A summary of a speech on “Cooperation between the Government and NGOs in the international cooperation”

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1. Introduction

- While the government of Japan implements official development assistance to the developing countries for the economic and social development, Japanese NGOs are also major actors as part of diplomatic players in the various international cooperation fields such as humanitarian assistance, social development namely education and health care and peace building assistance by land-mine removal, and so on in the developing countries.

2. About ODA (Official Development Assistance)

- Japan is one of top countries providing a large amount of economic assistance in the international community. However, ODA budget has been continuously cut down for the last ten years since 1997, reflecting severe budgetary constraints. As a result, the present ODA budget is reduced by 38% compared with the budget in 1997 fiscal year. Japan was ranked in 2nd place following the USA since 2001, but at present slipped to 3rd place and seems to slide down to 5th place in the near future.

- Japanese civil society shows an interest in development issues in the developing countries with severe eyes on ODA. They are opinions that the quality and efficiency of assistance should be improved.

- It is a fact that Japanese assistance is appreciated by the recipient countries, demonstrated in the currency notes and stamps with design of the bridges or hospitals constructed by Japanese ODA as symbol of friendship.

- It is essential to have economic interaction through the private firms and
NGOs' activities for development of the developing countries.

3. Significance of Assistance

- The global issues such as poverty, environment and infectious disease like HIV/AIDS which the developing countries are facing are common development challenges for the international community. ODA is an important diplomatic tool for Japan which does not have natural resources, and plays an important role in peace and stability of the international community through stability and development of the developing countries.
- Japan itself has experienced to have realized the postwar reconstruction with committed self-help efforts by receiving assistance from the international community. We should not forget that Japan was once a recipient country too.

4. Efficiency of Assistance and Collaboration with NGO

- In order to implement efficient and effective assistance MOFA (Ministry of Foreign Affairs) regularly conducts “inspection and improvement of ODA” through cost reduction efforts by utilizing the locally available resources, speed up of project screening process, close cooperation of the different ODA schemes, and strengthening of local ODA task force.
- The coordination with NGOs was on the agenda in the special committee of the LDP as part of the promotion of assistance efficiency.

5. NGO

- The number of registered NPOs is about 30,000 and the public corporations are about 25,000. In Japan it is a tendency to refer to NPO engaging in overseas development activities as NGO. We understand that about 400 NGOs engage in international cooperation activities in the developing countries. There are a few types of NGO with different focus, namely on the development cooperation, humanitarian assistance, network and advocacy.

6. Role of NGO

- The role of NGO in the international community is expected to become
7. NGO's reality and challenges as a new leader

- Capable of providing fine-tuned assistance that meets the diverse needs of developing countries at the grass root level.
- Promptly and flexibly implementing emergency humanitarian assistance activities.
- Give Japan a visible presence.
- Capable of implementing activities in the area beyond the reach of the government.

7. NGO's reality and challenges as a new leader

- Japanese NGO are less competitive on the foundation of financial scale and the number of staffs compared with Western NGOs.
- It is hard for Japanese NGOs to keep capable staff because of institutional and financial constraints. Volunteers and/or interns account for the major positions in the activities. Thus, it is needed to create sound training system for young staff including those volunteers and interns.
- In order to secure an adequate financial base, it is important to ensure accountability including the fund management and transparency. Voice for calling accountability to NGO is mounting as the expectation to NGOs goes up.
- There are many NGOs starting activities out of individual sentiment. It would be necessary to develop the organizations which could work as a representative of the civil society with sound professional skills in the international cooperation activities.
- Western NGOs have capable staffs not just because of financial backup but also enough experience through frequent human interaction between NGO and the government and business circles. It will be essential to promote these human interactions in Japan.

8. Tax issue

- One of the difficulties for NGOs is fund-raising. The fund-raising is an important element to strengthen the financial base. It is sometimes pointed out that the reason why the fund-raising is of difficulty, is that the donation culture and tax system are different in Western countries and Japan.
- USA has the favorable system in which NPOs are easily given
preferential tax treatment with about one million NPOs authorized in 2004. Japan has the government authorized NPOs and public corporations which are given preferential treatment on tax with about 70 and 900 respectively out of about 55,000 NPOs and public corporations.

- Total amount of donation in 2003 in the USA was twenty seven thousand billion yen, whereas in Japan it was six hundred billion yen. Individual donation in the USA accounted for 80% out of the total. On the other hand in Japan accounted for only 5%.

9. Cooperation between business and NGO
- The concept of CSR in the business sector has infiltrated with the Hanshin-Awaji earthquake in 1995, as turning point, which promoted a large number of volunteers and fund-raising. Since then, the importance of public activities by private sector is being given much attention. The cooperation and collaboration between the business sector and NGOs is increasingly seen, in the field of emergency humanitarian assistance at the large scale of the overseas natural disaster.

10. Cooperation between MOFA and NGO
- MOFA provides the government fund to projects implemented by NGOs in the developing countries, and conducts projects for capacity building of NGOs, has the regular dialogues and promotes interaction with NGOs.
- MOFA provides fund for Japan Platform (JPF) which was established for the emergency humanitarian assistance in cooperation with the government, private sector and NGOs.
- MOFA formulated 5 years plan toward strategic cooperation with NGOs last year, which aims to strengthen Japanese NGOs up to the level of international NGO with global competitiveness. The major pillars of this plan are to strengthen capacity and organizational ability of NGOs through overseas training, expand ODA scheme in which NGOs will be able to participate, and collaborate with international agencies.
- MOFA expects that Japanese NGOs will grow as international NGO
with accumulating the experience on the ground and gaining understanding and support of the citizens as a new leader of the civil society.