002-2011 (\$ billion, 2011 prices)



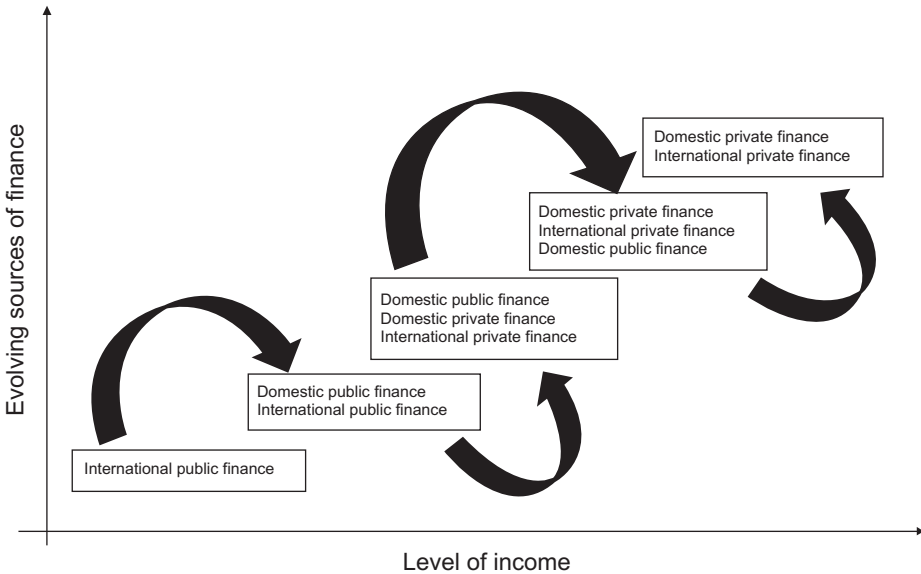
Source: ODI and others (2015a).

The composition of finance also varies in accordance with the development stages of the countries measured by the level of income per capita. It shows that as countries advance to higher income levels, they tend to experience declining ratios of ODA relative to gross domestic product (GDP) and increasing tax revenues relative to GDP. Private domestic finance has tended to rise more rapidly, but it still remains much lower as a percentage of GDP in the low-income countries. Also of note, remittances are an important source of development finance for the low-income and lower-middle-income countries.

These empirical facts imply that each country must consider the transition of the source of development finance in accordance with its level of national income per capita. The European Centre for Development Policy Management (ECDPM) illustrates this typical evolution in the source of finance based on their country case studies on Bangladesh, Ecuador, Indonesia, Mauritius, Moldova and the United Republic of Tanzania (ODI and others, 2015a). In general, their evolution has followed an upward trajectory from international public finance to domestic public finance, and then to domestic and international private finance (figure 2). ECDPM further argues that with regard to low-income and lower-middle-income countries, there is space to increase tax revenues, which is the most sustainable source of finance for critical infrastructure and climate-resilient and social development. Public-private partnerships (PPPs) are a promising option for these countries to meet infrastructure

needs that exceed government budgets. To differing degrees, ODA can continue to play a catalytic role in all the case countries, since it is largely directed towards small and strategic projects pertaining to climate resilience, trade finance, health, education and infrastructure.

Figure 2. Typical evolution in sources of development finance



Source: ODI and others (2015b). Revised by the author.

Looking ahead at the post-2015 era, in an analysis of the available sector studies, estimates indicate that incremental spending needs for achieving the Sustainable Development Goals annual investment in the lower-income countries and lower-middle-income countries to be at least \$1.3 trillion per year (table 1). A number of economies have graduated from the lower-income country status to the middle-income country status over the past 15 years. Due to their sustained economic growth, they have greater space for DRM, both public and private, to do the following: correct in-country inequality; promote capacity development for national statistics and data revolution; finance infrastructure development; and initiate South-South cooperation.

Further emergence of the global South-South development efforts to mobilize international resources now appears more likely. ODA from developed countries and domestic public resources will still be needed to accelerate economic growth and lift

Table 1. Incremental Sustainable Development Goals annual investment needs in the lower-income countries and lower-middle-income countries

(Average for 2015-2030 in \$ billions)

Investment area	"Development" investment needs	Incremental climate mitigation and adaptation investment needs	Total investment needs	Private, commercial financing	Private, commercial financing	Public financing
Health	68-87	1.0-1.4	69-89	0%	0	69-89
Education	194	0	194	0%	0	194
Social protection	?	?	?	?	?	?
Agriculture and food security	125	22	148	51%	76	72
Access to modern energy	265-289	55-57	321-347	49-50%	158-175	163-172
Access to electricity and clean cooking fuels	62-83	3-5	66-87	11-16%	7-14	59-73
Power infrastructure	203-207	52-53	255-259	59-62%	151-161	99-104
Access to water and sanitation	28	14-17	42-45	0-20%	0-9	36-42
Basic water supply and adequate sanitation	28	14-17	42-45	0-20%	0-9	36-42
Water and sanitation infrastructure	?	?	?	?	?	?
Telecommunications infrastructure	361	35	396	52-57%	205-228	169-192
Transport infrastructure	189	0	189	54-86%	102-163	26-87

Table 1. (continued)

(Average for 2015-2030 in \$ billions)

Investment area	"Development" investment needs	Incremental climate mitigation and adaptation investment needs	Total investment needs	Private, commercial financing	Private, commercial financing	Public financing
Ecosystems, including biodiversity	11-28	?	11-28	15%	2-4	9-24
Data for the Sustainable development Goals	0.5	0	0.5	0%	0	0.5
Emergency response and humanitarian work	8-23	?	8-23	0%	0	8-23
All Sustainable Development Goal investment areas	1 251-1 327	128-133	1 378-1 459	39-45%	543-654	805-836

Source: Schmidt-Traub (2015, p. 10).

people from extreme poverty, particularly in the lower-income countries. As countries move to the upper bracket of income per capita, however, they will be challenged with how to transfer key responsibilities for financing development from international public finance to domestic public finance.

It should be noted that while this report highlights the source side of development finance, it also includes discussions on using financial resources that have already been mobilized. ODI and others (2015a) also proposes an analytical framework by raising the following two key questions:

- (a) How can financial resources be effectively mobilized?
- (b) How should financial resources be channelled and how can they be combined with selected policies to enable a transformative 2030 agenda?

Then, it argues that appropriate national and international policies matter, for both sourcing and using development finance.

Table 2 provides a policy framework consisting of policy options at both national and international levels. Implementing domestic policies that are aimed at helping to increase the mobilization of funds and more efficiently use financial resources eventually leads to further DRM and a conducive global environment that attracts international private financial flows. As for the use of financial flows described above, there are two additional issues that need to be considered: (a) prioritization of policy targets based on cost-effectiveness; and (b) enhancement of the effectiveness of development finance. Nevertheless, the main focus of this report is on the source side at the national level.

Table 2. Key policy areas for financial flows

	Source	Use
National	✓ Regulatory framework	✓ National capacity development
	✓ Financial sector instruments	✓ Standards, transparency
	✓ Public sector capacity development, such as project preparation and tax collection	✓ Regulatory framework ✓ Policy coherence, such as trade policy
International	✓ Development finance institutions/special funds/new development banks	✓ Global rules/standards ✓ Donor coordination and development finance institutions
	✓ International policy environment (trade, tax, climate finance)	

Source: ODI and others (2015b). Revised by the author.

III. CASE STUDY ON TECHNICAL COOPERATION FOR DOMESTIC RESOURCE MOBILIZATION – TAX ADMINISTRATION IN MONGOLIA

Multilateral development banks stress that countries should take the lead in mobilizing and spending their domestic resources, but they admit that measures to improve DRM and public expenditures can vary across countries and that their implementation may be beset by political economic constraints. To address these challenges, they point out that the combination of technical assistance and increased financing for capacity-building can play a vital role in strengthening DRM and lead to more effective and efficient use of public expenditure (AfDB and others, 2015).

Domestic resource mobilization is also referred in the Sustainable Development Goals. Specifically, Goal 17.1 is “Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection.”²

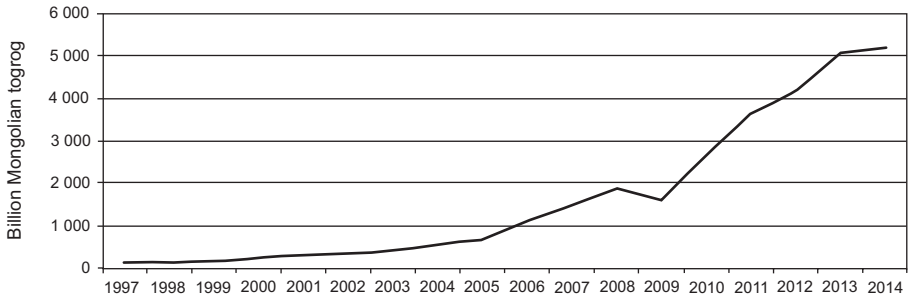
While multilateral development banks and IMF insist that they are in a position to support countries’ efforts to strengthen DRM, other providers of development cooperation may also play a vital role in supporting them. For example, the work of JICA of 20 years in providing technical support to develop capacity in the tax administration in Mongolia must also be considered. Based on the documents available at the Industrial Development and Public Policy Department, this section reviews the experience of JICA in Mongolia.

When Mongolia went from being a socialist regime to democratization in 1990, the country’s tax administration had been facing all kinds of problems, including, among them, putting in place an inadequate legal system, a malfunctioning organization, limited human resources and the lack of an environment for paying taxes. The absence of a modern tax collection system under the socialist regime resulted in a chronic revenue shortfall and fiscal deficit. As its transition to a market-oriented economy progressed, tax revenue in Mongolia increased more than 30 times from the initial level. Revenue growth since the mid-2000s has been substantial (figure 3).

Sales tax and value-added tax (VAT), corporate income tax and personal income tax comprise the major portion of tax revenue sources in Mongolia, accounting for 42.7 per cent of the revenue in 2013. Other revenue sources are social security contributions, excise taxes, customs duties and export taxes, and non-tax revenues. The revenue increase contributed to the fiscal surplus from fiscal year 2005 to fiscal

² See A/RES/70/1.

Figure 3. Trend in tax revenue in Mongolia

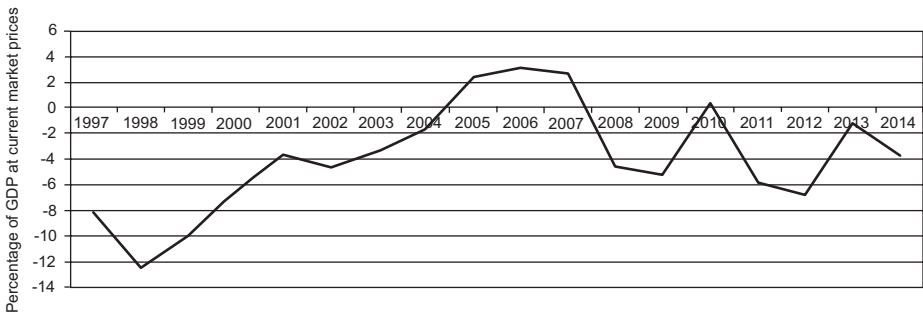


Source: ADB (2015).

year 2007 (figure 4). Since the economic liberalization in the early 1990s, Mongolia has been undergoing a major transition from being a livestock-based economy to one that is minerals-based. The mining boom, which started in 2003, helped to accelerate economic growth and hence brought the fiscal balance to a surplus in the next few years. However, the fiscal balance returned to a deficit because of market volatility in the commodities market in 2008 and 2009 and the subsequent economic crisis.

Despite these economic vulnerabilities and a poor fiscal performance, tax revenue has in general been growing at a sustainable rate. According the World Bank, “Mongolia’s has had a mixed performance in the predictability and control of budget execution. Good progress has been made in tax administration, particularly with regard to the transparency in taxpayer obligations, tax collections...” (World Bank, 2015, p. 11).

Figure 4. Trend in fiscal balance in Mongolia



Source: ADB (2015).

Figure 5. History of Japan International Cooperation Agency technical cooperation

Year	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	
Term	1				2	3	4	5	6				7				8							
Achievements					* The tax collection framework	* New tax laws and amended tax laws	* The Third Party Information system	* A structured tax training system					* Increasing number of registered taxpayers	* Capacity building of tax inspectors				Improved rate of tax payment by the due date						
Scheme	Research cooperation (LE), (SE), (Tr)				Development study and technical cooperation (SE)				Technical cooperation (SE), (Tr)				Training in Japan (Tr)				Technical cooperation (SE), (Tr)							
Inputs*																								
Objective	Preparation for cooperation				Problem analysis and institutional				Capacity development in each component															
	* (LE) Long-term experts, (SE) Short-term experts, (Tr) Training in Japan and/or third countries																							
Project title	<ul style="list-style-type: none"> * 1 Economic Reform and Development * 2 The Study on the Support for the Economic Transition and Development in Mongolia * 3 Tax Collection Enhancement * 4 Tax Collection Enhancement (extended) * 5 Study for Establishment of Tax Training System * 6 Enhancement of Tax Administration in Mongolia * 7 Capacity Building of Mongolia Tax Administrations Tax Inspectors * 8 Project for Enhancing Tax Collection Operation and International Tax Issue of Mongolia Tax Administration 																							

Source: Industrial Development and Public Policy Department, JICA, emailed to author, 9 October 2015.

The first phase: economic reform and development

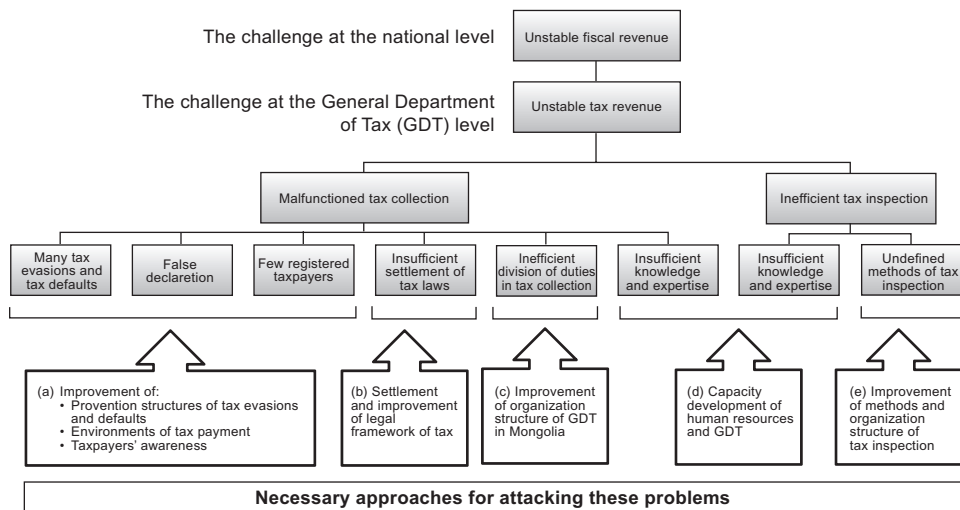
JICA initially engaged in technical cooperation from 1994 to 1997. During that period, it facilitated meetings between key officials of the National Development Board and Japanese researchers on economic reform and development. Research-oriented dialogues between those parties resulted in a proposal on the direction of the market-oriented reform, and the establishment of a joint study group to target capacity development for strengthening public expenditure management and revenue collection.

The second phase: problem analyses on the tax collection framework

Following the high-level dialogues, the Government of Mongolia and JICA agreed to develop a concrete economic reform programme and human resources development plan to enable more Mongolian technocrats to be in a position to play a leading role in the reform. The joint study began in 1998 between the Ministry of

Finance and JICA. During the course of the cooperation, they identified areas ripe for tax revenue enhancement and undertook a thorough review and problem analysis of the existing tax framework, including legislation, data collection systems and institutional arrangements (figure 6).

Figure 6. Identified issues and approaches



Source: Industrial Development and Public Policy Department, JICA, emailed to author, 9 October 2015.

The third phase: enactment/amendment of the tax laws

The third phase was implemented in 2000 as a follow-up of the previous phase, between the General Department of Taxation (GDT) and JICA. The second and third phases were important steps during which the study team listed a full range of issues to be tackled by Mongolia while working on more urgent organizational reform and institutional revision. Having reviewed all the tax laws of the country, GDT and JICA recommended the revision of the entire tax law system, which led to the enactment in the Diet session of 2001 on the establishment of a new property tax and special stamp duty, and the revision of laws on personal income tax, corporate income tax, VAT, windfall profit tax, and gasoline and diesel fuel tax, among others.

The fourth phase: information infrastructure for tax inspection

The improvement of the legal framework of taxation at the earlier stage of cooperation enabled the shift of the focus to the improvement of methodologies and

organizational structure of tax inspection. During the fourth phase of cooperation, which started in late 2001, the Government of Mongolia and JICA identified insufficient tax inspection practices as taxpayer information tended to remain at each individual inspector and the information useful for efficient tax inspection had not been shared with other organizations. To address this situation, the study team developed a third-party information system, aiming to do the following: ensure information-sharing among tax inspectors; use the information in tax audits; and improve the effectiveness of audits. Information from customs and other government organizations was matched with taxpayer information held by GDT for use in tax auditing. Soon after this was completed, the amount of tax collected increased dramatically, as the system was used to assess supplementary charges and interest penalties.

The fifth phase: staff training and curriculum development

With the development of the infrastructure required to expand the tax base, the focus area for technical cooperation has gradually shifted to human resources development of tax officials. Some inspectors had been conducting tax examinations and collecting taxes at the inspection sites based on their own interpretations; their practice had been undermining taxpayers' trust in the tax authority. To enable GDT to secure stable tax revenues on a permanent basis, the Government of Mongolia and JICA began to overhaul the training system for tax officials, including the development of curriculum and teaching materials. As a result of a two-year project that was implemented from 2003 to 2005, a new basic policy entitled "National tax inspector education programme and curriculum", was developed, and then approved by the Mongolian tax authority; a short-term programme of action for the period 2006-2008 was formulated; and teaching/learning materials for beginner, intermediate and advanced levels were developed by 2005.

The sixth phase: for quality tax administration

In August 2005, JICA launched a three-year full-fledged technical cooperation project consisting of three components to enhance the administration of the Mongolian tax authority: human resources development and training; tax collection (including taxation and tax audit); and taxpayer services. Under the project, distance learning programme modules for the tax officers stationed in remote areas were introduced, the work of tax auditors for fairer, more efficient and effective tax collection was reviewed and improved, an enhanced service package at a model service centre for taxpayers was launched and public relations with taxpayers was improved.

The seventh and eight phases: addressing emerging needs

Although tax revenue steadily increased and contributed to the fiscal surplus for three successive years, the stability of tax revenue remained intact in 2008. It was commonly recognized that there should be a mechanism to assure the sustainability of quality tax administration. Under these circumstances, the Government of Mongolia and JICA made it possible for Mongolian officials to compare their practices with those of their counterparts in Japan through a three-year technical training programme. The training was a short-term and once-in-a-year programme, but it still helped the participants to learn what needed to be done, namely organizational and institutional capacity development for avoiding tax delinquency and settling delinquent taxes. Additionally, of note, the transition to a minerals-based economy required that the tax authority gain a better understanding of international taxation associated with international mining firms. In response to these emerging needs, JICA launched

Table 3. Approaches adopted in each project phase: summary

Project phase	Approaches				
	(a) Improvement of: - Prevention structures - Environment of tax payment - Tax payers' awareness	(b) Settlement and improvement of legal framework of tax	(c) Improvement of organization structure of GDT in Mongolia	(d) Capacity development of human resources and GDT	(e) Improvement of methods and organization structure of tax inspection
Phase 1: Economic reform and development		○	○		
Phase 2: The study on the support for the economic transition and development in Mongolia		○	○	○	
Phase 3: Tax collection enhancement		◎	○	○	
Phase 4: Tax collection enhancement (extended)				○	◎
Phase 5: Study for establishment of tax training system	○			○	◎
Phase 6: Enhancement of tax administration in Mongolia	◎			◎	◎
Phase 7: Capacity-building of Mongolian tax administration's tax inspectors				◎	
Phase 8: Project for enhancing tax collection operation and international tax issues of Mongolian tax administration	○		○	◎	

Source: Industrial Development and Public Policy Department, JICA, emailed to author, 9 October 2015.

Note: ◎ – highly relevant; ○ – relevant.

a technical cooperation project in 2013 to enhance the tax collection operation of the Mongolian tax administration and help deal with international issues. This project is coming to an end. One of its notable results is the opening of the Tax Debt Call Centre in March 2016.

Table 3 contains a summary of phases and their areas of focus, as explained above.

IV. IMPLICATIONS FROM THE EXPERIENCE IN MONGOLIA

What are the key takeaways from the experience of JICA in Mongolia for promoting capacity development for DRM?

First, capacity development efforts require a long-term commitment from the global community. When JICA first agreed to provide technical cooperation for economic reform and development in Mongolia in the early 1990s, the concept of capacity development had yet to be fully recognized in the global community, and it had been less common for medium to long-term programmes to address a specific issue of a country. There are many issues to address and many actors to target, but specifically for this report, it was difficult to cover a single project implemented for a short period of time. With regard to capacity of particular individuals or organizations, it takes a longer time for the project counterparts to develop core managerial capacity to use their technical knowledge to deal with problems that may emerge in the future. While technical knowledge can be enhanced even through one workshop, training sessions or even by reports/manuals submitted by external consultants/experts, core capacity can be developed through a long trial-and-error process. Moreover, there is need for a wider perspective of looking at the enabling environment in which efforts of the counterpart organizations lead to positive outcomes and solutions to problems (JICA, 2008).

The time allotted for Mongolia to have enhanced capacity for tax administration could have been shortened if JICA had reviewed the issues more thoroughly at the initial stages. However, it should be noted that capacity development for DRM may take time. No matter how many development partners may be working on this specific agenda, there needs to be a mechanism to assure their long-term commitment. Traditional donors from the North are better equipped to deal with this issue as their country offices and country teams have a long accumulated knowledge base on the agenda.

Second, capacity development for DRM may call for the commitment of the global community in a more concerted manner. In the early 2000s, JICA conducted a thorough review of technical cooperation projects it had implemented around the

world and came to a conclusion that the concept of capacity development requires a change in its mindset of being inclined towards result management at the individual project level to being programme-based, combining different types of operations and projects to meet the national development goals and strategy (JICA, 2006). In retrospect, its experience with the Mongolian tax administration seems to have been in line with the conclusion. Of course, when the project was developed, there were no expectations that it would entail such a long-term engagement. If JICA had taken a comprehensive approach from the beginning based on the problem analysis set out during the second phase and if it had believed that addressing the capacity needs at all levels would be difficult for a single effort by JICA, there should have been collaboration with the efforts of other development partners. The comprehensiveness of the programme should also be reviewed periodically to see if it addresses the issues and approaches of all the stakeholders. During the seventh phase, the Mongolian tax authority and the JICA Mongolia Office contacted the Ministry of Education, Culture and Science as well as local media about the development and dissemination of a curriculum for tax education and awareness campaigns. These efforts contributed to the integration of the school curriculum and rallied public support for paying taxes. The objective of the multi-stakeholder framework of capacity development was to approach the “society” for a sustainable tax system in Mongolia. However, such a necessity was not identified at the initial problem analysis and seemed to have emerged at the later stages.

Third, capacity development enhancement must go hand-in-hand with strong country ownership. This reconfirms the key argument on aid effectiveness over the last decade and statements made by the Global Partnership for Effective Development Cooperation (GPEDC), which argued that the host country ownership could bring the country-specific contexts into the institution to be built and would lead to greater sustainability in capacity development. As for tax administration in Mongolia, high-level dialogues on problem analysis and institutional design at the initial stage of the project in the late 1990s helped to build a foundation for all the stakeholders. This prompted lawmakers to develop a strong interest in the progress of the programme. During the course of project implementation, JICA experts also respected the local efforts and tried to gradually reduce the Japanese presence so that their counterparts could play a leading role. These arrangements brought about a strong sense of ownership on the Mongolian side. Maki Hamaoka of the Foundation for Advanced Studies on International Development referred this during interviews with a few key officials of the tax authority:

[I]n addition to the proposal from the Japanese side we expressed our preference and opinions about things that were untenable in Mongolia. As a result, the program was implemented incorporating opinions from

both sides though we had heated discussions at times. We could move in the direction we intended. (Hamaoka, 2015, p.19)

Hamaoka also interviewed the JICA experts involved in the project. In the earlier years of cooperation, heated discussions occurred frequently, but the Japanese tried to consider the feelings of their counterparts to maintain mutual trust. These earlier efforts bore fruit later:

[W]e could make substantive technical transfer since around Phase 2 and the state became stable around Phase 3; ...in Phase 5, the counterpart could handle creation of teaching material for training and collection of cases for inspection alone without Japanese experts' presence in Mongolia. (Hamaoka, 2015, p. 20)

Similar to cases at the institution and organization level, capacity development at the individual level may take time. However, having completed the interviews with the key stakeholders, Hamaoka concluded that respect for the ownership from the earlier stages of the programme has guaranteed sustainability of the subsequent projects. During the absence of the JICA experts, the staff of the JICA country office maintained the dialogues. Sometimes they served as intermediaries for the Japanese expert group, and sometimes as primary counterparts on policy consultations with their Mongolian counterparts.

Last but not least, it should be noted that the focus of a quick-impact project should be on showing quick results, and then shift to the next measures to ensure long-term institutional sustainability. As mentioned above, after the problem analysis at the initial stage of the tax collection framework, the Government of Mongolia and JICA focused first on enacting new tax laws and amending the existing ones. The establishment of the legal framework drew the attention of the senior government officials. In that regard, Hamaoka wrote the following:

[S]teady improvement through cooperation in the area with a high degree of urgency enabled people on the counterpart to see the improvement effect, which further strengthened the ownership of the counterpart. We can also assume that such achievement will generate incentives and confidence in the field. (Hamaoka, 2015, p.19)

Quick-impact projects require a certain degree of selectiveness and resource concentration. As the track record of the Mongolia-Japan cooperation shows, thorough problem analysis at the initial stage was followed by the enactment/ amendment of the tax laws in the third phase, information infrastructure for tax inspection in the fourth phase, and staff training and curriculum development in the fifth phase. Following the full-fledged technical cooperation project in the sixth phase,

the focus shifted to individual capacity development of selected tax inspectors in the seventh phase, and then to the control of tax delinquency and institutionalization of international taxation in the eighth phase. The change in focus of the cooperation made it possible to concentrate on human resources of the two countries and then to be results-oriented.

V. CONCLUSION – TRANSITIONAL ROLE OF INTERNATIONAL COOPERATION

In the coming decades, emerging economies, the private sector, non-government organizations (NGOs), local governments, and academia and epistemic communities will play a more important role in efforts to achieve sustainable development. Development of information and communications technology (ICT) will scale up the efficiency of operations and policy implementation and deepen interactions among those actors at an unprecedented rate. Under such circumstances, the expected roles of ODA and international cooperation in the future could be defined as the follows:

- (a) It should support the provision of domestic public goods and services, especially among lower-income countries, in such sectors as education, health and basic infrastructure.
- (b) It should act as a catalyst in developing countries to encourage private resource mobilization by correcting market failure and ensure a conducive investment climate for FDIs, technological innovation, venture capital and social business by providing aid for investment in economic infrastructure, partial risk guarantees and facilitating knowledge-sharing.
- (c) It should supply international public goods to address global and regional issues by providing a platform for knowledge creation and sharing.

The ECDPM report also refers to the role of international public finance, arguing that it should be used in a more focused and catalytic manner, referring to tax capacity and vulnerable groups in the transformation as potential focus areas for development finance institutions. This is in line with the above argument on the role of ODA in general.

As highlighted in the case of Mongolia, international cooperation can also play a key role in lower-income countries and lower-middle-income countries to increase public revenues to move upward to the higher brackets of development stages. In Mongolia, under the strong country ownership, JICA implemented technical cooperation projects in a programmatic way. In this case, international public finance

was provided through technical cooperation. It facilitated capacity development aimed at enhancing the tax administration of the country.

Now that Mongolia has progressed to become a member of the upper-middle-income group of the World Bank country classification, the time may be ripe for the country and the rest of the world to consider the next step in its development path. While JICA is still supporting the Mongolian tax authority in addressing emerging issues, such as international taxation, it should also bear in mind that the measures applied could be widely shared with other lower-income countries and lower-middle-income countries that have dealt with similar bottlenecks in efforts aimed at DRM. This opportunity for mutual learning could also be facilitated by international public finance.

In response to strong demands from Member States, the United Nations specialized agencies and the multilateral development banks have been organizing knowledge-sharing workshops or establishing semi-permanent platforms for the early achievers to share their experience regionally or globally. Facilitation of South-South cooperation and triangular cooperation help countries overcome financing gaps with regard to development cooperation, limited experience in matching needs and resources, and complexity in institutional development without affecting the country ownership.

This is an aspect also highlighted in the Sustainable Development Goals as Goal 7.9, “Enhance international support for implementing effective and targeted capacity-building in developing countries to support national plans to implement all the Sustainable Development Goals, including through North-South, South-South and triangular cooperation.”³ In the context of promoting DRM, first, international cooperation should concentrate on capacity development for a particular country. The earlier efforts of the traditional donors from the North could facilitate the participation of emerging donors in a concerted manner. However, this could also mean that it should scale up the capacity development efforts by facilitating triangular cooperation to engage a number of countries for the promotion of DRM.

³ See A/RES/70/1.

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PARTICIPATION IN DEVELOPMENT: LEARNING FROM THE PAST AND PRESENT IN THE REPUBLIC OF KOREA

Yunjeong Yang*

The present study draws on two case studies, one on village dynamics during the 1970s rural community development movement in the Republic of Korea and the other on present day challenges and learning based on the experiences of a non-governmental organization from the Republic of Korea in implementing a community project together with local villagers in Cambodia. The study argues that the participatory approach, despite recent criticism and challenges associated with it, should remain the core mode of development cooperation because of its intrinsic and instrumental values in efforts to develop a sustainable community. Local leaders' accountability and leadership, as well as genuine partnerships, involving equitable sharing of power in decision-making among various stakeholders, including external donor agencies, are also underlined as crucial in engaging local people in their own development initiatives.

* Associate Professor, Department of International Development Studies, Graduate School of International and Area Studies, Hankuk University of Foreign Studies, Seoul (e-mail: yunyang@hufs.ac.kr). I thank all of the participants of the case studies for their sincere and honest sharing of their experiences, without which this work would not have been possible. The full versions of the two case studies presented here were published in early 2016 in two other academic journals, for which copyright to reuse in part was duly sought and gratefully granted. An earlier draft of this paper was presented at the second North-East Asia Development Cooperation Forum (NEADCF) in Tokyo on 31 October and 1 November 2015, which I attended with generous support from the Korea Association of International Development and Cooperation (KAIDEC) as chair of their International Cooperation Committee. An earlier draft of this paper benefited from helpful comments of Professor Lee Heejin. I am also grateful to the APDJ editorial board for its comments as well as its encouragement to publish this paper as part of the outcome of the Second NEADCF. Finally, this work was supported by a research fund from Hankuk University of Foreign Studies. A summarized version of this paper was first published in the Proceedings of the sixth International Conference, organized by the Consortium for Asian and African Studies (CAAS), which was held on 27 and 28 October 2015.

JEL classification: O20.

Keywords: Participatory approach, community development, development cooperation, partnership, Republic of Korea.

I. INTRODUCTION

“Sustainability” is now the key word in development. The Sustainable Development Goals have become the new global development discourse and will certainly be the core source of guidance for future development cooperation practices. Sustainability often has an environmental sense, but it should also encompass the social governance of development practices. Sustainability set the tone for the way of thinking and acting in development cooperation or partnerships. In the present paper, sustainability is addressed as an issue of governance and referred to with regard to the participatory approach. This is because, despite recent criticism of the participatory approach as being a “tyranny”, and the often debated challenges tied to (Cooke and Kothari, 2001; Cornwall and Brock, 2005; Mansuri and Rao, 2012; Rahman, 1995), the author is of the view that only truly genuine participation by the local population can render any development initiatives that are *sustainable* in the longer term (see also Hickey and Mohan, 2004; Lyons, Smuts and Stephens, 2001). Participatory governance is also included as part of the strategic means towards achieving the Sustainable Development Goals. Under Goal 16, the importance of “build[ing] effective, accountable and inclusive institutions” is underlined. Global partnerships among diverse stakeholders, including public, private and civil society, which is referred to in Goal 17 as strengthening the means of implementation for sustainable development, is the ultimate concern of this paper, which aims to suggest a key approach for its successful achievement, namely, community participation.

That said, the objective of this paper is to share examples from development (and cooperation) experiences involving the Republic of Korea, drawing on two case studies. The first study (case study I) is centred on earlier rural modernization experiences of the Republic of Korea, which occurred during the 1970s. By contrasting two villages’ within-village governance styles, the importance of a community-driven development approach in transforming an underdeveloped village to a modern village in a sustainable manner is stressed. The second study (case study II) draws on current development cooperation practices of the Republic of Korea, with an example of a non-governmental organization (NGO) from the Republic of Korea working with a village in Cambodia, and demonstrates the challenges experienced in getting the villagers to participate in the process. Both case studies are based on a triangular methodology involving document and archive (for case study I) analysis and the author’s field visits to conduct interviews with key persons concerned

during 2014-2015.¹ The current study, being a synthesis of the two case studies, by learning from both past and the present, is expected to reaffirm the value of and need for a participatory approach for sustainability.

Before the two case studies are presented, existing literature on participatory development is reviewed in the next section. Sections III and IV contain presentations of the two case studies, respectively, to be followed by the synthesis of the main findings and the conclusion.

II. PARTICIPATION AND POWER

Participation, perceived as having an intrinsic and instrumental value, is now commonly understood as an essential component in any development process – at least in the Western development discourse (Bhatnagar and Williams, 1992; Chambers, 2005; Cornwall, 2011; Hickey and Mohan, 2004; Mansuri and Rao, 2004; 2012; Mohan and Stokke, 2000; VeneKlasen and Miller, 2002). The essence of a participatory approach is to recognize that people whose lives are to be changed by development interventions should have a say in what these changes are to be, and how they will take place. A simple presence in a village development committee (VDC) and serving as a rubber stamp, for instance, would not change existing power dynamics within and outside the community, and risks engagement being “tokenistic” rather than involving genuine “participation”.

Diverse views and forms of participation are reflected in different definitions and “ladders” of participation² (such as Arnstein, 1969; Bhatnagar and Williams, 1992; Choguill, 1996; VeneKlasen and Miller, 2002; Wilcox, 1994). Although ladders are often useful when seeking to put participation into practice, Chambers (2005, p. 105) warns of the risk because “higher on a ladder (that is, being more participatory) is not

¹ Key informants for the case study I include former and incumbent *Rijangs* (village chiefs) and some key village development committee (VDC) members of the 1970s in the two respective villages (see appendix I). Questions addressed include those relating to selection processes of village leaders and VDC members, decision-making processes and participatory aspects, and subjective assessment of the *Saemaul Undong*. Interviews for case study II involved the representative of the concerned Siem Reap office of the NGO concerned and general managers of both the Seoul and Siem Reap offices. In-depth qualitative interviews were generally open-ended with regard to meanings and challenges of participation by local villagers in their two projects under examination (see appendix II). The full description of the methods as well as detailed analyses of the two case studies presented here as extracts are available in recent publications by the author (see Yang, 2016 a; 2016 b).

² Participation has types and degrees, often expressed as ladders, such as *information-sharing* → *consultation* → *decision-making* → *initiating action* (Bhatnagar and Williams (1992) suggested this description for the World Bank, as cited in Chambers (2005, p. 104)).

necessarily better”; while “equity is important (who gains and who loses)” – as much as, or perhaps even more than, simply how many participate.

Meanwhile, the development studies literature has often separated leaders or elites on the one hand (emphasizing their roles and impacts on a society and its development), and (mostly) poor and vulnerable people on the other hand (underlining the importance of engaging the poor and vulnerable in the development process). The key issues and challenges discussed in the literature on elites are to avoid “elite capture” by “greedy” elites and instead, to engage “benevolent” elites and fully exploit their social capital (Dasgupta and Beard, 2007; Fritzen, 2007; Platteau, 2004; Platteau and Abraham, 2002; Wong, 2012). The engagement of non-elites (ordinary people in general), and of the poor and vulnerable, in particular, in the development process is what is referred to as the “participatory approach”. Community empowerment is often considered a “counter-elite” approach (Dasgupta and Beard, 2007), and elites and other (poor) people’s power relations are, as such, often juxtaposed as constituting a zero-sum game.

People’s participation and elites’ roles, however, are not necessarily two separate things. It is often forgotten that the importance of different stakeholders at different stages of development may differ. As Chambers (2005, p. 95) underlines, major tasks and policies in the first stage of development should be “finding and using leaders who will help to get development moving”; Chambers also states that “leaders are still important” even in later stages, during which ordinary people are to participate genuinely in their development processes. Elites, usually being “a distinct group in a society which enjoys privileged status and exercises decisive control over the organization of society”, have the power to allocate and create resources, to exert political influence and to design institutions. In turn, they can either “promote participation and information flow, or ...simply cement the position of a particular group within the governance structure” (DiCaprio, 2012, pp. 5-6; see also Amsden and DiCaprio, 2012). In that sense, it can be argued that participatory development requires and depends on a certain nature of leadership and governance, and that this is a matter of “power” and “equity” (see also Gaventa, 2006).

Power, which is an issue within a community, can also be an issue among stakeholders, including, for example, external donor agencies. Participation has become a “tyranny” (Cooke and Kothari, 2001), often imposed as “an act of faith” (Cleaver, 2001, p. 36), mostly by white interventionists. However, the superior attitudes of Asian donors are not necessarily very different. When participation becomes an “external concern” (Mosse, 2001), the potential of development in terms of long-term sustainability is easily lost. This is why power and agency remain such pervasive themes (Cornwall, 2004; Gaventa, 2004; Hildyard and others, 2001; Kelly,

2004; Kothari, 2001; Williams, 2004). Having noted this, the main subject of observation and examination of the case studies presented here is the nature of participation, as well as that of local leadership (case study I) and external intervention (case study II), both of which must play an important role in determining the nature of participation by their *power* relations with the local community concerned.

III. CASE STUDY I: TWO “SELF-RELIANT” VILLAGES DURING THE RURAL MODERNIZATION MOVEMENT SAEMAUL UNDONG IN THE REPUBLIC OF KOREA IN THE 1970s³

*Saemaul Undong*⁴ was a nationwide campaign for rural modernization that was implemented in the Republic of Korea during the 1970s. It was originally designed to make rural villages more cooperative, more productive and more modern. Having been initiated by the late President Park Chung Hee, *Saemaul Undong* is often defined as a “planned, government-led, and top-down movement for social change” (Kim, 1981, p. 2; see also MOHA, 1980; Park, 1974; Park, 1998; Whang, 1981). With a strong will and leadership from the very top of the administration, the Government offered extensive interministerial and top-down support to the local government, including technical and local leadership training. The Government categorized villages into three categories, namely, *basic*, *self-help*, and *self-reliant*, according to a set criteria. More recent research finds that local leaders (then called *Saemaul Leaders*, officially acknowledged by the Government) deserve credit for successfully obtaining their fellow villagers’ participation in the campaign (Han, 2010; Kim, 2009; Lee, 2013; Yang, 2015; Yoon, 2011). However, issues regarding the massive number of people who participated, and the nature and purpose of that participation – and consequently, its sustainability – remain subject to debate (see, for example, Han, 2004; Hwang, 2006; Hwang, 2011; Moore, 1985).

When asked how the *Saemaul Undong* was understood, most of the then local participant-interviewees mentioned villagers’ free labour and mobilization for most so-called *Saemaul* projects, which were mainly of three types: (a) changing individual household living spaces, including roofs, walls, kitchens, and toilets, into more

³ This section is derived in part from an article published in *Community Development Journal*, published online: 11 July 2016, doi:10.1093/cdj/bsw023 (copyright Oxford University Press) (see Yang, 2016b).

⁴ *Saemaul Undong* can be literally translated as “new village movement”.

modern styles; (b) improving village infrastructure, such as roads, farm feeder roads, bridges and village halls; and (c) conducting various income-earning activities, including collecting grass and weeds and turning them into humus to be used to increase the output of agricultural products (mainly rice). Nevertheless, this does not mean that every village responded proactively to this Government “call” to modernize the rural area, or that, as a consequence, *Saemaul Undong* succeeded to upgrade its quality of living in a sustainable manner. A new and surprising finding from the present study is that self-assessment among participants of a village officially classified as “successful”, which was promoted as one of the “model *Saemaul* villages”, suggests that participants are in fact very negative about the long-term impact of *Saemaul Undong* (particularly in terms of income-earning projects).

This study suggests that a true measure of success is more closely related to the nature of local governance, rather than *Saemaul Undong* per se. In the next section, this is explained by discussing the local leadership accountability and the nature of participation explored as key success factors. The focus was on two villages, which were selected among the “best performers” because: they were categorized as *self-reliant*; reasonable data about them were available from the database; and their locations were convenient for fieldwork (see appendix I for the summary of the case study villages and interviewees).

Accountable local leadership, power changes and participatory governance

Leaders of the two villages are recorded as having held the leadership position for at least 16 years. The main difference between the two, however, is that Village A's leader Kim, reported himself to be the *Saemaul Leader* and remained in that position throughout the period, while Village B's leader Jeon, was *elected* by villagers at a village congress and served for a certain fixed period several times. According to Jeon, this was “mainly because no one else volunteered to come forward to work as leader” (in between those terms when he did not serve, a few other persons served for short terms). In summary, Village A was under the “quasi-dictatorial” leadership of Kim while Village B was run in a democratic way.

This difference between the two villages was related to the root governance style of the villages concerned: the leader of Village A, Kim, was the son of a *Rijang* of an older generation, and was discharged from the army as a disabled veteran in the era in which military personnel were in charge of the government (the Park Chung Hee regime). His family had close connections with the then high-ranking officials and benefited from substantial support from the government throughout the 1970s (revealed during an interview with Jeong). Once appointed as *Saemaul Leader* of a “showcase village”, Mr. Kim selected key figures to work with him under his

leadership throughout the 1970s. Both interviewees, Kim(a) and Jeong, were persuaded to work for the village by leader Kim.

Jeong acknowledges that due to the leadership of Kim, the village has seen notable changes and life has become much more convenient. Nonetheless, when asked about the order of the names on a memorial stone erected in 1983 in front of the village hall in commemoration of contributors to the *Saemaul Undong* of the 1970s, Jeong firmly stated: "I don't want to comment on that. You will understand why [as you heard of the inter-clan conflicts]." Apparently, Jeong was not happy to see his name written beneath that of the two Kims, the powerful clans in the village over a number of generations. It transpires that the *Saemaul Leader* of Village A and the key leadership, comprising four other persons, held the key positions within VDC throughout the 1970s, if not the entire period for which data were available. In summary, in Village A, a limited number of persons, mainly selected by the former *Saemaul Leader* Kim, held the position for more than a decade. At the same time, existing power relations appear to have been maintained until very recently. In other words, truly *transformative* power changes did not occur in Village A.

In contrast, Village B's leader Jeon was the very first village chief elected by vote at the village congress – at the time of the election, he was serving as the first assistant chief of the village's five subregions, supporting the *Rijang*.

I was young [late 20s] and no one was behind me [as a sponsor or so]. Sincerity was all I had. I've never been in arguments with anyone in the village. Maybe that's why they've come to listen and support me at last. ...As you see, most of the VDC members were about my father's age. *Under* them, I served as a leader. (Interview with Jeon, emphasis added)

Interestingly, Jeon used the words "under" rather than "with", which may show his humble character, but it certainly demonstrates that he was not in a dictatorial position similar to that of leader Kim in Village A. Jeon, a son of an immigrant family from another village, began serving as the first assistant chief in the late 1960s, and after four years he became the very first *Rijang* to be elected by fellow villagers, in the village congress in 1972. Jeon said that he found that the only explanation for his victory was his sincerity, which led to his being assessed as an "appropriate serviceman for the village". The term "serviceman", rather than "leader", for the leadership position, which was used both by the leader himself and also by his fellow villagers, was definitely different from what was discovered in Village A, where the *Leader* was literally the head and director, and had noticeable power.

In summary, the nature of leadership and its accountability differed between the two villages: Village B had proper competition and an election to elect a representative of the village democratically; VDC members were representatives who were elected based on recommendations among villager-residents living in respective subregions; and the village congress was an arena from which any decisions made based on discussions among these VDC members, along with a *Rijang* and a *Saemaul Leader*, would be approved formally. In contrast, Village A had a strong *Saemaul Leader* who mostly selected his VDC members and initiated most projects, with village congresses mainly serving as a stamp of approval to implement those projects.

Indeed, various income-earning projects were implemented in Village A, including pork and cattle farming, nurseries of various fruit trees, and ginseng production, most of which were possible through several grants that the village received for being an “exemplary” or “success model” village – a status for which it was nominated almost every year at the National *Saemaul* Congress. According to the archival data, Village A was a “success”. The villagers’ assessment, however, was not as generous as the view suggested by the archival records:

None of them [*Saemaul* projects] in fact can be called a success.
(Interview with Kim, b)

Villagers did tremendous work, indeed, but it was not popular, to be honest. We did various projects. Lots of them... [However] we didn’t earn much *income* out of them, but we only had *performances*. (Interview with Cho, emphasis added)

The last sentence quoted above sounds paradoxical but the apparent paradox can be explained by reference to the (non-)participatory approach: the real performance of earning projects was considered less important than the transformation of the village’s appearance into that of a model village. This transformation involved changing the living environment, for example, by modernizing roofs, kitchens and infrastructure, such as roads and bridges. This was the first stage of *Saemaul Undong*. While admitting the importance of this kind of transformation for improving living standards, its limitation as a means of sustainable rural development should nevertheless be acknowledged. When these things happen in a top-down manner, the impact can be even less long-lived. The interviewees of Village A acknowledged that the public officials did not show any particular interest in seriously verifying the actual performance of their publicly financed projects, as in the villagers’ words, “they knew that the projects would fail. How on earth can we expect any good results, coming to see just with a few months’ notice?” The village was going to get

the funding anyway and the impact of the projects did not last for long, as the villagers admitted.

In contrast, people in Village B were confident of having achieved the self-made target of a “high-income-earning village”, a slogan coined in the early 1970s. Until today, Village B is known for its good-quality greenhouse lettuce. One particularity associated with Village B is the villagers’ explicitly distinctive description of their success resulting from “a grassroots movement for rural community development”, rather than from the government-led, top-down campaign, *Saemaul Undong*.

I was just one step ahead in the rural community development movement, rather than *Saemaul Undong* [smiles]. (What’s the difference?) *Saemaul Undong* was led by the government while rural community development was something that we, a few village people with leadership, initiated voluntarily, without asking for power on the side of government. That could be the core difference. ...We began by a village credit union, *purely community-driven*. (Interview with Min, Village B, emphasis in original)

Both interviewees from Village B mentioned the contribution made by a then young (late 20s) missionary who served in the village for ten years from 1959 onwards in emphasizing the importance of saving, which eventually led to the village’s credit union. This missionary also helped the villagers to learn how to grow greenhouse lettuce through a Christian institution for educating rural people, and, in turn, how to produce products during off-farming seasons. This eventually led to the coining of the village’s slogan. Although *Saemaul Undong* started a few years later and villagers were, therefore, able to benefit from public support, in the form of loans at low rates of interest, under the name of income-earning *Saemaul* projects, both activities, in fact, had been initiated by the village. Min, one of the interviewees from the village and founding president of the village’s credit union, while acknowledging the missionary’s devotion and contribution, emphasized that “who in fact organized and implemented the actual activities was *us* [village people].”

In summary, *Saemaul Undong*, literally translated as “new village development”, as assessed strictly from the example of Village B, was not a national initiative established by the top, but rather a drive that started from and depended on a few villages’ exemplary initiatives, beginning in the 1960s, to make their villages a better living place. Additionally, in Village B the power conflict among clans was not particularly noticeable, in contrast to Village A. This partly contributed to making power changes possible, as Jeon, the son of an immigrant family and less wealthy and less educated than the other candidate, was able to become *Rijang* and served

the village in that position for many years. In summary, this genuine grassroots community development was *transformative* and served as the true engine of the village's long-term success.⁵

IV. CASE STUDY II: LOTUSWORLD, A NON-GOVERNMENTAL ORGANIZATION FROM THE REPUBLIC OF KOREA AS A PARTNER IN CAMBODIA IN THE 2010s⁶

The second case study is drawn from recent experiences of LotusWorld (hereafter LW), a development NGO from the Republic of Korea specializing in childcare and education that has worked in Siem Reap, Cambodia since 2006. The study is mainly about continuity and changes between the two recent LW projects (summarized in appendix II) although the reflections from the interviews conducted go beyond these two particular projects. One project is an education project in Puok district, which was implemented in 2012, covering two villages and the neighbouring area of the LW centre (Project A) and the other one is the Phnom Krom village development project, which has been ongoing since 2013 (Project B). During October 2014, the author visited the LW Siem Reap office, as well as the village that LW has been working with since 2013, and conducted interviews with the head and representative of the LW Siem Reap Childcare and Education Center, the general manager of the Siem Reap office, the manager and volunteer from the Republic of Korea at the village site, and a focus group made up of VDC members. The author also visited and interviewed the general manager of the LW head office in Seoul before doing the fieldwork.

At the beginning of each interview, both the general managers in Seoul and in the Siem Reap offices quickly acknowledged that Project A was a failure, not only regarding its own set goals, but particularly in terms of the participatory approach. The project started without solid pre-planning, let alone a rigorous assessment of the village's needs, partly because the project was decided by a top-down approach, but

⁵ Unlike Village A, where old farmers (including interviewees and *Saemaul* participants) live mainly on subsistence farming (from *Rijang* Cho's account), the majority of villagers in Village B were still engaged in the greenhouse lettuce production at the time of author's visit and consequently, the village secured its position within the top deciles of high-income-earning villages from sales of the local products until today (Statistics Korea, Agriculture, Forestry, and Fishery Survey 2009. Available from <http://kostat.go.kr/portal/eng/pressReleases/2/4/index.board?bmode=read&bSeq=&aSeq=272271&pageNo=1&rowNum=10&navCount=10&currPg=&sTarget=title&sTxt=> (accessed 26 February 2016).

⁶ This section is derived in part from an article published in *Development in Practice*, reprinted by permission of the publisher (copyright Taylor & Francis Ltd, www.tandfonline.com). Available from: <http://dx.doi.org/10.1080/09614524.2016.1210086> (see Yang, 2016a).

also because LW lacked the capacity to act as an implementing organization for a participatory approach, as the interviewees admitted. The interviewees argued, however, that the failure of Project A taught them many things, and that, as a result of the learning from this failure, along with different external factors, such as a more flexible donor organization sponsoring their activities, they were seeing “changes”, albeit slow, and were expecting a more positive outcome from Project B.

Pre-planning rarely implemented with a participatory approach

Pre-planning based on a participatory approach is a critical factor that can lead to the successful implementation of any project. Early in the research, however, it became obvious that one of the main problems faced by LW during the implementation of Project A was the low level of interest of local people in the project’s activities. The interviews and the review of the project documents suggest that the lack of a needs assessment involving villagers’ participation may have derailed Project A from the start. The general manager of the Siem Reap office mentioned that “villagers were only interested in either agriculture or profit-making projects. No interest in education.”

This appears to be one of the limitations of “doing business as usual” – one of the activities of LW was to focus on the care and education of children. Not only was the target population *not* decided upon based on prior consultation with the targeted village, but the education curriculum was also initiated by LW with no rigorous needs assessment or villagers’ involvement. While the general manager made the excuse that he had been in contact with village people ever since LW had been stationed in Siem Reap, the local office never received proper training on how to undertake a needs assessment or conduct participatory processes. In addition, it was never specified who were to be categorized as “vulnerable people” under the Education for Vulnerable People in Siem Reap project. The stated purpose of the project makes clear that the main target should be “women”, but at the same time emphasizes the needs to educate vulnerable “children”. At the actual implementation, every adult aged between 15 and 45 years, as well as children of primary school ages, were to participate and benefit from the programme. In summary, LW appears to have acted as an executor, considering the village as a “subject” or “recipient” to help and a “target” to change, rather than as a “partner” to work with.

Why did all these wrong steps happen? Could this have been avoided? If not, how can this be prevented in the future? The discussion in the section below makes an attempt to find answers to these questions. An argument is made that what matters the most is, as demonstrated in case study I above, the ownership and genuine participation of local people.

Perception of values: intrinsic or external?

We not only studied [read books], it [what we learned from classes] was also practical. (A resident-participant replying to the open-ended question “Have there been any changes in your life since the programme?” in an assessment questionnaire.)

In an assessment survey for Project A with a selected sample of 30 persons out of 132 adult participants, about one third of the respondents termed the programme “unsatisfactory”. The quotation above makes clear what the residents in fact wanted – that is, something that would be “practical”. The class that received the highest satisfaction rate was agriculture, while literacy and language courses did not appear to attract participants. In terms of participation in the programme, LW admitted that it was hard to induce a high participation rate among adult residents, particularly at the beginning. The initial number of participants targeted was 320 (80 from each town and village for the first and second half periods), but the actual registration was 213 persons (about 67 per cent of the target) and the participation rate from the village was very low, with only 21 participants for the first period. Dissatisfaction was even greater with the Khmer class, which recorded the lowest participation rate.

Why did this happen? The main reason is because from the pre-planning stage, village (and town) residents were not considered as a main “partner” with whom the content of the offered programme should be discussed. The general manager admitted that to start with he wanted to focus on one village for the project but by consulting with the director of education department of the district, and *not with the village people themselves*, about which types of education programmes might be helpful for the region, the target area had expanded to cover a town in addition to a village within the district (obviously, the director would have wanted the programme to produce visible effects, rather than the limited and probably unnoticeable effects from a small village). The completion rate was even worse for the first half period, with only about 29 per cent of the 213 registered participants completing (attendance of 70 per cent or above for the period). Only by the second half period did the participation among rural people increase (from 26.3 per cent to 35 per cent),⁷ and the completion rate reached 100 per cent.

Then, how did this later improvement occur? A couple of explanations can be offered. The classes were originally planned every day for three hours, regardless of the season and farming schedule. Participation during the dry and busy season (in the

⁷ Meanwhile, the number of female participants in the town dropped from 65 to 43. To understand this phenomenon requires further in-depth study involving a survey or an interview with women in the town. This, however, does not affect the overall findings and conclusion of the study.

first half period) was low, which is not surprising when one takes the agricultural context into consideration. Then in the second half period, LW came up with various incentives and support mechanisms to boost the participation rate. First, there was encouragement from the Buddhist temple in the region.⁸ The participation rate noticeably increased from the upper 60s to above 90 per cent, after a meeting with people at a temple led by a head monk in the region. Second, organized transportation support was provided during the rainy season and a practical livestock model regarding how to raise piglets attracted participants. This illustrates that the programme was beginning to respond to local people's concerns.

From this, it can be interpreted that residents and potential participants had not seen the programme as something meaningful and helpful for their life but rather as something that had been initiated and imposed by an *external* NGO from one of many donor countries present in the region. In addition, only after the monk's preaching about and his official support for the programme,⁹ and their participation in it, they came to the conclusion that the project could help their real everyday life, did resident-participants begin to recognize it as their *own*. Thus, participation finally began to rise in the second half period.

The general manager of the LW Siem Reap office repeated that LW needed "time" to build trust, and constant "little jabs" to "bring" about changes, but that a participatory approach would perhaps involve getting to know and cater to village people's "wants" (intrinsic values), not what external donors want to "bring" (external values). Indeed, the general manager was of the understanding that the success of a community development project requires "people participation" and this, in turn, requires a "long-term relationship" that allows trust and empathy to be built between the involved parties. While he said "time", this can be read as "ownership".

For Project B, LW decided to focus on one village only and to more actively engage the villagers by using the existing VDC headed by the village chief and consisting of 14 other Krom (commune) chiefs. While the monitoring report of Project B highlighted "villagers' low participation"¹⁰ in every key adult literacy and income generation project, and thus did not offer a much brighter picture than that for Project A, unofficial assessments in the field (from interviews) were rather positive.

⁸ Almost 97 per cent of the population of Cambodia is Buddhist and Buddhist monks are highly respected in the region.

⁹ This invites us to consider the usefulness of involving local leadership and offering capacity-building training, if necessary, at the beginning of any project with a participatory approach.

¹⁰ The annual participation rate for literacy classes was as low as 53 per cent and agricultural training was delivered late due to low participation – even later on only 17 persons participated while livestock training was cancelled completely (LotusWorld, 2014).

Although slowly, subtle changes were being witnessed and, chances for success were being sensed – for instance, local people would voluntarily report where maintenance repairs were required, whereas earlier no one would care or at least report it. People would stay longer during VDC meetings and the like, and would request nothing in return for their participation.

At the centre of these positive assessments, LW perceived that the village had begun to trust and cooperate with the external NGO. It is worth noting, however, that the approach of LW to the project and the village also changed, which may have contributed to the increase in collaboration. For example, LW waited for VDC to decide what the self-help work would produce. At the time of the interviews, LW was planning to host a contest in the village in which the best suggestion would win a prize, as a way of increasing participation and ownership. Although it is not clear who would decide the winner, this demonstrates a shift in the vision of LW.

Unless villagers participate, we're not going to decide what to produce. It's because it shouldn't be decided by *us*. It should be done what *they* [villagers] can and want to make... [The contest] should give a lot on their mind. They will think 'what can we do?', 'we're going to try this or that way', and the like. (Interview with general manager of the LW Siem Reap office, *emphasis in original*)

This quotation contrasts with the earlier perception with regard to the role of the village. The quote given below indicates that ownership of the programme for Project A was to be with LW, *not with* the village and people.

There is a village committee, yes. We had thought about using it but, for *our* concept, for the education programme *we* were to offer, the existing committee was not going to be of any help. And *they* did not want it, either. ...Their interests were more about agriculture or making profits. No interest in education [literacy and languages] and, indeed, no active participation when we asked. (Interview with general manager, *emphasis added*)

At the beginning of Project A, the concept of LW towards education was considered more important than the villagers' needs and interest and, thus, its understanding of the needs of literacy education outweighed the villagers' need for agricultural training and training in other areas. However, in Project B, LW works with the existing VDC and is much more open to local people's choices, and as a result, is seeing more potential in terms of positive outcomes and, probably, sustainable impacts.

V. SYNTHESIS OF THE FINDINGS

“Learning from the previous failure [of Project A]”, both the general manager and the staff interviewed at the LW Project B field location in the second case study expressed their confidence in changes that were observed. They said that the changes were being felt as a result of the “improved attitudes” of village people. To the researcher, however, the changes were mainly due to a different approach by LW in its encounters with village people. This goes back to what is meant by “participation”.

Participation as freedom is not only the right to participate effectively in a given space, but the right to define and to shape that space. ...we must explore in examining the spaces for participation is to ask how they were created, and with whose interests and what terms of engagement. (Gaventa, 2006, p. 26)

If local people are invited to a “space of participation” but find that major decisions have already been made by external agents – for example, international development NGOs, such as LW – it may be the case that local people are only being invited for the purposes of co-optation, to serve external goals.

The fact that LW is attempting to disengage itself from being a main engine and executor of development projects and instead, to intentionally make room and space for the village and local people to come up with their own ideas and plans, is encouraging. This is possible only when LW views a village and local people as partners, who they can work with, rather than as beneficiaries, whom they consider require unilateral help. LW is also trying to employ more local staff so that the LW Siem Reap office will gradually be run increasingly by local people, and eventually only by local people. This, in fact, is an optimal picture of any international development cooperation effort – to help initially but eventually to ensure the village is *self-reliant*.

The first case study also concerned “space” for participation, as well as the *internal* power dynamics, of two villages classified as *self-reliant* (highly ranked) during the particular era of the rural community development movement in the Republic of Korea, which took place in the 1970s. It turns out that the gap in the actual performance between the two villages was mainly due to the different nature and type of village governance in each case, which was closely related to the leadership of the village and the accountability of that group. Only when people participate voluntarily and willingly, power relations can become more equitable, allowing participatory development to result in sustainable results. In summary,

sustainable community development can be achieved when accountable leadership works with bottom-up village participation.

The results and impact can be expected to be sustained over a longer term, only “if people participate by taking initiatives independently of external institutions to change systems, ...and develop contacts with external institutions for resources and technical advice they need, but retain control over how resources are used” (Pretty, 1995, p. 1252). Pretty (1995) describes the nature of this form of participation as being “self-mobilization”. Mansuri and Rao (2012) also draw attention to the difference between “induced” and “organic” participation. Induced participation refers to participation that is promoted and stimulated by external actors, of “powerful institutions”, such as governments or development agencies, while organic participation arises endogenously within a community, “by intrinsically motivated local actors”, such as highly motivated leaders who successfully mobilize their local community members to take actions towards the changes. It can be argued in this study that sustainable community development is possible only through this “self-mobilizing”, or “organic” community participation, while a “top-down” invitation to a “space”, or “induced” participation, may bring in short-term results, but only as long as interests and support from the “top” continue, resulting in eventual failure when they stop. The key lesson from both case studies is that it is how development projects are managed – that is, whether or not they are carried out in a participatory manner, engaging the local people in any important decision-making processes – that triggers and allows genuine participation by people. Transformative power relations turn out to be a meaningful factor from both case studies.

VI. CONCLUSION

Local participation does not work when it is merely the ad hoc, myopically directed, creation of a project. It works when it has teeth, when it builds on organic movements, when it is facilitated by a responsive centre, when it is adequately and sustainably funded, and when interventions are conditioned by a culture of learning by doing. (Mansuri and Rao, 2012, pp. 23-24)

The message from the current study is clear: community participation should continue to be a core value of development cooperation efforts, particularly within the new discourse and practice of sustainability. On the one hand, the Republic of Korea could learn from its own past experiences – what works and what does not work.

Developing countries that wish to learn from the Miracle on the Han River¹¹ should actively seek, and also be selective on, what is worth learning and what is not. On the other hand, the Republic of Korea, as an emerging donor country, which is sending an increasing number of NGOs to work with various development partners, should also pay more attention to the way those NGOs work in and *with* local communities.

¹¹ It refers to the rapid economic growth in Republic of Korea, which was achieved within just a few decades in the late twentieth century. Han is the name of the river which runs across Seoul, the capital city.

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APPENDIX I

Summary of the villages and interviewees (case study I)

	Village A	Village B
Size	46 households, 284 persons (1973) 46 households, 276 persons (1977)	80 households, 504 persons (1970) 89 households, 505 persons (1976)
Year classified as a "self-reliant" village	1973	1977
<i>Saemaul</i> income-earning projects	Forest nurseries, pig farming (1973) Cow farming (1977) Ginseng production (1978-1979)	Greenhouse lettuce production (since 1968)
How it started	Pinpointed as a "showcase <i>Saemaul</i> village" by the then-head of province, who was impressed by its unique appearance of mostly tiled-roof houses	A young missionary's rural enlightenment movement in collaboration with the village's young folks to save and to grow greenhouse lettuce to make extra income during winter
Village chief (<i>Rijang</i>) and/or <i>Saemaul</i> Undong leader	Kim J. (aged late 30s in late 1960s)	Jeon (aged 27 years in 1973)
Leadership accountability and nature	Son of earlier village chief; collected VDC members himself; quasi-dictatorial	Son of an immigrant family (grandfather having been chief of another village); elected by majority vote at a village congress after having worked as assistant chief of one of 5 village subgroups for 4 years; worked along with other elected VDC members
Earlier village dynamics	Long history of conflicts between two Kim clans (the leader being a member of the two clans)	Strong self-help focus, initiated and supported by an external missionary, participatory
Current villagers' evaluation	Failure: "no income, but only performances"	Achieved the self-made slogan of "high-income village"
Interviewees (age in 1972)	Kim, a (40), <i>Rijang</i> in the mid-1970s Kim, b (35), assistant chief throughout 1970s Jeong (43), <i>Rijang</i> in the late 1970s Cho (19), incumbent <i>Rijang</i>	Jeon (26), former <i>Samaeul</i> Leader and incumbent <i>Rijang</i> Min (31), Founding President of Village B's Credit Union

APPENDIX II

Summary of LotusWorld Siem Reap projects under examination (case study II)

Project A		Project B	
Education support for the vulnerable people 2012		Village capacity-building for self-reliance 2013(~15) (2 nd stage of 'Village B' plan)	
Sponsored by	A granting agency	A local government and an incorporated association	
Target region	A town, a village, LW neighbourhood	Village B	
Target beneficiaries	"Vulnerable people" – 320 adults (15-45 years) – 270 children (primary school ages)	The village as a whole (537 households)	
Offered programmes	Adult literacy (Khmer; English; Korean) and other practical classes (health; agricultural techniques) Elementary education: languages (Khmer; English; Korean), math, social studies; later arts added	School capacity enhancement Literacy education and income generation Village infrastructure maintenance	
Assessments (adult programmes)	Completed/registered/target participants – 132/213/320 adults (62 per cent/ 66.6 per cent) – Average 64.5 per cent but first half 29 per cent; second half 100 per cent (completion criteria: participation rate above 70 per cent) "Unsatisfactory" 1/3 of a survey with a selected sample of 30 participants – Most satisfied class: agriculture (21 replied)	Literacy (2 hours a day; 5 days a week; 6 months) – Annual participation rate 53 per cent (no male) – 29 out of 61 participants passed the test certification by Ministry of Education Income generation (low participation) – Agricultural training delivered in delay due to low participation: 17 persons only – Livestock training cancelled – Kitchen garden support: 8 households – Village self-help workplace constructed (but launch of actual self-help work being delayed due to delayed decision of the project activity)	

APPENDIX II (continued)

Project A Education support for the vulnerable people 2012	Project B Village capacity-building for self-reliance 2013(~15) (2 nd stage of 'Village B' plan)
	<ul style="list-style-type: none"> – Baby care centre remodelling completed Village Development Committee – Launched (May 2013) and meetings (regular 7 times; ad hoc 11 times)

Sources: LotusWorld (2013; 2014).

Note: Although both projects involve and target children's education, the analysis here is focused on adult-targeted programmes for the matter of high relevance of the research theme.

CHALLENGES IN ACHIEVING THE SUSTAINABLE DEVELOPMENT GOAL ON GOOD HEALTH AND WELL-BEING: GLOBAL GOVERNANCE AS AN ISSUE FOR THE MEANS OF IMPLEMENTATION

*Yasushi Katsuma, Hideaki Shiroyama and Makiko Matsuo**

To formulate health development policy and strategies aimed at the Sustainable Development Goal 3, which seeks to ensuring health and well-being for all, it is indispensable to revisit the issue of global health governance in the wake of the Ebola virus disease outbreak in West Africa. The issue of global health governance is also relevant in the Asia-Pacific region, where Severe Acute Respiratory Syndrome (SARS), influenza A (H1N1) and the Middle East respiratory syndrome coronavirus (MERS-CoV) were health security threats. The failure to respond timely and effectively to the health crisis was derived from a few factors that are relevant to the means of implementation necessary to achieve the Sustainable Development Goals. During ordinary times, efforts to enhance health systems should include building the core capacities of the International Health Regulations (IHR), which should be supported not only by the World Health Organization (WHO), but also through coordination among diverse multilateral and bilateral organizations as part of their health development cooperation programmes associated with achieving the Sustainable Development Goals. To enhance preparedness for handling health crises, the organizational capacities of

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WHO and its regional offices need to be strengthened. In addition, coordination among WHO and other actors should be facilitated in accordance with the situational categories based on the combination of (a) the capacity of the country where an outbreak of an infectious disease is occurring and (b) the severity and magnitude of that infectious disease.

JEL classification: I14, I18, K32.

Keywords: Ebola, global health governance, infectious diseases, International Health Regulations (IHR), public health emergency of international concern, public health emergency of international concern (PHEIC), Sustainable Development Goals.

I. BACKGROUND

The Millennium Development Goals have been replaced by the Sustainable Development Goals, as a result of the adoption of the 2030 Agenda for Sustainable Development by the General Assembly in September 2015. The United Nations Member States, including both developing and developed countries, and their civil society organizations are determined to achieve the Sustainable Development Goals by 2030. To formulate a development policy and strategies, the importance of the means of implementation has been stressed. However, discussions on the means of implementation often focus only on financial resources, and fail to give enough attention to the issue of global governance for development.

The issue of global governance is particularly important for health. To achieve the Sustainable Development Goal 3 and its related targets, to ensure healthy lives and promote well-being for all at all ages by 2030, it is important to formulate a health development policy and strategies to end the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases, as well as to combat hepatitis, water-borne diseases and other communicable diseases (target 3.3). In addition, another target is to achieve universal health coverage, including financial risk protection, access to quality essential health care services, and access to safe, effective, quality and affordable essential medicines and vaccines for all (target 3.8). The Sustainable Development Goal 3 is also aimed at strengthening the capacity of all countries, particularly developing countries, for early warning, risk reduction, and management of national and global health risks (target 3.d). However, in the efforts to achieve this Goal and its related targets, there are a number of challenges associated with the means of implementations, as the existing institutional arrangements may be inadequate in providing an enabling environment for diverse organizations to cooperate each other.

When discussing the means of implementation in achieving the Sustainable Development Goal 3, it is indispensable to revisit the issue of global health governance by reviewing the outbreak of Ebola virus disease in West Africa in 2014 and the failure to respond timely and effectively to the health crisis. The issue of global health governance is also relevant in the Asia-Pacific region where the severe acute respiratory syndrome (SARS) in 2003, the pandemic influenza A (H1N1) in 2009-2010, and the Middle East respiratory syndrome coronavirus (MERS-CoV) in 2015 were health security threats.

The number of deaths from the Ebola virus disease, which spread mainly throughout three countries in West Africa (Guinea, Liberia and Sierra Leone), reached 11,323, and the number of those infected with the virus (including suspected cases) totalled 28,646, as of 27 March 2016 (WHO, 2016). Since the Ebola virus disease was discovered in 1976, the 2014 outbreak has proven to be the most serious and complex.

At the initial stage, the Médecins Sans Frontières (MSF) issued warnings repeatedly, stating that the “geographical expansion (of Ebola) was unprecedented” in March 2014, and “uncontrollable” in June 2014 (MSF, 2015, pp. 6-7). However, those warnings failed to cause a stir at the sixty-seventh World Health Assembly of the World Health Organization (WHO) held that same year, and an international response was not launched immediately. It was only after August that the outbreak was recognized as a “public health emergency of international concern (PHEIC)” in accordance with International Health Regulations (IHR).¹ However, by the time PHEIC was declared, it was already impossible for WHO alone to coordinate countries’ efforts to contain the epidemic.

Faced with such a situation, Secretary-General Ban Ki-moon and the then Chef de Cabinet Susana Malcorra initiated an unprecedented response. In September 2014, the United Nations Mission for Ebola Emergency Response (UNMEER) was created with the endorsement of the General Assembly in its resolution 69/1 and the Security Council in its resolution 2177. It was the first United Nations mission ever to respond to a global health threat. Based on the UNMEER appeal, United Nations agencies, concerned international organizations, non-governmental organizations (NGOs), and other partners came together to meet in Accra in October to decide on their division of work within a common framework. Under this process, a coordination mechanism for a global emergency response was put in place, with UNMEER at the core. Previous individually deployed responses were finally consolidated, and the

¹ Under IHR, PHEIC is defined as an extraordinary event which is determined to (a) constitute a public health risk to other States through the international spread of disease and to (b) potentially require a coordinated international response.

necessary resources were secured and reallocated. Subsequently, the number of people infected decreased dramatically in those three West African countries.

The United Nations Mission for Ebola Emergency Response was closed at the end of July 2015, as its mission had ended. Authority for overall management was subsequently handed over to WHO. Currently, the international community's interest has moved on to reviewing the lessons learned from the unprecedented emergency response. With regard to this, the questions are how to respond to future health emergency situations and how to enhance preparedness by strengthening sustainable health systems, as part of the efforts to achieve the Sustainable Development Goals.

II. DEBATE ON GLOBAL HEALTH GOVERNANCE

A variety of actors are currently discussing the response to Ebola, and reviewing the global health governance precipitated by the outbreak (Briand and others, 2014; Gostin, 2014; Gostin and Friedman, 2014; Kruk and others, 2015).

The World Health Organization also set up the Ebola Interim Assessment Panel, which released a report in July 2015 with recommendations. Based on these proposals, various reforms have already been initiated (WHO, 2015b). Concerning internal reforms of WHO, first, the organization presented "a roadmap for action" in September 2015 (WHO, 2015a). Second, the emergency response was discussed by the Advisory Group on Reform of WHO's Work in Outbreak and Emergencies, chaired by Dr. David Nabarro, who is the Secretary-General's Special Envoy on Ebola, under the leadership of the WHO secretariat Director-General Dr. Margaret Chan (WHO Advisory Group, 2015). The Advisory Group released its second report in January 2016 in which the organizational structure of the new Programme for Outbreaks and Emergencies was proposed. Third, the effectiveness of IHR in facilitating the response to Ebola was assessed and debated by the Review Committee on the Role of the 2005 IHR in the Ebola Outbreak and Response. Its report (A69/21) was submitted to the sixty-ninth World Health Assembly, which was held in 2016. In response, the Director-General presented a report "Reform of WHO's work in health emergency management: WHO Health Emergencies Programme."

Additionally, the Secretary-General has established a High-level Panel on the Global Response to Health Crises for the purpose of conducting a review that is not limited to the Ebola outbreak, but also to consider global and national health governance more comprehensively. The High-level Panel submitted a report "Protecting humanity from future health crises" (A/70/723) to the Secretary-General. In this context, the WHO Director-General released a report "Strengthening the global

health architecture: implementation of the recommendations of the High-level Panel on the Global Response to Health Crises, Report of the Secretary-General.”

A number of research institutions, universities, and international NGOs have also conducted reviews from their own perspectives. These include, among others, (a) a review *The Neglected Dimension of Global Security: A Framework to Counter Infectious Disease Crises* by the National Academy of Medicine (NAM),² (b) a joint initiative by Harvard University and the London School of Hygiene and Tropical Medicine (Moon and others, 2015), (c) a review by an independent panel set up by the Bill and Melinda Gates Foundation and (d) a review by MSF (2015).

III. ANALYSIS OF THE RESPONSE TO THE EBOLA OUTBREAK

Purpose of the study

The purpose of the present study is to (a) analyse the process and issues of the response to Ebola at the national and international levels, (b) set forth lessons to be learned, and then present options for responding to potential outbreaks, presenting implications about the way in which global health governance should be arranged, and (c) discuss how the means of implementation necessary to achieve the Sustainable Development Goals should be addressed.

Research methodology

The research methods employed are principally studies of documents, such as primary documents, secondary documents and academic papers and interviews conducted in Geneva, New York, Tokyo and Washington, D.C. Regarding research carried out in Switzerland and the United States of America, interviews were conducted in July and November 2015 with relevant departments of WHO, relevant organizations of the United Nations (the Secretariat, UNMEER, the Office for the Coordination of Humanitarian Affairs (OCHA), the United Nations Development Programme (UNDP), the United Nations Children’s Fund (UNICEF) and the United Nations Population Fund (UNFPA), the World Bank, research institutes (NAM), think tanks (the Council on Foreign Relations, the Center for Strategic and International Studies), the Bill and Melinda Gates Foundation, and others.

² Formerly, the Institute of Medicine (IOM).

Response to the Ebola virus disease outbreak

Regarding the spread of the Ebola virus disease, MSF and other organizations issued several warnings at the initial stage. WHO could not have been unaware of these warnings (Farrar and Piot, 2014). Much criticism has been levelled at the delay in declaring PHEIC,³ the lack of leadership (WHO Ebola Interim Assessment Panel, 2015), and other shortcomings in the WHO responses.

Issues were identified at different levels of WHO (level of relationships among departments within the headquarters, and level of relationships between the headquarters and the regional offices). In addition, there are also issues concerning the affected countries, as well as insufficient utilization of the existing United Nations frameworks for coordination that were already embedded at the international and national levels.

The subsequent analysis is from two perspectives: (a) a spatial perspective (local and national levels, as well as regional and global levels): and (b) a temporal perspective (the stage until a decision is made on a response, and the implementation stage after the decision is made). For each spatial level, both the stage up to when a decision was rendered and the implementation stage will be discussed.

Responses and issues at the local and national levels

Important factors related to the delays in country responses to the Ebola virus disease outbreak include insufficient collection of information in the field, and prioritization of political, economic, and social considerations over the need to respond to the health crisis based on the available information. Governments worried about negative repercussions, such as travel restrictions and the impact on trade if they were to report on the actual state of the infection and then WHO declared PHEIC. Accumulating accurate information is essential for deciding on measures to counter an infectious disease, but as MSF found in its review, the Governments of Guinea and Sierra Leone, in particular, were very reluctant to cooperate initially (MSF,

³ The WHO Ebola Interim Assessment Panel (2015, p.15, box) pointed out the following as the reasons for the WHO PHEIC delay: (a) country factors (weak health systems, insufficient community mobilization, unsafe practices in burials, among others); (b) country politics (concern about political and economic impact); (c) WHO politics/dilemmas (concerns about challenging governments, understandable worries about economic and trade implications, hesitation since the H1N1 response, lack of data, among others); (d) the WHO organizational culture (it has a technical, normative culture, not accustomed to dealing with such large-scale, long-term and multi-country emergency responses occurring in Member States); and (e) international community (it failed to heed warnings because previous Ebola outbreaks were small and contained; there was no intermediate level of warning between the outbreak and the declaration of PHEIC).

2015, p. 8). It has also been reported that, despite the infection having crossed the border and shifted to Sierra Leone in March, the Government of Guinea did not communicate such information (Garrett, 2015).

Although there were a number of intentional factors, a fundamental factor was the fragile health systems of the affected countries stemming from not having thoroughly built IHR core capacities. Local governments and communities lacked surveillance capabilities and laboratory services. They were also deficient in terms of personnel, knowledge and experience, and it was difficult for them to ascertain the true state of the situation.

At the stage when the response was implemented, many of the already insufficient numbers of health workers had fallen victim to the infection, which made the response even more difficult. Moreover, the lack of laboratories within those countries held up prompt determination of the infectious disease and hindered efforts to trace people who had come into contact with the infection. It has also been pointed out that because the initial contact tracing for Guinea was insufficient, it allowed further spread of the infection (Briand and others, 2014). Furthermore, what made the response even more difficult during the implementation stage was lack of active cooperation at the local level, a scope that encompasses local governments and communities. The continuation of internal armed conflicts had developed a strong distrust of the Government, which hindered the engagement of local communities that the international organizations had attempted to promote.

The United Nations Country Teams (UNCTs) could have strengthened the response at the national level. In fact, the United Nations was working within one framework. Within the United Nations Development Assistance Framework (UNDAF), under the overall leadership of the resident coordinator, it would have been possible to coordinate the health sector to strengthen a response with WHO at the core. Coordination was also considered using the health cluster led by WHO under the leadership of the humanitarian coordinator dispatched by OCHA.⁴ Nevertheless, a sufficient response was unable to be met out through these frameworks.

The main factors were the small WHO presence in such frameworks, insufficient leadership by resident coordinators, absence of any switch from resident coordinators to humanitarian coordinators, and failure to develop responses employing liaisons among existing organizations in each country.

⁴ At the global level, coordination among international organizations and other humanitarian actors is carried out by the Inter-Agency Standing Committee (IASC) chaired by the United Nations Emergency Relief Coordinator, while OCHA serves as the secretariat. For each affected country, OCHA may appoint a humanitarian coordinator, activating the cluster approach, including the health cluster.

The factors that led to the delay in the WHO global emergency response are problems with the Regional Office for Africa (AFRO), insufficient coordination between AFRO and the WHO headquarters in Geneva, and factors within the WHO headquarters.

Regional Office for Africa capacity and insufficient coordination between AFRO and WHO-Geneva

When considering that the Western Pacific Regional Office (WPRO) played a significant role during the SARS epidemic, which ended in 2003, the role played by AFRO in failing to contain the infectious disease in the region cannot be ignored. Among the factors cited as contributing to the malfunction of AFRO are a shortage of human resources and budgetary limitations. There were not even 10 staff members working in the department of AFRO handling emergency responses at that time, and the Office had also been limited by budget cuts in recent years. It has been pointed out that functions of AFRO pertaining to surveillance and support of countries where outbreaks of infectious diseases occurred did not function adequately (WHO Ebola Interim Assessment Panel, 2015, para. 45).

In addition, the insufficient working relationship among the affected countries, AFRO, and WHO headquarters was presumed to be one of the factors that delayed the response. Regional offices are highly independent and operate based on rules under an organizational structure that is unique to their respective regions.

On 24 July 2014, the Sub-regional Ebola Operation Coordination Centre (SEOCC) was established with AFRO at the core to serve as a platform supporting the affected countries in West Africa. This was an innovative framework, which had as participants not only WHO, but also OCHA, UNICEF, the World Food Programme (WFP), the Centers for Disease Control (CDC) of the United States, and other organizations. However, in mid-August, a new initiative at the United Nations Headquarters was launched, and then the central role of SEOCC went by the wayside. SEOCC was consequently closed down with the establishment of UNMEER.

World Health Organization headquarters in Geneva

The following factors caused a delay in launching the initial response and in declaring PHEIC.

First, accurate information was not communicated because of insufficient implementation of IHR monitoring on account of a lack of human and budgetary resources. It has been pointed out that at the end of April when figures of infection temporarily trended downward, foreign aid was withdrawn based on a mistaken

understanding by CDC that the situation was under control (Garrett, 2015). Such a mistake might have been prevented if there had been more robust surveillance systems at the local and national levels.

Second is the gap between the roles perceived by the WHO Director-General and those demanded of WHO by the international community, along with the lack of leadership exercised during the health emergency. As symbolized by the criticism (Gostin, 2014) of the WHO Director-General's statements that "WHO is a technical agency" and "governments have the primary responsibility" (Fink, 2014), there was a discrepancy between the role that the international community expected of WHO and the organization's own perception of its role. Clearly, even though it is correct that the countries should have the primary responsibility, there was room for WHO to exercise leadership based on information provided by third parties such as MSF. At the Global Outbreak Alert and Response Network (GOARN) meeting held in July, MSF pleaded for an immediate global emergency response, but it was not taken seriously (MSF, 2015, p. 8). This delayed the timing for convening an IHR committee meeting to declare PHEIC.

Third, there was a negative perception of declaring PHEIC within WHO. Specifically, it was (a) considered a last resort (Garrett, 2015) because there was concern that it would impose *de facto* restrictions on the target country, (b) there were concerns that intervention would be seen as interference in the domestic affairs of a sovereign State, and (c) there was hesitation on account of criticism that had been levelled in the past about the H1N1 response, which was the first PHEIC case, but was considered as an overreaction by WHO. Such factors are thought to have delayed the PHEIC declaration.

One issue in terms of internal coordination within WHO headquarters at the implementation stage is the coordination exercised among different departments. As WHO has also acknowledged, the systems that handled health security and humanitarian issues operated separately (WHO, 2015b, para. 17). Coordination involving the department for health security responsible for IHR and GOARN, the department for humanitarian and emergency responses responsible for polio and emergency medical teams (EMTs),⁵ and the department responsible for long-term strengthening of health systems did not function well initially.

Specifically, there are two broad frameworks for physicians active in the field: (a) GOARN and (b) EMTs. Within WHO, the departments handling these teams were different. The main purpose of GOARN is to respond to infectious diseases; WHO

⁵ Formerly called the Foreign Medical Teams (FMTs).

serves as its secretariat. It is a network of partner organizations. Those dispatched are technical personnel. They were effective in responding to SARS and other outbreaks in the past (Mackenzie and others, 2014). GOARN has been set up in the Department of Global Capacities Alert and Response (GCR). On the other hand, EMTs were established in the Emergency Risk Management and Humanitarian Response Department that mainly deals with trauma-related disasters caused by natural or human-induced factors. The reason why collaboration was difficult between those departments within WHO needs to be further explored, however, it is conceivable that the heads of the respective departments did not communicate well, or that there were delays in issuing decisions and instructions by supervisors in both departments.

Coordination within the United Nations family

There was initially a search for the possibility of using existing frameworks to coordinate in the field when a response began to be considered by the Secretariat.

If a response had been initiated earlier, it might have been possible for humanitarian coordinators supported by OCHA to be dispatched. However, because intervention was called for after the situation had acutely worsened, and because the humanitarian community was not familiar with the Ebola virus, it was determined that a response would be difficult using the cluster approach with OCHA at the core. In addition, rapid access to a large amount of funding was imperative at that time, but that would have been difficult using the usual funding process of OCHA, the Humanitarian Programme Cycle consisting of five elements (needs assessment and analysis, strategic response planning, resource mobilization, implementation and monitoring, and operational review and evaluation). It was assumed that more time would be required to reach a consensus on using the Central Emergency Response Fund (CERF) for the Ebola virus disease response, which is different than what is used for ordinary natural disasters and armed conflicts.

In the ultimate response to this situation in September 2015, it was common agreed that the establishment of UNMEER could be justified based on the Secretary-General's initiative to mobilize resources, procure funding, and coordinate United Nations organizations in a top-down manner over a short period of time.⁶

⁶ WHO Ebola Interim Assessment Panel (2015) stated it was clear that leadership at the Secretary-General level was needed in September 2014. However, it went on to state that when large-scale health crises were to arise in the future, the UNMEER model would not be appropriate, and it strongly opposed the establishment of a United Nations mission. It pointed out that an emergency coordinator might be set up at the regional level for operations and that the Sub-regional Ebola Operation Coordination Centre (SEOCC) could have coordinated the Ebola response (WHO Ebola Interim Assessment Panel, 2015, para. 77-81).

Nevertheless, this is not to say that there were no issues to be addressed in the UNMEER response. More specifically:

- (a) The construction of a new organization gave rise to problems, such as coherence and overlapping issues with the aforementioned existing frameworks (overlapping with OCHA and the United Nations Development Group coordination frameworks present at the international level, as well as with the Ebola response frameworks established by national governments).
- (b) Initially, because the operation was conducted in a top-down manner and emphasized military-like logistics, there was also confusion in the field. For example, comments were voiced that cultural factors, such as traditional practices for the deceased, should also have been emphasized.
- (c) Although UNMEER made it possible to take swift action with a clear division of labour, it took some time for the process to begin to operate substantively. It was in October when the Accra meeting was held, in which the division of work among international organizations was completed and substantive deployments initiated.
- (d) The above analysis shows that the factors resulting in the delayed response to the Ebola virus disease, leading to a more serious situation, were issues pertaining to coordination and issues involving gaps in information and perception among a variety of actors at various levels.

IV. RESPONSE OPTIONS FOR GLOBAL HEALTH GOVERNANCE

Taking into account the above analysis of the process of responding to the Ebola outbreak, the following response options along two broad topics are proposed. One is to build capacities to respond during an emergency situation, and the other is to strengthen health systems during ordinary times. The success of emergency responses depends on the health systems, which ensures that information is collected and responses are implemented during ordinary times. The systematic infrastructure for collecting information for an emergency response, as well as for implementing responses can also be used during ordinary times. In addition, increasing the efficiency of emergency responses spares resources and allows for expanded access to be secured within the health systems during ordinary times. In that sense, these two topics are closely related.

Below, response options related to those two topics from two perspectives are presented: (a) building organizational capacities; and (b) enhancing coordination among organizations.

V. RESPONSE CAPACITIES DURING A HEALTH EMERGENCY

Organizational capacity for an incremental response

One factor leading to a delay in the response was that there was no intermediate stage between ordinary times and PHEIC. PHEIC determination is a clear choice between two alternatives, and there is no framework allowing for progressive stages of response. In order to execute progressive stages of response, (a) the construction of a framework for making progressive determinations about the situation, and (b) building capacities to gather information to support such judgments are required.

With regard to (a), multiple stages need to be established to allow a progressive response between the non-PHEIC situations and the current PHEIC.⁷ In IHR, the Article 8 states that consultations with WHO on appropriate measures may be conducted through the national IHR focal point even for information not required to be reported, particularly for events for which there is insufficient information available to complete a decision on whether it constitutes PHEIC. Such a provision should be used to build an operational framework for collecting a broad range of information and making stage-based situational determinations. It is also important to strengthen the risk assessment capability of WHO and staffing to allow for the operation of such a framework. However, care needs to be taken so that the criteria for judgments can operate with some flexibility.

With regard to (b), the current IHR (2005) allows for the use and analysis of information sourced not only from countries, but also from other sources (Article 9.1), including international organizations, non-State actors, and a variety of other entities. This was the strategy applied to overcome two potential limitations of surveillance under the previous IHR (1969): inadequate capacities at the local and national levels to fulfil surveillance, and government reluctance to comply for fear of the adverse consequences of reporting. However, such WHO authority and capabilities are not sufficiently used. Pursuant to this provision, WHO should consider the development of

⁷ The need for emergency grading levels is also recommended in the WHO Panel report. The PHEIC determination is a single binary decision, and the Panel recommends that the IHR Review Committee for Ebola consider the possibility of alerts at an intermediate level to mobilize the international community (WHO Ebola Interim Assessment Panel, 2015, para. 23).

a mechanism for collecting a broader range of information to adopt necessary measures, including in cases where there may not be a clear indication of PHEIC and also from a variety of sources that are active at the grassroots level, such as MSF.

In all of the above-mentioned judgment stages, it is also fundamental to acknowledge that the governments and leaders of the countries concerned have the primary responsibility and should play a leading role.

Organizational capacity to respond to diverse situations

In this response to the Ebola virus disease outbreak, operations were deployed on a large scale in both the humanitarian community and the health security community. However, unlike in the case of the Polio response in which both communities collaborated on a daily basis, there were no routine procedures and protocols for the Ebola response. Cultural and organizational differences between the two surfaced, rendering cooperation difficult. A new arrangement that allows for stage-based and flexible collaboration in responding to a variety of situations, as has been discussed above, is needed.

The need for an integrated programme for emergencies was recognized, and a decision was made to establish such a programme at the sixty-eighth World Health Assembly of WHO, which was held in 2015. The proposal of an Advisory Group on Reform of WHO's Work in Outbreaks and Emergencies is in line with this direction (WHO Advisory Group, 2015).⁸ In many review reports, differences between these two communities have been highlighted and calls have been made to strengthen coordination and merge the humanitarian community and the health security community. The WHO secretariat has reviewed a variety of framework liaisons, such as GOARN and EMTs, which have previously been handled by separate departments, to be merged into one cluster. Through the recent organizational restructuring, these two departments have been merged into one cluster. Similarly, it may be worth noting that at the regional office level, in the case of WPRO, both humanitarian and health security departments are dealt with under the Division of Health Security and Emergencies.

⁸ Although established within WHO, it is an independent organization. It provides centralized management of units and functions at all levels, national, regional and the WHO headquarters. Discussions have been held about the necessity for having this programme cite PHEIC cases and IHR contact points (WHO Advisory Group, 2015, para. 6).

Situational categories for health emergencies and the coordination patterns

Every emergency occurs under different conditions, and coordination and cooperation are required based on each circumstance. As a result, the mechanism necessarily differs depending on the type of the situation. A “switch function,” which enables the change of the leadership, is critical in applying situation and stage-based framework.

There is a clear need to develop situation-based flexible partnerships for coordination and cooperation among international organizations (relationships between WHO and the humanitarian community, the development community and the security community). WHO is definitely the only actor that can perform the central leading role in providing technical and medical recommendations concerning a health crisis. However, as was evident in the lessons learned from the Ebola outbreak, health crises often entail situations that cannot be dealt with by just furnishing technical knowledge, guidelines, and a limited deployment of technical and medical experts. Consequently, diverse international emergency situations need to be anticipated, and diverse patterns for coordination and cooperation among international institutions for each situation need to be prepared.

The patterns of coordination and cooperation differ depending on the capacity of the affected country and the type of infectious diseases. Therefore, as to the question of who should develop what sort of initiative at the international level, the following options can be considered depending on situational categories that are based on (a) the capacity of the country where an infectious disease outbreak has occurred requiring the response, and (b) the severity and the magnitude of the infectious disease.

Type 1 cases, in which the country where the outbreak has occurred maintains a high response capacity and the degree of severity of the infectious disease and the magnitude of its impact are low, responses may be handled by the country concerned with minimal support from WHO. In Type 2 cases, the country and WHO are central in handling the situation, and support from organizations other than WHO may also be necessary.

In Type 3 cases, under the existing UNDAF framework, the resident coordinator provides overall coordination, within which WHO leads the health sector, and a response is extended while obtaining the cooperation of a variety of international organizations of the United Nations Country Team. In Type 4 cases, there is a greater sense of urgency and more humanitarian elements are required than afforded by the development framework for ordinary times. In these cases, a framework is implemented in which OCHA deals with the humanitarian crisis, and

Table 1. Situations categories for health emergencies and the coordination patterns

		Capacity to respond in the area of outbreak		
		High	Low	Very low
Severity and magnitude of an infectious disease	Low	<p>Type 1 Minimal WHO support</p> <p>Type 2 WHO support needed and other support may be needed in some cases</p> <p>Type 3 Existing UNDAF and the resident coordinator provide overall coordination. WHO takes lead in the health sector</p> <p>Type 4 OCHA and the humanitarian coordinator provide overall coordination. WHO takes lead in the health cluster</p> <p>Type 5 UNMEER; an organization to be established</p>		
	High			

Source: Compiled by the authors.

the humanitarian coordinators exercise overall coordination in affected countries under the leadership of the United Nations Emergency Relief Coordinator at the global level, in which WHO plays a central role in leading the health cluster.

Lastly, Type 5 cases are those in which it is determined that a response is beyond OCHA or existing frameworks' capabilities, and are handled by establishing a new organization through the strong political initiative of the Secretary-General to serve as a measure to counter the infectious disease, such as UNMEER in the case of the Ebola virus disease. Moreover, in cases in which serious crises are dealt with, it is also conceivable that a United Nations peacekeeping operation, military, or other security maintenance organizations in the security community may also be used. In the present case, a resolution was passed by the Security Council to endorse the establishment of UNMEER, which has the advantage of being effective in heightening awareness of the international community because of its binding power and high political importance. If the United Nations Department of Field Support in charge of the peacekeeping operation takes a logistical approach, then a quick and efficient response may be implemented. However, there are also elements that place the operation in a tense relationship from the perspective of democracy. Outbreaks classified as Type 5 are extraordinary cases, and the establishment of a new

permanent organization is not desirable. It is important that cases be dealt with using organizations for limited periods with clear mandates.

Coordination and the person responsible for the “switch function”

The following two points must be emphasized. First, an issue in terms of operation in the cases of outbreak Types 3, 4 and 5 is that coordination and cooperation between the health security community and the humanitarian community are important because the objectives, themes, and organizational culture differ for each community. The issue of coordination between the humanitarian and health security communities is present not just within WHO, but also in relationships between WHO and other organizations within the United Nations system, working together in the health sector or cluster.

Second, because circumstances may change, the necessary patterns of coordination and cooperation need to be continuously reassessed based on changing situational categories. For example, there is continuity in changes of circumstance that necessitate a switch from Type 3 to Type 4. Accordingly, it is important that there be a “switch” that alters the patterns of coordination and cooperation discontinuously by taking into account ongoing circumstances. Particularly in cases in which a coordinating body is already present under an existing framework, such as a United Nations Country Team resident coordinator, it is necessary to allow for an honourable replacement with a humanitarian coordinator from OCHA, or a new organization, such as UNMEER. For this reason, it may also be necessary to prepare in advance a protocol that enables smooth switches. Ultimately, the person responsible for the “switch function” should be the Secretary-General or the Chef de Cabinet.

VI. STRENGTHENING HEALTH SYSTEMS DURING ORDINARY TIMES

It is important that the strengthening of health systems during ordinary times be supported so that an early warning may be signaled to prevent outbreaks before they happen. The collection of information and systematic infrastructure for responding during emergencies to specific infectious diseases can also be used by the health systems during ordinary times as well in a cross-sectional manner to address diseases. Therefore, the governance structure and design of response measures during times of emergencies should be closely linked to reinforcing the health systems during ordinary times.

Building International Health Regulations core capacities at the country level

To effectively respond to infectious diseases, it is necessary that the IHR core capacities be built up in countries when strengthening the health systems. Currently, in AFRO, not one country has completed implementation of building the minimum core capacities for IHR (WHO AFRO, 2015). Of the eight IHR core capacities,⁹ it is particularly essential that surveillance, human resources, and laboratory services be built so that stage-based decisions may be made about situations based on best available information. Along with a framework seamlessly linking a variety of levels (community⇒local government⇒country⇒regional⇒global), partnerships also need to be created with the private sector to develop surveillance, laboratory services, and human resources. It is necessary that the range of information to be reported be expanded.

International monitoring of the implementation of International Health Regulation in individual countries

To strengthen the implementation of IHR at the country level, monitoring at the regional level must be enhanced. First, WHO regional offices must be beefed up. To build up staffing, as WPRO has done, it is important that “truly international” staff be employed based on their ability to ensure diversity and capabilities. To achieve this, reforms may be necessary. One example may be to impose an obligation on all regional offices to recruit on the basis of ability a certain percentage of the staff from outside the region. However, this does not mean that the independence per se of regional offices is bad (during the SARS response, the discretion of WPRO enabled early containment). Verification of the effectiveness of strategic frameworks, for example, the Asia Pacific Strategy for Emerging Diseases (APSED) of WPRO and the Integrated Diseases Surveillance and Response (IDSR) of AFRO in the implementation of IHR also appears to be needed.

Second, regional monitoring must be strengthened. For example, the establishment of a version of CDC for the Africa Union has been proposed. These activities need to be linked with actors other than those in the public sector.

At the global level, departments within WHO concerned with health emergency need to be strengthened. Current debate is focused on coordination between departments involved with emergencies and humanitarian issues, and those concerned with health security, but if continuity between times of emergency and

⁹ The eight IHR core capacities are (1) national legislation, policy and financing, (2) coordination and national IHR focal points communication, (3) surveillance, (4) response, (5) preparedness, (6) risk communication, (7) human resources and (8) laboratory services.

ordinary times is taken into consideration, then it is also important to rank the strengthening of IHR core capacities as one element in strengthening health systems to ensure coordination between the health security department and the health system department.

Coordination among diverse organizations supporting the enhancement of International Health Regulations

A cooperative framework must be developed to enable organizations and frameworks outside the health sector to directly and indirectly support the enhancement of IHR.

As a condition for building a cooperative framework, it is necessary to recognize that IHR is based on an “all hazard” approach. The commitment of organizations in a variety of fields, such as development, trade, disaster prevention and security, are needed for an all hazard responses. To ensure such a commitment from a diverse range of organizations, this commitment must be endorsed not only at the level of the health minister but also from the top national level.

As its presence at the country level is not necessarily sufficient, it is difficult for WHO to play a direct role in the enhancement and monitoring of the implementation of IHR in all countries. International organizations active in the field, such as UNDP and UNICEF, need to acknowledge that enhanced IHR core capacities contribute to the overall strengthening of the health systems in developing countries, and play a role in monitoring whether the IHR requirements of core capacities are met in each country.

In addition, there is the issue of what to do about measures involving unnecessary trade restrictions that may potentially be adopted by neighbouring countries when a certain country reports information that may constitute PHEIC. With regard to this, a framework may be strengthened to check the appropriateness of measures under IHR, and coordination may be pursued with actors in other sectors, such as WTO.¹⁰ The Sanitary and Phytosanitary (SPS) Agreement of WTO states that when national standards that are stricter than international standards are adopted, the national standards must be scientifically justified. For example, in the case in which Europe instituted trade restrictions during a cholera outbreak in Africa, the SPS Committee of WTO deliberated on the restrictions, including a scientific debate on the risk these measures pose to public health, which resulted in the trade restrictions being lifted (WHO and WTO, 2002).

¹⁰ There have been discussions that this sort of approach may be useful in preventing surrounding countries from adopting overly restrictive measures on the movement of people and goods during the implantation of IHR.

It is also important that bilateral and multilateral development organizations coordinate with each other from the perspective of security. Collaboration with initiatives, such as the Global Health Security Agenda (GHSA), is already under way, including the joint external evaluation tool for IHR formulated by WHO with GHSA, a multilateral framework led by the United States, which has stated that it will achieve its goals in at least 30 countries over the next five years, and has declared that it will invest US\$1 billion in 17 countries towards this effort. The United States has called for donor countries to participate in GHSA, and at the G7 Summit in 2015, it was agreed that development assistance would be provided to 60 countries overall, including countries in West Africa. Although the countries targeted are limited, this initiative can contribute to a rapid build-up of IHR core capacities. The merit of this kind of initiative is that it has a strong political commitment from the perspective of security and is useful for tackling issues that cannot be dealt with under existing frameworks. However, on the other hand, the negative include dependence on political momentum, and the challenge of institutionalization to extend such efforts sustainably.

VII. FUTURE CHALLENGES

This paper presents issues to be addressed and lessons learned based on an analysis of the process of the response to the Ebola virus disease outbreak, and proposes options for addressing global health governance. These issues of global health governance are important for the means of implementation in the efforts to achieve the Sustainable Development Goal aimed at ensuring healthy lives and promoting well-being for all at all ages.

Currently, international interests and assessments appear to be focused on improving organizational coordination between health security and humanitarian aid, which is necessary for responding to infectious diseases, such as Ebola, and on the necessity for the general strengthening of health systems. However, focus on improvement of organizational coordination has been narrowed down to mainly improvements within WHO. Consideration needs to be given to issues related to organizational coordination across the entire United Nations system, including OCHA and United Nations Development Group members.

Additionally, it is important that responses to such specific infectious diseases are positioned within the cross-sectional and comprehensive reinforcement of health systems, which makes such monitoring possible, and are linked to strengthening health systems in countries, as well as to universal health coverage, target 3.8 of the Sustainable Development Goal 3. Generally speaking, an emergency response depends on the health systems employed during ordinary times, which provides the systematic infrastructure for information collection and response. On the other hand,

the systematic infrastructure for information collection and response that is developed for use in emergency response to health risks (target 3.d) can also be used during ordinary times. Furthermore, improving the efficiency of emergency responses allows for resources to be secured in order to expand access to health systems during ordinary times. However, the paths for undertaking such linkages differ depending on the country.

Although it has been discussed in the debate over PHEIC, a point that has not been sufficiently delved into is the issue of constructing mechanisms for collecting information about events that occur at levels below PHEIC and how to control the unnecessary restrictions on trade or in other areas. With regard to these, further research is necessary as to whether IHR needs to be revised, whether it needs to be adapted in terms of operation, or whether considerations are needed with other systems, such as funding mechanisms or WTO.

In addition, the importance of the Secretary-General and the Chef de Cabinet at the United Nations Headquarters as the key persons responsible for the “switch function” from ordinary times to emergency situations involving a change in leadership roles has been delineated, but the remaining issue is how to institutionalize such mechanisms at the global level.

Furthermore, responses must also be considered in line with specific scenarios in cases in which an outbreak occurs not in a vulnerable country, such as where the Ebola outbreak spread, but for instance, in large countries in Asia, such as China and India, where pandemics develop due to a different infectious diseases, such as airborne influenza. The table above needs to be used to review a variety of stage-based response modes in keeping with the terms of global health governance by conducting reviews on the capacity to respond to specific infectious diseases at multiple levels (national, regional and global) in accordance with the situational categories based on the combination of the country (high or low) where the outbreak has occurred and the type of infectious disease.

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