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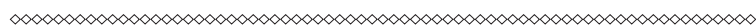
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# A New Framework for US-Japan Development Cooperation

*James Gannon*

EXPERIENCE HAS TAUGHT US that rich countries have a large stake in the emergence of stability, prosperity, and good governance in the developing world and, moreover, that effectively promoting sustainable development requires greater cooperation and coordination among a wider range of actors than we are accustomed to seeing. Considering their close bilateral relations, it seems natural that two of the world's largest economic powers, the United States and Japan, should seek to combine forces and better coordinate their efforts on this front. Indeed, the two countries have been working together on development issues over the past two decades, most notably through the Common Agenda for Cooperation in Global Perspective and, later, through such initiatives as the US-Japan Partnership for Global Health. Nonetheless, despite some successes, the level of US-Japan development cooperation has remained relatively limited, and in recent years the degree of energy and political momentum driving it has largely dissipated.

While the track record has been mixed, there is considerable potential for concerted and targeted joint efforts by Japan and the United States to make an important difference in key areas of vital concern to both countries. Nowhere is this truer than in East Asia, where the two countries' capabilities best complement each other and where they share important strategic interests.<sup>1</sup> Accordingly, one of the most important steps that the United States and Japan can take together is to launch a new framework for enhanced cooperation on foreign assistance, one that focuses primarily on the development of a strong, stable, and open East Asia.



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## Why Cooperate? Why East Asia?

Today, major donor countries such as the United States and Japan increasingly recognize that in order to better meet the needs of aid recipients they must work more closely with other donors, both in a multilateral fashion and, in some instances, bilaterally.<sup>2</sup> As global interconnectedness has deepened, the scope and intensity of transnational challenges have complicated development approaches. Regardless of their size and wealth, individual donors are simply not effective if they operate as if in a vacuum. For one thing, the problems that they are compelled to tackle are often too massive for a single funder to realistically afford on its own. Also, without sufficient coordination, well-intentioned donors run the risk of operating at cross purposes, siphoning limited human resources from one pet project to another, distorting incentives for local involvement, and overburdening local governments that are already likely to be suffering from a lack of technical expertise. Or they may simply duplicate one another's programs, wasting precious resources.

A concrete example from a few years ago illustrates the risks of insufficient coordination. The United States and Japan provide roughly one-third of all official development assistance (ODA) for health and population issues in Cambodia, both with the objective of expanding healthcare to communities around the country. The Japan International Cooperation Agency (JICA) has been playing a key role in strengthening the Cambodian national health system by funding the country's nearly 1,000 health centers, which provide basic healthcare and typically operate with four to six professional staff. However, by 2008, the health centers were finding it difficult to retain staff due to a chronic shortage of healthcare workers. This was exacerbated by the fact that

healthcare workers outside of the capital of Phnom Penh required roughly US\$200 to US\$400 per month to maintain their living standards, but the salaries that they received from the government-run health centers were in the range of US\$30 to US\$100 per month—less than half of their living expenses at best.<sup>3</sup>

Several years prior, the United States Agency for International Development (USAID) had begun funding tuberculosis education and vaccination initiatives by nongovernmental organizations (NGOs) throughout Cambodia. The goal of USAID was to support NGOs that can reach rural residents more effectively than the government health system, and the only reasonable way to do this has been to include sufficient salary support for the healthcare workers that they employ. However, this allowed these NGOs to provide considerably higher salaries than the JICA-supported health centers, and one inadvertent result was that many healthcare workers were lured away from their previous jobs at the health centers to join them, undermining long-term efforts by JICA and others to help the government build up the health center system. In the end, even though they shared similar broad objectives and their interventions may have been well designed in their own right, the United States and Japan found themselves unintentionally operating at cross purposes by fueling a competition for healthcare workers.

Similar examples of well-intentioned donors undermining one another or failing to take advantage of important opportunities due to a lack of coordination pop up time and time again in the field. This has given rise to calls for greater coordination and led to the adoption of the Paris Declaration on Aid Effectiveness in 2005. Fortunately, efforts are now underway in most developing countries to promote the multilateral coordination of donor activities, with varying degrees of success.

There are many situations, however, in which truly multilateral efforts are simply not feasible for political, financial, or logistical reasons. In these cases, bilateral cooperation, while not ideal, can be the most pragmatic approach, provided it is undertaken with sufficient consideration of the activities of other players in the aid community. This often comes down to the simple fact that it tends to be easier to reach agreement on concrete schemes with just two donor countries at the negotiating table. It is also easier for two donor countries to match their comparative advantages and coordinate joint projects than it is for larger numbers of donors. This rings particularly true for the United States and Japan, which increasingly share similar strategic objectives. They also tend to have philosophies and approaches that are closer to one another than to other major donors.<sup>4</sup>

In the past, the most notable successes of US-Japan development cooperation have been in Africa, a region to which both countries have rightly been paying greater attention in recent years. However, there is a large mismatch between US and Japanese funding levels and operational capacities there. This is particularly apparent when one looks at each country's activities on a sector-by-sector basis. Historically, the area of greatest US-Japan collaboration in Africa has been on health and population issues, but with the growth of US initiatives such as the President's Emergency Plan for AIDS Relief (PEPFAR), the funding has become increasingly lopsided. As of 2009, the top five African recipients of Japanese ODA—Sudan, Ghana, Tanzania, Zambia, and Kenya—were receiving nearly 30 times the amount of health-related funding from the United States as from Japan.<sup>5</sup>

Naturally, some Japanese officials speculate that this means it is in Japan's interest to try to expand cooperation with the United States in Africa so that Japan can leverage massive US funding initiatives

such as PEPFAR. However, from a US perspective, there are now limited incentives for investing the time and energy in partnering with such a comparatively small player, especially one that has slipped from being the world's top ODA provider to fifth place over the past decade. Of course, there are clearly benefits in maintaining and, in some cases, expanding US-Japan development cooperation in Africa when opportunities present themselves. In addition, there are a few non-PEPFAR countries where Japanese and American health funding is relatively well matched. Nonetheless, the type of intensive interactions that genuine development cooperation requires in terms of planning and implementation means that both partners should be equally committed to working together, and even if there is a spurt of interest on both sides in partnering on African development, it is not clear how the motivation and political will might be sustained at sufficiently high levels over the long term, especially on the US side. Overall, the many obstacles that each country needs to regularly overcome to work together make it difficult to envision how Africa can be the central rallying point for a robust and meaningful program of US-Japan development cooperation over the long run.

In contrast, the arguments for strengthening US-Japan cooperation on development issues are very compelling in East Asia—a region where deeper US-Japan collaboration can now make a major difference. The strategic rationale for investing in development in East Asia is crystal clear for Japan. The region is Japan's home, Japan's fortunes have become increasingly entwined with those of its poorer neighbors, and Japan's future international role is dependent upon the emergence of a stable regional order that integrates rising powers such as China and allows Japan to project a degree of leadership.

For the United States, the reasons may be less immediately apparent, but they are similarly persuasive. East Asia has been going through a period of dramatic growth and change as countries throughout the region have benefited from economic growth and closer links with world markets. Now it is in a crucial period where shifts in the regional balance of power, emerging gaps between rich and poor, and the potential for transnational threats and economic instability to roll back development gains can fuel regional destabilization. The changes in the region and its growing relative weight in world affairs mean that a key foreign policy objective of both the United States and Japan in the 21st century needs to be the encouragement of a regional order characterized by stability, openness, and democratic governance. Clearly, one important means to do this is through promoting the sustainable development of the poorest countries in the region and helping consolidate the transitions of other developing countries in healthy directions.

In light of this, it is remarkable how little attention the United States has accorded to supporting development in East Asia. Despite being home to nearly one-third of the world's population, East Asia receives the smallest amount of US aid of any region in the world—only 3 percent of total US foreign assistance according to the Congressional Research Service.<sup>6</sup> In fact, seven countries and territories—Afghanistan, Iraq, Pakistan, Sudan, the Palestinian Authority, Ethiopia, and Kenya—individually received more American ODA in 2009 than did all of East Asia. The relative lack of resources devoted to East Asia compared to regions such as Africa can be explained in part by the fact that poverty is deeper and the humanitarian situation is direr in Africa. However, there continue to be important needs in East Asia too, and its growing strategic importance makes it imperative for the United States to

focus more on encouraging sustainable development in the region.

Granted, the United States has already started to devote greater resources to East Asia in recent years, and it is clear that this trend should be continued. At the same time, however, in an era of intense fiscal pressures, it is important for the United States to explore ways to make its current aid most effective, and one of the most important ways it can do this is by working more closely with other donors, and especially with the region's leading bilateral donor, Japan.

In fact, Japan and the United States have at least three strong reasons to partner more closely in promoting development in East Asia: 1) their shared interest in shaping the future of the region, 2) their unique capacity to make a difference, and 3) the potential for enhanced development cooperation to help strengthen and reenergize the US-Japan bilateral alliance.

#### *Shared US and Japanese Interests in East Asia*

Japanese and US strategic interests in the future shape of East Asia are more closely aligned than those of any other major actors in the region. Both have high stakes in maintaining a regional order that is stable and peaceful and that is not dominated by any other regional power. Both wish to see further economic growth in the region, paired with continued progress toward a more liberal, rules-based trade and investment climate. And both countries share a commitment to the spread of democratic values, in part because these are linked to greater political stability over the long run. While it is true that the other major bilateral donors in East Asia—such as Germany, France, and the United Kingdom—generally share these interests, the stakes are much higher for the United States and Japan as a result of their sheer proximity and the scope of their political, military, and economic commitments to the region.

The strategic imperative that is rooted in these shared interests is given added urgency by the rising influence of regional powers such as China. The growth of the Chinese economy over the past two decades is a most welcome development and it is natural for its influence to expand as a result. However, there is no denying that, in some instances, its growing regional influence may run counter to Japanese and American visions for East Asia. While China is not alone in using foreign assistance to further its economic interests and its geopolitical strategy, it has begun doing this to a greater degree than most other countries. Many observers now cite Chinese foreign assistance and business practices as major factors reinforcing unhealthy tendencies in developing countries in Africa and Asia—in some instances propping up authoritarian governments and undermining moves toward good governance. US and Japanese aid officials in East Asia certainly feel pressure from China, and some complain that their efforts to improve governance are countered by a flood of money coming out of China.

It appears that Japan and the United States have a window of opportunity (while the regional role of China is still evolving) to minimize the potentially harmful impacts of its expanding influence. This is not to imply that they should use aid dollars to compete with China, but rather that the careful application of Japanese and American ODA can help consolidate trends toward good governance in the region. This is only half of the solution, however. The United States and Japan also have a golden opportunity before them to engage China (and other emerging Asian donors) and to encourage them to bring their ODA practices in line with international standards. Political and practical considerations make it appear that both of these tasks can be most effectively accomplished through US-Japan cooperation.

### *Potential Gains From Greater US-Japan Partnership*

A second important consideration for the United States and Japan should be that they have a greater capacity to make a difference in East Asia by working together than do any other two bilateral donors. Together they account for roughly half of all bilateral aid to the region.<sup>7</sup> Japan is by far the leading donor to countries in the region, and its own rapid economic development after being an aid recipient itself in the wake of World War II strikes a particular chord in other Asian countries. Meanwhile, the United States is the second most generous bilateral donor in the region when the special case of aid to China is discounted.<sup>8</sup> Either Japan or the United States rank as the top bilateral donor for almost every country in East Asia, and the two countries combined have accounted for more than 50 percent of bilateral ODA for most countries in the region over the most recent five-year period for which data is available. As the figures in table 1 show, Japan and the United States play a dominant role in the aid community in countries throughout the region.

Some skeptics might note that Japanese ODA is roughly five times the size of US aid to the region, and while this might encourage the United States to try to leverage Japan's greater resources, it could reduce Japan's incentive to collaborate with the United States. However, the regional role of the United States as a military, political, and economic power gives it more influence than the dollar amount of its ODA might otherwise indicate. In addition, when one looks more closely at what is happening at the country level, it becomes clear that US and Japanese capabilities and funding are more balanced in a number of key sectors where there is potential for joint work.

It is not just the size of the Japanese and US presence or the similarity of their approaches that makes

Table 1. Bilateral ODA commitments as portion of total bilateral funding, 2005–2009 (percent)

Recipients	Donors							US-Japan combined
	Japan	US	Australia	France	Germany	Korea	UK	
Burma	18	14	9	2	5	2	19	33
Cambodia	31	15	5	7	8	10	7	46
China	35	3	1	13	29	—	7	38
DPRK	—	56	4	1	6	—	—	56
Indonesia	47	11	12	5	7	2	3	58
Laos	32	2	7	10	9	14	—	35
Malaysia	80	8	—	2	3	—	5	88
Mongolia	45	25	1	1	9	7	—	70
Philippines	38	16	15	—	8	8	1	55
Thailand	71	10	1	7	5	—	1	81
Timor-Leste	9	14	34	—	3	—	1	23
Vietnam	51	3	2	12	4	2	4	54

Source: Based on data from the QWIDS Database, Organisation for Economic Co-operation and Development (OECD), <http://stats.oecd.org/qwids/>.

Note: Dark grey indicates the top bilateral donor and light grey indicates the second largest donor. In the case of the DPRK and Timor-Leste, the second largest donor is a country not included in the graph (Sweden for the DPRK and Portugal for Timor-Leste). The figures include the ODA commitments of the members of the OECD Development Assistance Committee (DAC), which includes all of the major bilateral donors. China is not included in these figures as it is not a DAC member. There are no definitive figures for China's ODA to the region which, while growing, would not significantly change the overall calculations.

them a good fit for bilateral cooperation in East Asia. In addition, their strengths and weaknesses tend to be complementary, providing opportunities for them to leverage each other's networks and experiences. For example, Japan tends to have strong ties with national governments in the region, while US relations with some governments or individual ministries tend to be more at arm's length.<sup>9</sup> Meanwhile, strong US ties to NGOs and its years of experience working with them can be an asset to Japan, which has a more limited track record in this area. The ability to take advantage of each other's relative strengths by teaming up for joint initiatives also extends to the two countries' funding practices and restrictions. For example, Japan tends to find it easier to fund infrastructure and the provision of equipment, while the United States is better equipped to offer salary, operating support, and technical expertise in a number of areas.

### *Broadening and Strengthening the US-Japan Alliance*

A third argument for pursuing US-Japan cooperation on foreign assistance in East Asia is that it would play an important role in strengthening the overall

US-Japan relationship. The most deeply rooted US-Japan collaboration currently takes place on military matters in the context of the US-Japan alliance. Deepening alliance cooperation in other areas such as development would help make US-Japan relations more resilient to setbacks in the military realm, which are inevitable from time to time. It would also better equip both countries to respond to the growing number of nontraditional security challenges in the region, which increasingly overlap with development issues. Furthermore, the extension of bilateral cooperation into nonmilitary areas has another merit that is in keeping with both countries' overall strategic goals in the region: it could help dispel damaging perceptions that the US-Japan alliance is primarily targeted at a rising China.

## **Two Decades of US-Japan Development Cooperation**

There is clearly a strong rationale for deepening US-Japan development cooperation in East Asia. Reviewing the history of Japanese and American efforts to do similar things elsewhere provides some clues as how to best proceed.



## *The Common Agenda*

As the Cold War drew to an end in the early 1990s, the United States and Japan began striving to work together on various “global issues,” including development, partly to help deflect attention away from economic tensions. In 1992, President George Bush and Prime Minister Kiichi Miyazawa announced the launch of the US-Japan Global Partnership, which grouped together a handful of existing joint development projects with more extensive measures related to economics and national security. This was superseded and expanded in July 1993 when Miyazawa and the new US president, Bill Clinton, reached agreement on a more ambitious bilateral framework for US-Japan cooperation on global issues, the Common Agenda for Cooperation in Global Perspective, as part of the US-Japan Framework for a New Economic Partnership. The Common Agenda eventually involved five pillars of joint initiatives, covering more than 20 specific areas that ranged from educational technology to coral reef initiatives and to communicable diseases. Detractors have pointed to this breadth of topics and the resultant lack of focus as a central reason why many of these initiatives failed to have a deep impact. However, there were a number of notable successes, and most observers argue that the greatest contribution of the Common Agenda was its encouragement of US-Japan cooperation on development issues, including on issues such as combating the global spread of HIV/AIDS.

The officials at Japan’s Ministry of Foreign Affairs (MOFA), JICA, the US State Department, and USAID who were responsible for translating the Common Agenda’s mandate for cooperation into reality quickly realized that bridging the divide between US and Japanese practices, capacities, and objectives required an even greater investment of time and energy than anticipated. Sensitivities about institutional

interests and different institutional cultures make it hard even for bureaucratic agencies from the same country to cooperate, but this challenge was magnified by the two countries’ different languages, cultures, budgetary processes, bureaucratic practices, and conceptions of their roles in global affairs. Much of the burden of turning cooperation into real action fell on the shoulders of staff at the two development agencies—JICA and USAID—who found that they were expending considerably more energy and staff time than expected on learning about each other’s operations, exchanging information, and reaching agreement on cooperative initiatives. This starts to explain why many officials in the two main development agencies are still ambivalent as to whether the strenuous efforts involved in building cooperation were justified by the results.

Nevertheless, diplomats focusing on the political aspects of US-Japan relations tend to praise the Common Agenda and from a broader perspective it is clear that this joint work yielded a number of important benefits. According to Hideki Wakabayashi, a former MOFA official (and later a Diet member) who was involved firsthand with the Common Agenda, the joint project identification and planning process that Japan and the United States carried out through the Common Agenda gave birth to a number of successful projects that would not have materialized if the two had been operating on their own.<sup>10</sup>

The exercise in cooperation also helped improve how the aid agencies operated. Japanese ODA had been roundly criticized for its overemphasis on physical infrastructure projects, and working with Americans helped Japanese aid workers develop expertise in “softer” areas. According to one JICA official involved with the Common Agenda, “the biggest impact on the Japanese side was the amount of learning that grew out of cooperation with USAID,”

particularly in terms of dealing with HIV/AIDS and reproductive health issues. For its part, the US side was happy to see Japan, which was then the world's largest provider of foreign assistance, begin moving into areas such as health, where it could bolster American efforts.<sup>11</sup>

There was another benefit as well. Prior to the Common Agenda, Japan had almost exclusively worked with governments in formulating and implementing its aid programs, while the United States also involved a wide range of NGOs. However, their joint initiatives encouraged Japanese government officials to learn how to work with international development NGOs, both in the field and at home in Japan. This has helped make Japan's aid programs more effective and has given further impetus to the development of Japanese civil society.<sup>12</sup>

### *The US-Japan Partnership for Global Health*

When George W. Bush took office in 2001, the Clinton administration's Common Agenda was phased out and the most prominent US-Japan ODA projects were clustered under a new initiative, the US-Japan Partnership for Global Health, which has been carried out by USAID, JICA, and MOFA. (Although they have tended to have a lower profile, several other joint efforts were undertaken outside of the health field. These include a number of initiatives involving MOFA and the State Department under the rubric of the US-Japan Strategic Development Alliance, as well as the Clean Water for People Initiative undertaken by USAID and the Japan Bank for International Cooperation.) Whereas the Common Agenda had started out as a strictly top-down affair, driven by pressure from high levels of the administration reaching up to the office of Vice President Al Gore, the Partnership for Global Health was designed to be more of a bottom-up, field-driven program in

order to more effectively meet developing countries' real needs. For example, in the latter years of the Common Agenda, Japan and the United States began dispatching joint project formulation missions from Tokyo and Washington to begin the project planning phase, but this was eventually dropped under the Partnership for Global Health in favor of encouraging staff in the field to come forward with ideas for US-Japan collaboration. Unsurprisingly, by the end of the Bush administration, US-Japan cooperation had lost steam as political pressure from above evaporated, largely disappearing from the diplomatic agenda—particularly on the US side.

Currently, USAID and JICA continue to collaborate on a number of initiatives, but these projects tend to be small in scope, and the amount of true US-Japan collaboration involved is less than under the Common Agenda or even under the Partnership for Global Health in its early stages. One reason is that institutional linkages between the two countries have declined. Under the Common Agenda, the State Department was closely involved in US-Japan ODA cooperation but for the past decade it has played a minimal role, ostensibly in order to leave development-related issues to the development experts in USAID and JICA. This approach has certain merits, but one effect has been to further weaken diplomatic pressure for greater US-Japan cooperation. Meanwhile, from the late 1990s the main institutional links between JICA and USAID had been regular meetings of American and Japanese headquarter staff who work on global health issues and a JICA liaison officer who was posted in the USAID headquarters. The human networks these spawned have played an important role in facilitating consultations between the two agencies and bridging their activities. However, JICA ended its practice of posting the liaison in the USAID offices from 2009, and soon afterward the

United States began deemphasizing the importance of the development staff that it had long placed in its Tokyo embassy. Unsurprisingly, as the pressure from Washington and Tokyo has diminished, US-Japan interactions in the field have declined. In fact, in some countries, representatives from USAID and JICA rarely meet one-on-one, instead coming into contact primarily through multilateral consultations involving all of the key donors operating in the country. The result has been that while Japan and the United States continue to pursue bilateral cooperation on a handful of issues such as health and public-private partnerships, focusing particularly on a few target countries in Africa and South Asia, their joint efforts are no longer systematic or high profile, but are rather more fragile ventures that depend on the resolve and energy of a few committed individuals.

### *Lessons Learned*

The record of US-Japan development cooperation yields a number of important lessons that need to be considered in thinking about how the two countries can work together more effectively and efficiently. First, it is important to formulate US-Japan initiatives in such a way that they do not compete with or undermine broader multilateral coordination. Although there are a number of areas where joint US-Japan efforts may be more feasible or effective than multilateral efforts in meeting overall development objectives, it is important for both countries to keep in mind that such bilateral initiatives can be taken as challenges to multilateral initiatives. Efforts should be made both in the planning and implementation stages to avoid this whenever possible.

Second, Japan and the United States cannot take a cookie-cutter approach to cooperation, but instead need to maintain a degree of flexibility that allows joint efforts to be tailored to local circumstances. Over the

past two decades, US-Japan development cooperation has suffered from a sort of Goldilocks syndrome in which the degree of high-level pressure for cooperation was either too hot or too cold, but never just right. When the Common Agenda started, it was operated as a top-down affair, driven by pressure from the upper echelons of the Clinton administration and the Japanese foreign ministry. In addition to limiting the involvement of recipient governments, this proved stifling to USAID and JICA staff, who were already overstretched and felt that the inordinate amount of time they spent on reporting distracted them from effectively implementing their programs. In fact, the 2002 program review of the Common Agenda found that one of its greatest faults was that its top-down approach often meant that development objectives were given a back seat to political imperatives.<sup>13</sup>

However, the subsequent absence of high-level involvement also proved to be a liability. From 2002, the Partnership for Global Health shifted to a bottom-up approach in which the annual bilateral meetings on cooperative initiatives were downgraded, the State Department pulled back from active engagement, and Tokyo and Washington stopped pressuring their respective country offices to explore how they could effectively work together. There have been a number of merits to this approach, but in the final calculus it is clear that, absent external pressure, country offices that already face so many other demands have few incentives to invest the additional energy needed for successful US-Japan cooperation. Under the Partnership for Global Health, collaborative initiatives have tended to be undertaken only when individual aid workers have personal ties with one another. Some information sharing inevitably has taken place between US and Japanese officials through country-level donor roundtables or because of personal friendships, but there have been few regular

forums for bilateral US-Japan consultations at the country level. The end result has been that the momentum behind US-Japan cooperation on development has largely dissipated.

These experiences with top-down and bottom-up approaches point to the need to find some workable balance in which there is high-level political leadership and commitment to US-Japan cooperation on development issues, but it is structured in a way that gives people working on the ground the maximum flexibility to respond to local needs and opportunities. In particular, it is important to ensure that the reintroduction of stronger political leadership does not create more bureaucracy for the already overstretched staff of JICA and USAID country offices so that the additional costs of collaboration do not outweigh its benefits.

Finally, the most important lesson of all that emerges out of the last two decades is the need for both countries to share a clear rationale for cooperation and a degree of harmonization in policy objectives. Obviously, the ultimate strategic objective of US-Japan cooperation needs to be the sustainable development of the countries in which they are working; cooperation just for cooperation's sake does little good. The Common Agenda was initially conceived of as a diplomatic tool for strengthening US-Japan relations at a time of heightened bilateral tensions, and in its early years its development objectives were only vaguely articulated. The Partnership for Global Health provided greater focus on development results, but the rationale for expending additional effort on US-Japan cooperation has remained difficult for staff in both aid agencies to discern, even when they recognize instances where better coordination would benefit them and the people they are trying to help. A new initiative needs a clearer vision that encompasses both development and political goals.

## **A New Framework for US-Japan Cooperation**

It is ironic that, while the momentum for cooperation has diminished, both countries' objectives have converged substantially in recent years, and they now have a stronger rationale than ever to cooperate, especially in Asia. Meanwhile, the budgetary situation in both countries also makes it more important for them to seek ways to operate more efficiently and to share the financial burden of their development initiatives. This means it is a particularly opportune time to establish a new framework for US-Japan development cooperation—one that focuses primarily on strengthening East Asia by helping to advance sustainable development in the region. (As mentioned previously, joint US-Japan led initiatives in other regions such as Africa and South Asia would also be welcome, but East Asia is the most promising target for a concerted, collaborative effort.) Within this new framework, the United States and Japan would work together more intensely at the headquarters and country levels to formulate and implement development initiatives in a targeted set of areas.

Their bilateral cooperation should be carried out in as inclusive a manner as possible, meaning that while Japan and the United States might be at the core of various initiatives, these would need to be undertaken in consultation with other actors in the aid community and in such a way as to allow other donors to become involved when appropriate. In fact, this bilateral cooperation could be useful in some cases as a rallying point for broader efforts by the aid community. And one key contribution of bilateral US-Japan cooperation would be to articulate a long-term vision for East Asia's development as a strong, stable, and open region.

This framework would ideally comprise activities in a small number of pillars, or key issue areas, where greater US-Japan cooperation can play a special role. At a minimum, these should include good governance, global health, humanitarian and disaster relief, and regional contingency planning. All of these areas involve emerging challenges with critical implications for the region's sustainable development and East Asia's further integration into the international system. Of course, there are numerous other issues that Japan and the United States should also continue to prioritize individually, and perhaps a few additional ones that should be taken up jointly. However, there is a need for focus, and these four pillars represent areas in which US-Japan cooperation and collaboration are likely to be more productive than individual action or broader multilateral efforts.

### *1. Governance and the Rule of Law*

The modern history of Asia's most advanced economies—Japan, South Korea, Taiwan, and Singapore—suggests that the key to battling poverty, developing a stable society, and eventually moving toward political liberalization is the development of a vibrant and globally competitive economy that widely distributes the benefits of growth. Obviously, this should be one of the ultimate strategic objectives of Japanese and US involvement in the region, and a key element in ensuring that this kind of development has a chance of succeeding is the spread of good governance and the rule of law.

Corruption, in particular, poses a major barrier to development in many places in the region. According to Transparency International, all of the developing countries in East Asia have serious problems with public sector corruption. In 2007, for example, more than 20 percent of people in the Asia Pacific region reported having paid bribes during the previous year,

and dealing with systemic corruption is a way of life for small business owners and entrepreneurs in a number of countries throughout the region.<sup>14</sup>

The economic rationale for battling corruption is overwhelming. It acts as a drag on economic development domestically by hampering the emergence of vibrant and healthy small and medium-sized businesses, and it hobbles countries trying to compete in the international marketplace for trade and investment. It also poses a major liability for donors. In systems characterized by pervasive corruption, it is harder for economic development projects to get the traction they need to be successful. Meanwhile, the risk that aid may be diverted or abused undermines political support for foreign assistance. This danger became real when Japan temporarily suspended ODA to Vietnam in December 2008 when a corruption scandal was unearthed involving kickbacks for a major highway construction project funded by Japan.

As the two donors with the potential to exercise the greatest influence in the region, the United States and Japan can make an important contribution by teaming up to play a leadership role in the donor community in promoting good governance and battling corruption. Many officials in East Asia are tired of what they perceive as “lectures” on the rule of law from the United States, and they are likely to be much more attentive when there is simultaneous Japanese pressure on this topic. Still, it is difficult to effectively meet developmental and humanitarian needs while strictly adhering to the letter rather than the spirit of practices designed to discourage corruption. Rather, this requires a nuanced application of regulations based on a judgment about the particular situation at hand.

Starting from the ambassadorial level in each country, Japan and the United States should make it clear that sound business practices and good

governance are a top priority. This would entail emphasizing that they stand together on this front and jointly applying pressure to rid the ODA process and the sectors they are funding of corruption. Regular high-level consultations on how to promote good governance should be a feature of US-Japan consultations at the country level.

Also, it bears keeping in mind that the examples that Japan and the United States set are critical. Therefore, they should review their own practices with an eye toward eliminating funding that is primarily motivated by the intent to curry favor with recipient governments or key political leaders. This type of funding tends to have political and diplomatic objectives that often can be justified when taken up on a case-by-case basis, but in aggregate it helps create a climate where cynical practices are accepted.

In addition, there appears to be considerable room for Japan and the United States to undertake greater coordination and cooperation in implementing aid projects specifically designed to promote good governance, better business practices, and a more friendly business environment. The United States is already quite active on this front in countries around the region, and it may be helpful for both countries to work more closely on these efforts while coordinating with initiatives operated by other development agencies such as the Asian Development Bank and the World Bank.

Of course, foreign assistance has a strategic aspect, and US and Japanese planners would be disingenuous to pretend that ODA does not play a role in competing for influence with other countries in the region. Large sums of funds are coming into the lesser-developed countries in East Asia from China, Korea, and other countries through business ventures as well as through foreign assistance, and there is the possibility that stricter stances by Japan and the

United States in refusing to provide politically motivated ODA could decrease their influence vis-à-vis China and other countries. However, the real issue at hand is how to encourage emerging donors such as China to meet international standards for development assistance and how to engage them in international institutions working on these issues, particularly the OECD's Development Assistance Committee (DAC). South Korea's transition to a donor country, its 2010 accession to the DAC, and the work of the United States, Japan, and other DAC members to engage Korea on development issues provides a model for engaging with China on this front.<sup>15</sup> The United States and Japan have much to benefit from working together more closely in this area, using their considerable influence with China and other emerging donors to encourage greater transparency and sounder practices in East Asia in terms of both foreign assistance and business practices. Through greater pressure and engagement—perhaps starting with coordinated bilateral approaches or perhaps in the context of trilateral China-Japan-US discussions—they can make an important difference.

## *2. Working Together to Improve Health*

Both Japan and the United States have increasingly prioritized health in their development policies because they recognize it has critical, long-term implications for macroeconomic development and social stability. Indeed, they have found this to be the most natural area for collaboration in recent years, particularly in their efforts in Africa. It is clear that there are considerable benefits to strengthening coordination and cooperation in this field in East Asia, too.

Combined, the two countries provide more than one-quarter of all ODA for health and population issues—both from bilateral donors and from multilateral institutions such as the World Bank—for

5 of East Asia’s 10 largest ODA recipients. The United States has expanded its health funding in East Asia—especially in Vietnam, the first Asian country to benefit from PEPFAR—and it appears there are numerous untapped opportunities for greater US-Japan cooperation. However, even though they play key roles in the donor communities in East Asia, JICA and USAID’s approaches to health funding differ considerably, and these disparities have given rise to a sense of distance between their staff in the field, occasionally fueling feelings that their initiatives were competing against one another. Japan has traditionally worked closely with national governments, mainly funding hospital systems and other government-run initiatives through national health ministries in order to build up the health infrastructure. Meanwhile, leery of government corruption, the United States tends to fund NGOs and development contractors to implement programs. In addition, while Japan has historically focused on developing countries’ overall national health infrastructures, the United States has a strong mandate to concentrate on HIV/AIDS and other deadly communicable diseases.

Nevertheless, aid recipients in the region insist that these differing approaches are associated with a

set of strengths that can be complementary if skillfully coordinated. The track record of JICA-USAID cooperation in Africa backs up this assertion—bilateral cooperation has been most successful on projects where the United States and Japan could complement each other’s respective strengths in dealing with the governmental and nongovernmental sectors, or in making up for the funding restrictions of the other partner.

An initial step to expand US-Japan cooperation would be to reinforce headquarter-level coordination by adding (or in some cases reinstating) regularized country-level discussions where Japanese and US officials could talk generally about their overall objectives, identify areas where their priorities overlap, and ultimately lay the groundwork for a resumption of the joint formulation of cooperative initiatives. These discussions should focus on overall strategies for strengthening the recipient country’s health system and how individual US and Japanese initiatives fit into the big picture. There are several issues that seem particularly amenable to US-Japan cooperation.

First, there has been a heated debate in the global health field about how to balance general efforts to strengthen health systems (typified by Japanese

Table 2. Japanese and US funding for global health, 2005–2009

Recipient	US-Japan share of DAC bilateral health funding (percent)	US-Japan share of all health-related ODA (percent)
Timor-Leste	52	33
Cambodia	47	32
Philippines	59	31
Mongolia	46	29
Vietnam	40	25
Thailand	60	21
Laos	40	18
Burma	30	18
Indonesia	26	15
China	17	7

Source: Based on data from the QWIDS Database, OECD, <http://stats.oecd.org/qwids/>.

Note: Figures reflect ODA commitments for health- and population-related activities and only include recipients of more than US\$40 million in such funding during the five-year period of 2005–2009. “DAC bilateral health funding” includes all major bilateral donors, while “all health-related ODA” adds in funding from multilateral institutions such as the World Bank and the Global Fund to Fight AIDS, Tuberculosis and Malaria.

initiatives to build up hospital networks) with disease-specific approaches (such as large-scale US funding for HIV/AIDS programs<sup>16</sup>) that some experts fear can skew the development of health systems. The United States and Japan are particularly well positioned to find practical ways to better integrate their activities, and thus to take a leading role in striking a balance between these approaches.

A second area where they can make important contributions is on the issue of health workforces. There is a chronic shortage of health workers in many countries in the region, and this tends to be one of the main bottlenecks in efforts to strengthen health systems over the long term. Japan and the United States can start addressing this issue by better coordinating their programs in order to minimize competition for the same pool of workers, explore new ways of combining funds to supplement or “top off” the health workers’ salaries in programs that they run, and project leadership in long-term efforts to expand training for various types of health workers.

A third issue where they can have considerable impact as the two most influential bilateral donors is by projecting joint leadership in focusing on the sustainability of health financing. This should include efforts to encourage the transitioning of core health programs into recipient countries’ national budgets and other efforts to make national health systems more self-sustaining over the long term. The ultimate goal should be to reduce the dependency of developing countries on external financing for their health systems while ensuring this transition is done in a smooth and responsible manner.

### *3. Greater Coordination and Cooperation on Humanitarian Assistance and Disaster Relief*

In recent years, Asia has been struck by a string of massive natural disasters that have killed hundreds

of thousands and prompted large-scale international relief efforts. One need only ponder the scope of suffering associated with the 2004 Indian Ocean tsunami, Cyclone Nargis in 2008, or the March 2011 earthquake and tsunami in Japan to appreciate how pressing the issue of disaster relief and humanitarian assistance has become for the region. While this has been an extraordinary period, it seems that the likelihood of devastating natural and manmade disasters striking the region is only growing. Widespread industrialization and urbanization in Asia’s developing countries has led to higher population densities, particularly in vulnerable coastal regions. Meanwhile, environmental degradation is making countries in the region more susceptible to disasters by increasing their likelihood and exacerbating their impact. Then there is climate change, which is expected to cause an increase in the kind of extreme weather that is associated with natural disasters, with potentially dire consequences for countries such as Vietnam and Burma (Myanmar).<sup>17</sup>

Recent experience has highlighted the need for greater international coordination to make humanitarian and disaster relief more effective and timely. While relief efforts typically end up with multilateral participation, the coordination that makes them possible is built up at the bilateral level, and there is a clear and pressing rationale for the United States and Japan to take the lead in this regard. Their longstanding alliance relationship makes them the best matched countries in the region to partner on these efforts, both in terms of capacity and working relations, and their deft response to the March 2011 tsunami has demonstrated their ability to work together effectively. The US Navy provides the only large-scale airlift capacity in the region capable of mounting massive rescue missions, and Japan is becoming better positioned to make substantial contributions now that its Self-Defense



Forces (SDF) have started to expand their capacity to participate in humanitarian operations and Japanese leaders have become increasingly willing to authorize these activities.<sup>18</sup>

There is a political dimension to this as well, which relates to their shared strategic objectives for the region. Having seen the diplomatic benefits of US relief efforts in Indonesia after the tsunami, Japanese and American leaders are very aware of the political gains to be had from expanding their contributions on this front and of how their relief efforts can strengthen their strategic role in the region. Similarly, they realize that there are many instances, such as with the tsunami in Indonesia or Cyclone Nargis in Burma, when political considerations and concerns over sovereignty make it awkward for the United States or Japan to act alone; teaming up makes their efforts more palatable to the recipient country.

Japan and the United States are already moving to make coordination on humanitarian and disaster relief more of a priority in the alliance, and there are several steps they should consider. One is to establish a joint interagency group to create and regularly review plans for coordinated efforts in different scenarios. One aim of this planning could be to analyze where Japan can best supplement the US military's substantial capabilities and then further develop SDF capacity in those areas. The discussions should not just be limited to defense officials, however; they should also include representatives of the respective foreign ministries and development agencies, as well as of NGOs in each country that play key roles in addressing humanitarian issues. It would also be particularly useful for Japan and the United States to regularly use some of their joint military exercises to practice and refine their capacity to coordinate their responses to humanitarian crises. In addition, using their bilateral cooperation as a foundation, Japan and the United

States should also expand the dialogues they have recently begun with Australia and others in the region on humanitarian assistance and disaster relief. Finally, both countries would do well to make disaster preparedness a higher priority in their ODA, building on the lessons that Japan has learned from its experiences. US efforts to establish an Asia Pacific disaster preparedness center are a good step that hopefully can be built upon with greater Japanese involvement.

#### *4. Planning for Aid to Fragile States*

Japan and the United States should also be talking regularly in a discreet manner about how they might work together to deal with fragile states with closed societies—namely North Korea and Burma—with an eye toward contingency planning.<sup>19</sup> Widespread repression in both countries and their strained relations with the outside world have precluded Japan and the United States from providing them with foreign assistance of any meaningful magnitude. However, the United States and Japan have important interests in what happens with these countries, and they both share an interest in the evolution of these countries in a more open direction.

While Japanese and US officials have spoken often about these states in bilateral security talks as well as in multilateral forums such as the Six-Party Talks, it would be useful to quietly convene regular bilateral discussions that focus specifically on long-term humanitarian and development issues and that bring in experts from the development agencies as well as the military and other relevant agencies. The best way to do this may be to set up a joint working group or groups. One aim would be to discuss how to better align US and Japanese humanitarian and development policies toward Burma and North Korea. However, the main thrust should be to undertake joint planning for contingencies. This would involve planning

as to how they might together play a leadership role, whether publicly or behind the scenes, in deploying humanitarian assistance quickly in the case of a natural disaster or some opening that might encourage the regime to move in a constructive direction. The international community's difficulties in 2008 in formulating a response to Cyclone Nargis in the face of resistance from the Burmese regime highlighted the need for this type of contingency planning. Meanwhile, Burma's recent moves toward political openness make US-Japan discussions about coordinating the resumption of ODA even more pressing.

In addition, these discussions should aim to develop joint plans for the possibility of sudden regime change, which may necessitate rapid and skillful action to stabilize humanitarian crises and help transform the country's relations with the outside world. Of course, all of this will need to be done under the radar, and particular care will have to be taken in dealing with other key stakeholders—such as South Korea in the case of North Korea—so that they are not overly threatened by bilateral discussions on issues that are critical to their own welfare. However, that should certainly not prevent the United States and Japan from moving forward in a prudent fashion with bilateral planning on issues such as this that have potentially critical ramifications for the future shape of the region.

## **Structuring Bilateral Cooperation**

Bringing cooperation to life and making it meaningful requires striking a balance between top-down and bottom-up approaches. To do this, it is important to have an institutional structure that encourages key officials from both countries to explore where joint action is desirable, sustains and reinforces the momentum for cooperation, and yet provides the necessary flexibility

for bilateral initiatives to adapt and evolve in response to new developments on the ground.

The first ingredient needs to be high-level political leadership. Ideally, a new framework for US-Japan cooperation on development issues would be launched by the US president and the Japanese prime minister as one outcome of a joint summit agreement on the future course of bilateral relations. Their backing would be critical in providing the broad vision needed for a meaningful US-Japan initiative on this topic and in mobilizing the aid agencies and foreign ministries in both countries to seriously explore how to implement greater coordination and cooperation. This top-down pressure should set out clear goals—including development-related goals as well as the political goal of deepening US-Japan ties. The development goals should be kept broad enough to give aid officials and diplomats in the region license to take advantage of the best opportunities for meaningful cooperation and to avoid forcing them to manufacture “cooperation” where it may not be useful.

Some degree of accountability is critical to keep the momentum of cooperation alive, so it would be best to have an annual review of US-Japan cooperation that brings together key officials from the headquarters and the region to measure progress, recalibrate their objectives, and explore future plans. Under the Common Agenda, officials from both countries gathered annually for an elaborate review chaired by the US undersecretary of state for global affairs and a deputy foreign minister from Japan; in recent years, the annual review of the Partnership for Global Health has been lower in stature, involving mid-level officials from JICA and USAID. Befitting the renewed priority that should be placed on bilateral development cooperation, it would be useful to bring back high-level participation in an annual meeting, although it is important to structure the meeting

so that there continues to be a frank, working-level discussion between officials who have front-line responsibilities on development issues. In essence, it would be best to involve high-level political leadership primarily to give their imprimatur to the proceedings, while taking measures to ensure that the bulk of the review is action-oriented and concrete in nature.

There should also be some high-level mechanism to maintain development cooperation and coordination as a priority in overall bilateral relations. Top US officials such as Secretary of State Hillary Clinton have spoken about the “three Ds,” rhetorically placing development on the same level as defense and diplomacy as the third pillar of US foreign policy, and sentiments about the importance of development are even more widespread in Japan. In keeping with this, both governments should expand their focus on development cooperation and cooperation on related global issues in their regular cabinet- and sub-cabinet-level discussions. In particular, it would be useful to have an annual meeting on these topics that brings together the Japanese and American foreign ministers and the heads of the development agencies from each country.

Additional measures to strengthen the support system for development coordination are advisable within the JICA and USAID headquarters. The dispatch of a young Japanese official to sit in USAID and serve as a liaison from the late 1990s until 2009 proved very useful in facilitating cooperative initiatives, and it would be helpful to reinstate this posting. The creation (or more accurately, resumption) of a similar post for a US official at JICA should also be considered and, most importantly, more resources should be allocated for the facilitation of donor coordination in both agencies. Perversely, as the importance of donor coordination has become more obvious in recent years, the number of staff on the US side assigned to

support efforts at coordination has steadily declined. Moreover, a related obstacle on the US side has been the growing number of agencies besides USAID that are involved in foreign assistance. This may change if proposals to reconsolidate aid programs within a single agency move forward, but for the time being it is important to find some way of involving other US agencies in US-Japan liaison activities.

While reinvigorated leadership from the top levels of both governments is crucial, the most important determinant of the success of US-Japan development coordination and cooperation is what happens on the ground in USAID and JICA country offices and embassies in East Asia. A new initiative on US-Japan cooperation would need to be flexible enough to allow aid workers and diplomats in the field to focus on what is most appropriate in each country and tailor programs to local needs. Instead of dictating which joint initiatives should be pursued, it would be more effective for Tokyo and Washington to encourage US and Japanese officials in the field to meet on a regular basis to exchange information and explore a few of the most promising areas for deeper coordination and cooperation in their recipient countries that fall under the four pillars of the proposed US-Japan framework. Progress at the country level would eventually be reported at the annual review meeting.

It would be best if this exploration were capped by annual country-level meetings between the Japanese and US ambassadors to formally identify key agenda items and objectives for development cooperation at the country level. The example set by ambassadors carries great weight, and their direct involvement could provide the necessary leadership to encourage country offices to work together more closely.

Of course, with aid officials and diplomats in both countries facing so many competing pressures, it is difficult to sustain the momentum of initiatives

without dedicated resources—even initiatives that ultimately make funding more effective, such as development coordination and cooperation. For this reason, it is advisable to look at innovative financing mechanisms to facilitate US-Japan development cooperation. Past efforts have never included special funding for joint initiatives, but it is time for Japan and the United States to seriously consider creating a special pool of matching funds that is dedicated to supporting collaborative US-Japan aid projects in the region.<sup>20</sup> Country or regional offices could be encouraged to request funding from this pool separately from their regular budgets, and the pool could be designed with the flexibility to allow funding to be allocated to the most promising projects that involve US-Japan collaboration anywhere in East Asia. Such a funding pool should consist of new resources for collaborative US-Japan initiatives, perhaps in the range of US\$10–US\$20 million annually from each country, for a total of US\$20–US\$40 million per year.<sup>21</sup> To put things in perspective, the US contribution would roughly be equivalent to the cost of a single hour of US military operations to deal with state failure in Afghanistan.<sup>22</sup> If development is truly so critical for

each country's long-term national security and well-being, and if we are truly committed to building a broader partnership, then both countries should be willing to back up their rhetoric with a comparatively modest commitment such as this.

The time is now ripe for the United States and Japan to launch a new framework for enhanced bilateral cooperation on development issues, with a special focus on the crucial region of East Asia. This will necessitate a thoughtful restructuring of current institutional linkages, a commitment of sufficient human and financial resources, and, most importantly, high-level political leadership from both sides. While the needs in the region are great, successful cooperation in the four areas where Japanese and American capacities and approaches are particularly well matched and where US-Japan collaboration has the potential to be especially effective—good governance, global health, humanitarian and disaster relief, and regional contingency planning—would help reinvigorate US-Japan partnership and give new significance to the bilateral relationship. Even more important, it would go a long way in helping realize both countries' vision of the emergence of a strong, stable, and open East Asia.

## NOTES

1. For the purpose of this chapter, East Asia is considered as comprising the ASEAN+3 countries (Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand, and Vietnam, plus China, Japan, and South Korea) as well as North Korea, Timor-Leste, and Mongolia.
2. In this chapter, “bilateral cooperation” refers to bilateral US-Japan cooperation vis-à-vis a recipient country. It is important that this cooperation be carried out in such a way as to incorporate the needs of the recipient country and the recipient government’s views, as one danger of such cooperation is that initiatives that are not entirely appropriate can be foisted upon the recipients simply because they are politically appealing for the donor countries.
3. Interviews with Cambodian, Japanese, and US government officials and NGO representatives, Phnom Penh, Cambodia, September 8–9, 2008.
4. For example, many of the European aid agencies have increasingly moved toward disbursing their funding as “budget support” provided directly to the recipient governments or through Sector-Wide Approaches (SWAs) that pool their funds with other donors. However, legislative regulations and an emphasis on accountability keep Japan and the United States from adopting those approaches, leaving them instead as the leading major donors that operate almost exclusively on a project-by-project basis. Furthermore, Japanese and American aid philosophies also tend to be closer to one another than to the European donor agencies, particularly the Nordic donors, giving them more common ground for cooperation and making it more likely that their bilateral efforts will bear fruit.
5. Based on statistics from the Organisation for Economic Co-operation and Development’s (OECD) Development Assistance Committee (DAC), QWIDS Database, <http://stats.oecd.org/qwids/>. Differing ODA statistics are produced by individual countries and sometimes even by different agencies in the same country, but the data reported in keeping with OECD standards is best suited for international comparisons and thus is used throughout this chapter unless otherwise noted.
6. Figures are for FY2008. Curt Tarnoff and Marian L. Lawson, “Foreign Aid: An Introduction to US Programs and Policy,” Congressional Research Service Report for Congress (February 10, 2011), 15.
7. According to the OECD-DAC, in the five-year period from 2005 to 2009, the United States and Japan made total new ODA commitments of US\$28 billion for East Asia, which is equivalent to 52 percent of total bilateral funding from all of the DAC member countries. The recipients of these funds included Burma, Cambodia, China, Indonesia, Laos, Malaysia, Mongolia, North Korea, Philippines, Thailand, Timor-Leste, Vietnam, and regional programs. OECD-DAC, QWIDS Database, <http://stats.oecd.org/qwids/>.
8. The United States cannot provide most types of ODA to China due to legislative restrictions dating from the Tiananmen Square Incident.
9. For example, Japan has stronger ties to the governments, or some elements of the governments, in places such as Cambodia, Vietnam, and Indonesia, where US ties have historically been strained.
10. Hideki Wakabayashi, *The US-Japan Alliance: A New Framework for Enhanced Global Security* (Washington DC: Center for Strategic and International Studies, October 2008).
11. Interviews with current and former Japanese and US government officials, Tokyo and Washington DC, June and July 2008.
12. Interview with Sumie Ishii, executive director, Japanese Organization for International Cooperation in Family Planning (JOICFP), Tokyo, June 24, 2008.
13. Sally Craig Huber, “A Review of the Japan–United States Collaboration in Population and Health under the Common Agenda and Global Issues Initiative,” Management Sciences for Health report to USAID, 2002.
14. From Transparency International’s 2007 survey of global corruption; Transparency International, *Report on the Transparency International Global Corruption Barometer 2007* (Berlin: Transparency International, 2007)
15. In addition to joining the DAC, South Korea, which has been notable for the commercial orientation of its aid, has taken measures to increase the transparency of its overseas giving. Meanwhile, China has begun working with the Asian Development Bank and the UN Development Programme, which can be seen as a small step toward coordinating its efforts with the international donor community.
16. Some experts and practitioners argue that the amount of funding going into HIV/AIDS programs, malaria initiatives, and other disease-specific approaches through US programs, as well as through multilateral initiatives such as the Global Fund to Fight AIDS, Tuberculosis and Malaria, can distort developing countries’ health systems by encouraging human and technical resources to focus on one set of problems to the detriment of broader health issues.
17. The UN’s Intergovernmental Panel on Climate Change warns that climate change is likely to bring increased flooding in coastal regions, especially in “heavily populated mega-delta regions” such as Vietnam and Burma, while some inland areas will see more droughts. (See [www.un.org/wcm/content/site/climatechange/pages/gateway/the-science/consequences-for-the-future](http://www.un.org/wcm/content/site/climatechange/pages/gateway/the-science/consequences-for-the-future))
18. Japan’s recent deployment of Hyuga-class ships that can act as “helicopter carriers” gives Japan airlift capacity that can be utilized for humanitarian and disaster relief.
19. There is also considerable appetite and potential for US-Japan cooperation in terms of ODA in Afghanistan and Pakistan, but efforts in this area would naturally be more multilateral in nature, with other donors also playing important leadership roles.
20. This approach has not been intensely explored in the past because concerns about a lack of accountability have made the US Congress and the Japanese government reluctant to allow aid agencies to engage in pooled funding. However, the atmospheric sur-

rounding this issue have shifted considerably and there is reason to believe that this kind of small step toward pooled funding with a close ally may be acceptable to both sides.

21. A pool of funding roughly in the range of a combined US\$20–US\$40 million per year might allow the United States and Japan to make grant commitments to perhaps three to six new mid-sized, multiyear projects throughout the region each year, yet presumably the overall cost might be small enough to make this type of commitment feasible in terms of the budgetary processes in both countries.
22. The Congressional Research Service estimates that the expenses of military operations in Afghanistan for FY2011 will reach US\$120 billion, more than \$300 million per day and roughly \$13 million per hour. Amy Belasco, “The Cost of Iraq, Afghanistan, and other Global War on Terror Operations since 9/11,” Congressional Research Service Report for Congress (March 29, 2011), 18–19.

## **About the Japan Center for International Exchange**

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From 2008 to 2011, JCIE managed a multiyear study on an “Enhanced Agenda for US-Japan Partnership,” which explored how revitalized US-Japan cooperation can better address common challenges, strengthen regional and global stability, and ultimately make the bilateral alliance more robust and versatile. The project has brought together a group of promising young policy experts to focus on emerging issue areas where there is the potential for deeper bilateral cooperation between the two countries. The findings of some of the participants are being published as part of this working paper series. This initiative has been made possible by the generous support of the Japan Foundation Center for Global Partnership.

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