Japan, China, and South Korea: Cooperation and Competition in Foreign Aid

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Principles of Asian Foreign Aid

- Ownership
- Self-Help Efforts
- Capacity Development
- Mutual Benefit
Comparison of Net ODA Disbursement

Growth of Korean and Chinese Foreign Aid

- **South Korea**
  - Growth rate in 2010 was 25.7%

- **China**
  - In 2010, foreign aid equaled approx. USD 5.8 billion (40 billion Yuan)

**Source:**
- Kobayashi (2007)、Brautigam (2009), extracting the figures from China Statistical Year Book and China Exim Bank Annual Reports
Strategy towards Emerging Countries

- Share best practices and lessons learned
- Exchange information to avoid duplication and to allocate resources efficiently
- Explore opportunities for joint workshops, training, research, and projects

Ultimate Goal: Maximizing development results
Multilateral Frameworks

• The first and second meetings of the Asian Development Forum took place in Seoul in November 2010 and in Tokyo last June, respectively.
JICA's President Sadako Ogata and China's Vice Premier Li Keqiang (On the left photo)
KOICA's President Park Daw-won (On the right)
Partnership Activities with South Korea and China

- Annual consultations with KOICA in addition to ad-hoc thematic meetings
- Periodic joint workshops with China’s Export-Import Bank
- Development Assistance Seminar for China’s Ministry of Commerce (MOFCOM) staff
- Workshops among JICA, Korea Ex-Im Bank’s EDCF, China Ex-Im Bank, and Thailand’s NEDA
Training Centers and Regional Offices

China:
- Eight Centers
- Annual: 16,000
- Total: 120,000

South Korea:
- One Center
- Annual: 4,000
- Total: 40,000

Japan:
- 14 Centers and Regional Offices
- Annual: 10,000
- Total: 370,000

Annual number of trainees
Total number of trainees
Kaizen 改善: continuous improvement of quality and productivity, based on a process that involves participation from the entire workforce.

The 5 ‘S’s technique: Sort, Set In Order, Shine, Standardize and Sustain

QCC: Quality Control Circles

Political Support
- Strong leadership of Prime Minister
- Policy dialogue between Ethiopia & Japan

Technical Assistance
Pilot projects (30)
- Ministry level
- Hands-on
- Video

National plan
Disseminate KAIZEN activities to manufacturing companies nation-wide

Outcome of KAIZEN
- Defect ratio: improved by 50 - 70%
- Lead time: improved by 16 - 90%

Before Kaizen

After Kaizen
Knowledge Sharing Program (KSP) by KDI
JICA’s Activities in Rice Development

Senegal
- Project on Improvement of Productivity of Village Irrigation Scheme in the Valley of Senegal

Guinea
- Development Study for Sustainable Rural Development in Middle and Upper Guinea

Sierra Leone
- Agricultural Development Project in Kambia District

Ghana
- Project for Comprehensive Development for Promotion of Domestic Rice

Cameroon
- Upland Rice Development of the Tropical Forest Zone

Burkina Faso
- Project for Dissemination of Improved Seed

Benin
- New Rice For Africa (NERICA) Experts in Africa Rice Center (Africa Rice) *

China’s Agricultural Technology Demonstration Center

Mozambique
- Integrated Agricultural Development Project for Small Scale Farmers in Chokwe Irrigation Scheme (plan)

*Supported by the Consultative Group on International Agricultural Research (CGIAR).
Olkaria Geothermal Power Project in Kenya

- Olkaria I (1981～)
  - Present Generating Capacity: 45MW
  - Future: 185MW (+140MW)

JICA ODA Loan:
The additional two units to increase the capacity by 140MW

China Ex-Im Concessional Loan:
Drilling services for production wells of Olkaria I
Partnership Activities emerging from Japan-China
Policy Dialogue on the Mekong Region

• Successive policy dialogues between Japan and China on the Mekong region since 2008
• Possibility of development cooperation in the Mekong region was discussed in the fourth dialogue in September 2011

• The Chinese government sent an expert to give a lecture for the trainees, including those from Mekong region, in JICA’s training program, ‘Rehabilitation of degraded lands in Asia and Africa’ in December 2011.
Field Level Collaboration with South Korea

KOICA, JICA, volunteers from the two agencies, and the North South University Earth Club jointly organized an International Earth Day program at the NSU campus in Dhaka, Bangladesh in June 2011.

Source: KOICA
Future Engagement with South Korea and China

• JICA and KOICA continue to deepen their dialogue on African development, joint research and training opportunities, and collaboration among volunteers
• More project-level cooperation with KOICA and EDCF is expected in the future
• With China, collaboration is less advanced
• Dialogue, workshops, project site visits with Chinese officials and researchers, and joint training will continue
Implications for the U.S.

- Engagement is important
- Many opportunities for consensus
- Development cooperation can lead to stronger bilateral relationships
- Competition makes us better providers of aid (more responsive to our partners)
- Collaboration can enhance and expand development impact
Thank you for your attention.