

Japan's Official Development Assistance to Thailand and the Philippines, 1995–2015

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Introduction

In 1996 the lead researcher for this article published a book analyzing Japan's official development assistance (ODA) to Thailand and the Philippines [Potter 1996]. The data for that volume ended in 1993. The two subsequent decades have brought about significant changes in the world of development assistance [Potter and Potter Seminar 2017; Woods 2005; Fengler and Kharas 2010; 高柳; 2017] and in Japan's ODA itself. To date, however, no study has followed Japan's aid to these two countries even though the two have followed different economic and aid trajectories. In 2011 the Development Assistance Committee designated Thailand as an upper middle income economy, and it is expected to graduate from ODA recipient status in the near future. Already in the early 1990s the Thai government had announced its shift from aid recipient to collaborator with international donors in the provision of aid to neighboring countries, and since then it has reorganized its aid agencies to fulfill that task. The Philippines remains a middle income economy with substantial development assistance needs.

This article begins to fill the gap of the last twenty years by establishing a baseline dataset of Japan's official development assistance. It examines aid by amount, modality, and project distribution by region and sector within each country. In short, it seeks to answer two basic questions: how much aid was allocated and where did it go?

Literature review

In the mid-1990s Phelan [1995] and Potter [1996] compared Japanese development assistance to the Philippines and Thailand. Phelan focused on the differential impacts of two-step loans to economic growth in the two countries; Potter's analysis focused on the evolution of donor-recipient relations and

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the role of learning in the process of linking donor allocations and recipient development priorities. Thereafter, however, studies have focused on specific aspects of Japanese aid in each recipient separately. Söderberg [1996] analyzed Japanese aid for road development in Thailand and Leelasorn [2005] surveyed Japan's technical assistance to Thailand through 2000. Other scholarship on Japan's aid to Thailand since the mid-1990s has tended to focus on the Eastern Seaboard Development Plan, a massive regional export industrial development project for which Japanese aid had been allocated in the late 1980s [Shimomura 2008, 2013; Mieno 2013; Sumphaongern 2013].

Studies of the Philippines since the mid-1990s are less prominent. Warkentin [1996] analyzed the Calaca II coal-fired power plant in the context of Japanese aid to the Philippines. Since then, however, no major work on the bilateral aid relationship has been published.

Methodology

The study here creates a basic database on Japan's ODA to Thailand and the Philippines from 1995 to 2015. The project team collected data on aid amounts by year according to the three basic modalities of aid: loan aid, grant aid, and technical assistance. It then collected data on sectoral and regional distributions of that aid in each recipient. It further analyzed these distributions for two categories of grant assistance to nongovernmental organizations (NGOs): subsidies for Japanese NGOs (NGO 連携無償資金協力) and grassroots-human security assistance (草の根・人間の安全保障無償資金協力) for recipient country NGOs, local governments, and other civil society actors. These two schemes were separated in 2001, so data on geographic and sectoral distributions was collected only from that year until 2015.

The team used two sources to retrieve data: the annual ODA databooks (国別 ODA データブック) published by the Ministry of Foreign Affairs and the ministry's online database of aid project contract agreements (国別約束情報). Each has limitations requiring use of the other. The databooks provide annual lists of projects by modality and budget for each recipient country but do not provide detailed information on projects that would yield information on location and sector. Moreover, NGO grant data is limited to total budget and number of projects for each year. This is probably due to their small scale within overall grant allocations.

The online database provides information by country on projects contracted during the fiscal year. This information includes project budgets, counterpart agencies, project site, and project title with links to fuller project descriptions for many projects. This database allows collection of detailed information, especially on NGO projects. The database begins in 1999, however, and the team found gaps in projects included in it. Therefore, databook information was used for the years to 1999 and used to fill gaps in the online database information.

Results

The results section presents data on Thailand, followed by data on the Philippines. Data is arranged across all modalities by amount (number of projects in the case of NGO assistance), then sectoral and regional allocations within each country. Following Japanese government practice, dates are expressed as fiscal years, which in Japan run from April to March of the following calendar year.

ODA to Thailand

Table 1 and Figures 1 and 2 show trends in amounts of Japanese aid to Thailand by modality. In

Table 1: Japanese ODA to Thailand by Modality, 1995–2015
(million yen)

Year	Loans	%total	Grants	%total	Technical assistance	%total
1995	616.53	88	0.7	0.1	79.78	11
1996	1,183.81	92	0.95	0.07	95.07	7.4
1997	1,059.47	92	1.57	0.1	89.05	7.7
1998	1,475.62	93	0.47	0.02	102.52	6.4
1999	1,517.9	95	0.41	0.02	66.03	4.1
2000	956.71	93	0.41	0.04	66.39	6.4
2001	64.05	36	0.53	0.3	109.20	62
2002	451.7	81	1.73	0.3	100.14	18
2003	0	0	2.82	6.1	42.96	93
2004	448.52	83	3.31	0.6	86.32	16
2005	354.53	85	0	0	60.08	14
2006	0	0	0	0	57.54	100
2007	624.42	91	0	0	54.72	8
2008	630.18	91	1.0	0.1	53.83	7.8
2009	44.62	49	0	0	46.08	51
2010	239.46	77	9.86	3.1	60.62	19
2011	0	0	1.62	4	38.55	96
2012	0	0	85.3	71	34.79	29
2013	0	0	0	0	0	0
2014	0	0	0	0	0	0
2015	382.03	100	0	0	0	0

table 1 and figure 1 we can see that Japanese loan aid to Thailand rose gradually from 1995 to 1997, and since 1998 has declined but with a slight upturn in 2007 and 2008. A separate count for number of projects per year revealed a similar trend, with projects peaking at 15 in 1998, then dropping to one or two per year from 2001. Thailand received no loan aid in 2003, 2006, and from 2011 to 2014.

Technical assistance follows a trajectory close but not identical to that of loan aid. Allocations peaked in 2001 then gradually declined until 2012. No technical assistance was allocated from 2013 to 2015.

Grant aid shows a different pattern, with very little allocated across the entire period. As table 1

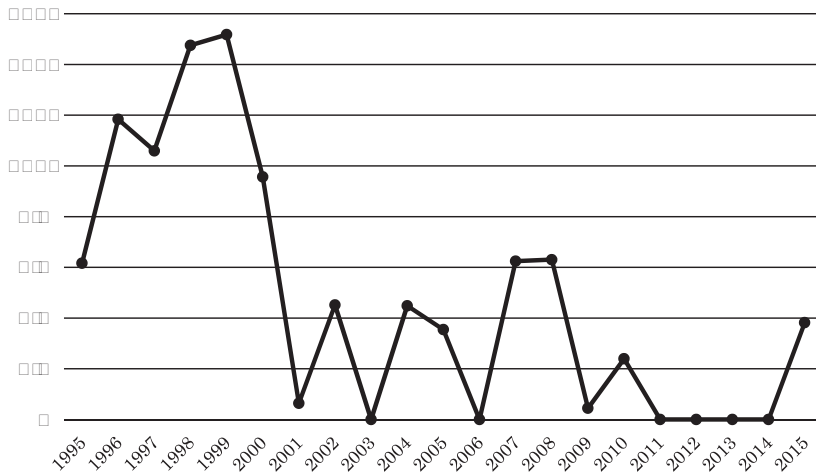


Figure 1: Loan aid to Thailand, 1995-2015 (million yen)

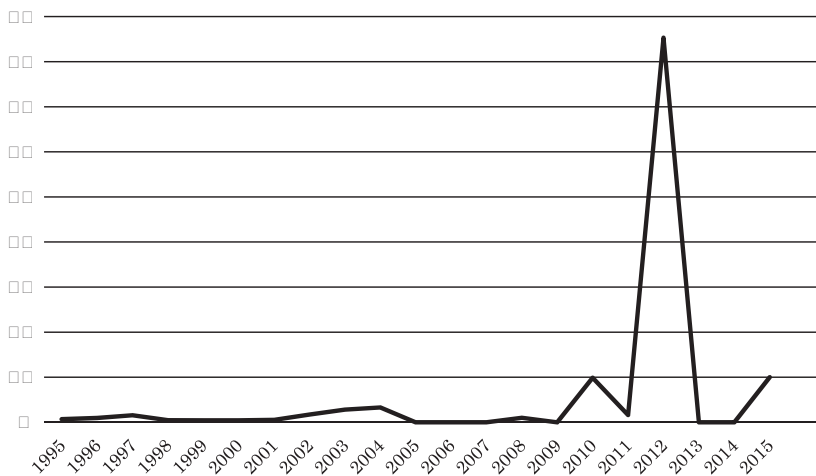


Figure 2: Grant aid to Thailand, 1995-2015 (million yen)

shows, grant aid accounted for a miniscule proportion of Japanese ODA to Thailand except in years where no loan was allocated. 2012 is an outlier, with a significant allocation that year. Thailand suffered from large-scale floods in 2011 and 2013, which resulted in a single major allocation of disaster relief aid in 2012, as evidenced in the figure. This pattern is consistent with a Japanese government decision in 1993 to phase out most grant aid to Thailand based on its level of economic development [JICA 2003; Uehira 2019, 5].

NGO grants to Thailand show a somewhat different pattern. Because project budgets are included in the overall grant aid budget, the team counted projects per year rather than grant amounts. The results of the research on the numbers of ODA-subsidized Japanese NGO projects to Thailand are

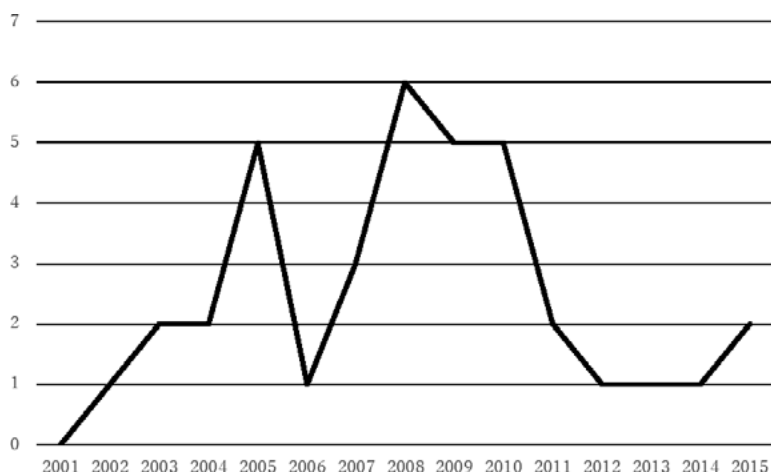


Figure 3: Grants for Japanese NGO projects in Thailand (million yen)

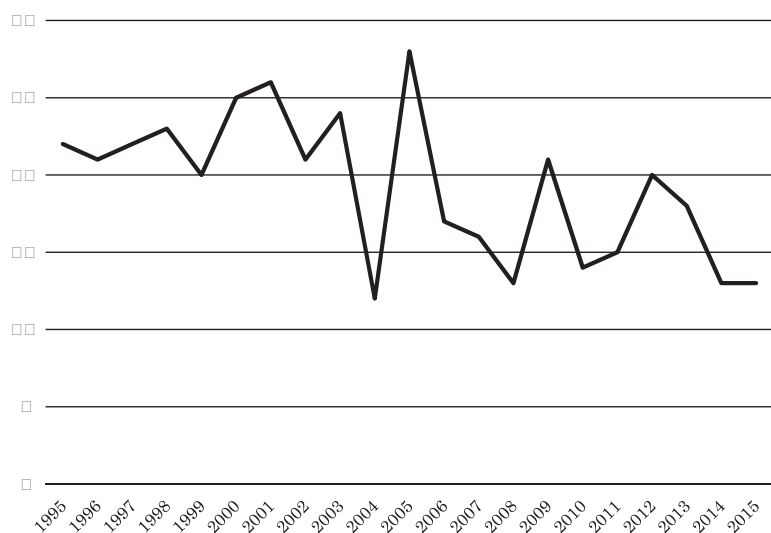


Figure 4: Grassroots-Human Security Projects in Thailand (million yen)

presented in figure 3. As the figure shows, one or two projects are subsidized in most of the years. But there is a brief rise in 2005 with five projects and then again, it significantly decreases in 2006. The most active year was 2008 with six projects, a trend maintained for the next two years before dropping to one or two per year after that.

Figure 4 shows Grassroots-Human Security Projects in Thailand. As the figure shows, the number of projects fluctuates between 20 and 26 until 2004. Some caution must be exercised here as project numbers until 2001 include both Japanese NGOs and recipient country agencies. On the other hand, 2005 shows the highest number of projects overall. From this year, the number decreases until 2015, fluctuating between 13 and 20.

Sectoral Allocations

Tables 2 to 5 display sectoral allocations for each modality. The team adopted the sectoral allocation scheme used in Potter [1996], but included other sectors to reflect changes in aid thinking since that work was completed. For example, human security and peacebuilding have become significant aid principles since 2000 [Carvalho and Potter 2016]. For the sake of clarity sectors which received no allocations are not included in the tables.

Table 2: Sectoral allocations of loan aid projects to Thailand, 1995–2015
(number of projects)

Sector	1995–2000	2001–2005	2006–2010	2011–2015
Roads and Bridges	3	1	1	
Transportation	4	3	3	1
Energy/Electricity	0	2	0	0
Waterworks	3	0	1	0
Agriculture/Forestry	1	0	0	0

As table 2 makes clear loan aid allocations heavily favored the economic infrastructure development sectors. There is a significant concentration in the transportation and road development sectors.

Table 3 shows sectoral allocations of grant aid projects to Thailand, 1995–2015. Compared to loan aid grants funded a broader array of sectors, including economic infrastructure, social development, and human security-related fields. The most common sectoral allocation of grant aid project to Thailand over 20 years is education/human resources, followed by disaster relief/ reconstruction from 1995 to 2000 (3). The number of projects allocated to roads and bridges and waterworks in the last period can be attributed to assistance for reconstruction following the floods of 2011. It also appears that disaster relief/reconstructions from 1995 to 2000 was influenced the drought by El Niño effect. Also, in 2008 there was flooding, therefore grant aid supported disaster relief/reconstruction.

Table 3: Sectoral allocations of grant aid projects to Thailand, 1995–2015
(number of projects)

Sector	1995–2000	2001–2005	2006–2010	2011–2015
Roads and Bridges	0	0	0	1
Waterworks	0	0	0	4
Agriculture/Forestry	0	0	2	0
Industry/Mining	0	2	0	0
Education/Human Resources	6	4	0	0
Medicine and Health	0	1	0	0
Social Services	0	3	0	0
Disaster relief/Reconstruction	2	0	1	1
Peacebuilding	0	1	0	0
Program/Nonproject	0	0	0	3
Refugees	0	0	0	4
Grants via Multilateral Institutions	0	0	1	0
Culture	1	0	0	0

Table 4: Sectoral allocations of Japanese NGO grant projects to Thailand, 1995–2015
(number of projects)

Region	2001–2005	2006–2010	2011–2015
Agriculture/Forestry	0	0	1
Education/Human Resources	2	3	1
Medicine and Health	2	10	5
Social Services	0	1	0
Security	5	2	0
Environment	1	1	0
Refugees	0	3	0

Table 5: Sectoral allocations of Grassroots-Human Security grants to Thailand
(number of projects)

Region	2001–2005	2006–2010	2011–2015
Energy/Electricity	1	0	0
Communications	0	1	0
Waterworks	1	0	0
Agriculture/Forestry	11	25	7
Industry/Mining	0	0	0
Education/Human Resources	37	31	12
Medicine and Health	34	8	20
Social Services	16	4	5
Food Aid	0	1	0
Disaster Relief/Reconstruction	5	4	0
Security	11	3	9
Environment	6	3	7
Refugees/Minorities	7	1	2
Community	1	0	5
Housing	18	0	0

Research results on sectoral allocations of Japan NGO projects to Thailand are reported in table 4. Medicine and health took primacy in 2006 to 2010 with ten projects. These were mostly projects for care support for infectious disease such as HIV/AIDS. In the security sector, which is the second largest number of sector and the largest in the year of 2001–2005, many allocations were donations of firetrucks. In the most recent years of 2011 to 2015, project sectors are not spread across sectors but focused in agriculture/forestry, education/human resources, and medicine and health.

Table 5 shows sectoral allocations of Grassroots-Human Security projects to Thailand. Sectoral allocations are more varied than is the case with Japanese NGO grants, but there is a skew in favor of the following sectors. From 2001 to 2010 education/human resources projects were the most common, followed by medicine and health, and then agriculture and forestry.

Regional Allocations

Tables 6 through 9 display the regional allocations of Japanese aid by region for each modality. Regional nomenclature follows that of the Government of Thailand. Table 6 makes clear the concentration of loan aid in the central region of the country, especially the Bangkok Metro region. Note, however, the large number of national and unspecified projects in the period 1995–2000. These include projects that the aid databooks list as “national,” including non-project aid and interregional projects for which a specific region could not be designated; and projects for which a region could not be identified based on databook information. Therefore, some caution must be used in interpreting these results.

Table 6: Regional allocations of loan aid projects to Thailand, 1995–2015

Region	1995–2000	2001–2005	2006–2010	2011–2015
North	0	1	0	0
Northeast	0	0	0	0
Central Region	4	0	1	0
(Bangkok Metro Region)	16	4	1	1
Eastern Region	0	1	0	0
South	0	0	0	0
National, Unspecified	30	0	0	0

Table 7 shows regional allocation of grant aid projects to Thailand from 1995–2015. The most commonly supported regions across all 20 years were the Northeast and Central Regions. But after 2006 there was no grant aid project in the Central Region. From 2011 to 2015, grant aid projects in the Bangkok Metro Region increased slightly (2). This can be attributed to relief aid following the flooding in 2011.

Table 7: Regional allocations of grant aid projects to Thailand, 1995–2015

Region	1995–2000	2001–2005	2006–2010	2011–2015
North	0	0	0	0
Northeast	1	2	0	1
Central Region	2	2	0	0
(Bangkok Metro Region)	0	1	0	2
Eastern Region	0	0	0	2
South	0	0	0	0
National, Unspecified	6	5	4	5

The tabular results of the research in regional allocations of Japanese NGO grant projects to Thailand are presented in table 8. As shown in the table, the number was intensive in the North region, mostly in Chiang Mai and Chiang Rai. The largest number was between 2006 and 2010 with fourteen projects. Apart from the North, the Northeast, Khon Kaen and Ubon Ratchathani were areas which Japan NGOs assisted. Also, there were four projects in the Bangkok Metro region between 2006 and 2010.

Table 9 shows regional allocations of Grassroots-Human Security NGO subsidized projects to

Table 8: Regional allocations of Japanese NGO subsidized projects to Thailand, 2001–2015

Region	2001–2005	2006–2010	2011–2015
North	3	14	7
Northeast	6	2	0
Central Region	0	0	0
(Bangkok Metro Region)	0	4	0
Eastern Region	0	0	0
South	0	0	0
National, Unspecified	1	0	0

Table 9: Regional allocations of grassroots-human security NGO subsidized projects to Thailand, 2001–2015

Region	2001–2005	2006–2010	2011–2015
North	16	38	42
Northeast	2	2	8
Central Region	1	3	3
(Bangkok Metro Region)	0	0	0
Eastern Region	0	1	0
South	1	0	4
National, Unspecified	0	0	0

Thailand. As the table shows, local NGO activities also focus heavily in Northern cities, followed by significantly fewer projects in the Northeast and Central regions.

ODA to the Philippines

Table 10 and figures 5 and 6 present data on trends in Japan's aid allocations to the Philippines by modality. Unlike aid to Thailand loan and grant aid to the Philippines is relatively constant over time. Note, however, the decline after 2000 also seen in the Thai case. There is also a significant decrease in aid between 2003 and 2006, with no loan aid provided at all for the years 2003 to 2005. Finally, the increase in aid after 2012 is noticeable, with grant aid peaking at its highest level over the entire period in 2013 and loan aid in 2015. In contrast to Thailand, technical assistance amounts are constant over

Table 10: Japanese ODA to the Philippines by Modality, 1995-2015
(million yen)

Year	Loans	%total	Grants	%total	Technical assistance	%total
1995	1,485.44	89.35	102.36	6.16	74.63	4.49
1996	1,242.80	87.06	106.15	7.44	78.51	5.50
1997	0	0	88.99	54.00	75.82	46.00
1998	1,570.11	92.05	57.81	3.39	77.83	4.56
1999	1,357.40	88.69	100.31	6.55	72.77	4.75
2000	1,288.22	89.11	81.25	5.62	76.11	5.27
2001	1,144.18	87.16	70.25	5.35	98.29	7.49
2002	186.53	51.90	69.39	19.31	103.51	28.80
2003	0	0	51.15	43.23	67.18	56.77
2004	0	0	4.6	5.87	73.78	94.13
2005	0	0	4.93	8.31	54.41	91.69
2006	85.29	56.64	8.59	5.70	56.69	37.65
2007	365.12	80.64	30.79	6.80	56.84	12.55
2008	341.39	81.12	28.39	6.75	51.06	12.13
2009	687.38	84.95	53.95	6.67	67.8	8.38
2010	507.59	88.19	18.02	3.13	49.98	8.68
2011	682.63	84.90	55.54	6.91	65.85	8.19
2012	618.09	87.00	34.06	4.79	58.31	8.21
2013	687.32	81.10	108.38	12.79	51.75	6.11
2014	195.05	69.16	23.7	8.40	63.27	22.43
2015	2,756.80	97.39	7.65	0.27	66.33	2.34

time, even more so than loan or grant aid, albeit at more modest levels after 2003 than before.

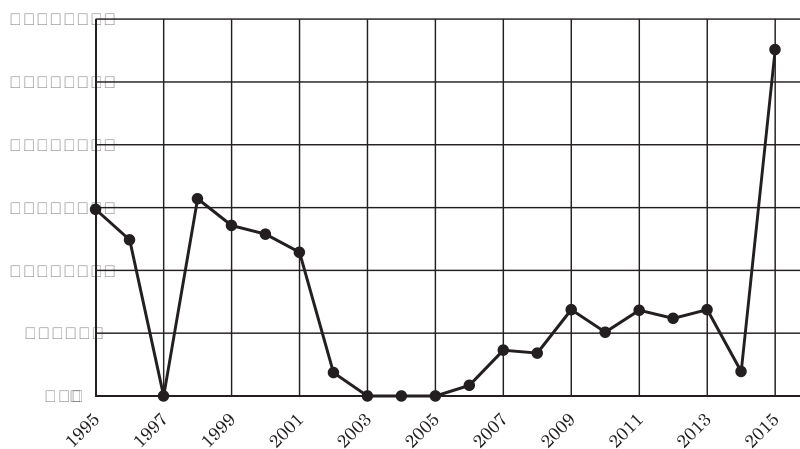


Figure 5: Loan aid to the Philippines, 1995–2015 (million yen)

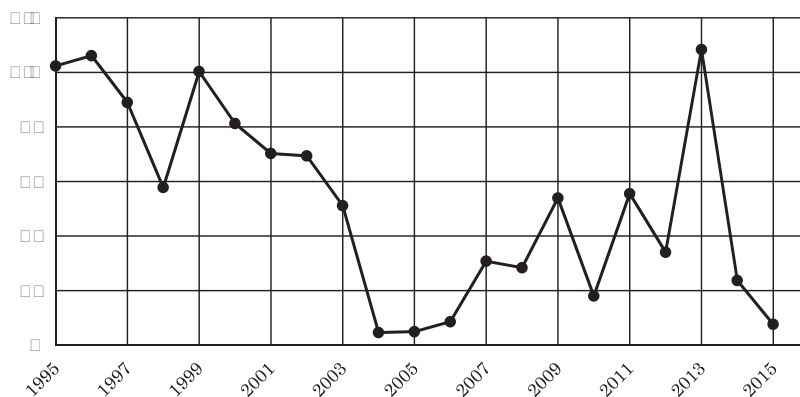


Figure 6: Japanese grant aid to the Philippines, 1995–2015 (million yen)

Figure 7 presents trends in the number of Japanese ODA-subsidized NGO projects allocated in the Philippines from 2002 to 2015. Note the steady increase in projects (this is also the case with annual budgets) across time but with a slight decline in the mid-2000s. As is the case in Thailand, noted above, the total number of Japanese projects per year is small, between one and five.

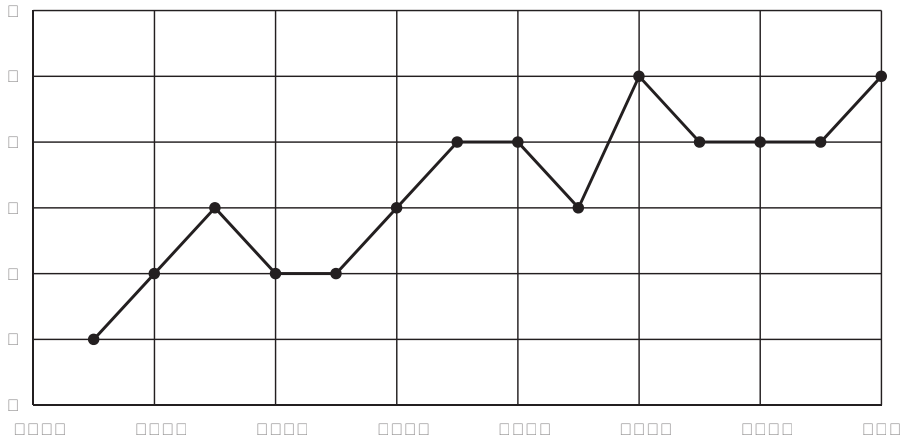


Figure 7: ODA-subsidized Japanese NGO projects in the Philippines, 2001-2015 (number)

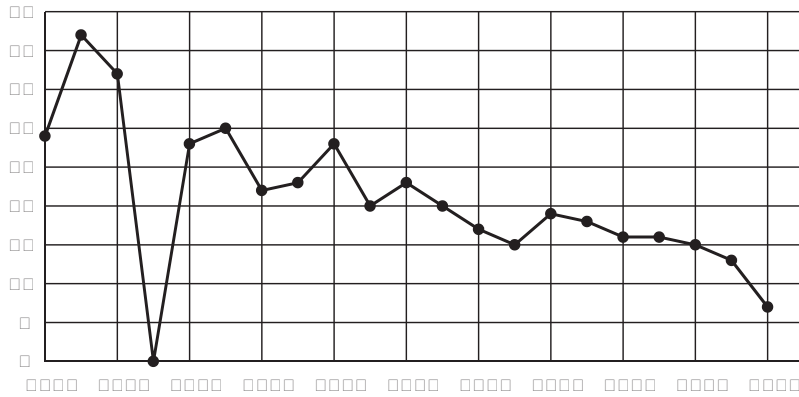


Figure 8: Grassroots-Human Security projects in the Philippines, 2001-2015 (projects)

Figure 8 presents the data for Grassroots-Human Security projects in the Philippines from 1995 to 2015. It is important to note the lack of data in the fiscal year 1998, represented as zero in the figure. Comparison of project numbers with overall budgets shows an interesting pattern: the height of budget allocation occur in 2003, with 1.84361 million yen allocated. Grassroots-human security project budgets experienced a period of increase until 2010, followed by a considerable decrease to ten million yen allocated in FY 2015.

Sectoral Allocations

Loan aid supported a broader range of sectors in the Philippines than was the case in Thailand. Grant aid was also broadly allocated but with significant clustering in education and human resources followed by disaster relief and reconstruction (table 12). Note that these two sectors accounted for

Table 11: Sectoral allocations of loan aid projects to the Philippines, 1995–2015
(number of projects)

Sector	1995–2000	2001–2005	2006–2010	2011–2015
Roads and Bridges	14	5	2	5
Transportation	11	2	3	3
Energy/Electricity	4	1	0	0
Environment	7	1	1	0
Waterworks	12	2	1	3
Agriculture/Forestry	6	2	2	3
Industry/Mining	4	0	0	0
Education/Human Resources	2	0	0	0
Disaster Relief/Reconstruction	2	1	3	1
Security	3	1	0	1
Peacebuilding	0	1	0	0
Program/Nonproject	5	0	2	1

Table 12: Sectoral allocations of grant aid projects to the Philippines, 1995–2015
(number of projects)

Region	1995–2000	2001–2005	2006–2010	2011–2015
Roads and Bridges	3	3	3	1
Energy/Electricity	0	0	2	3
Communications	5	2	3	3
Waterworks	11	5	2	1
Agriculture/Forestry	8	5	0	0
Education/Human Resources	14	18	19	35
Medicine and Health	8	2	1	0
Food Aid	6	4	4	0
Disaster Relief/Reconstruction	1	2	4	27
Security	0	1	1	0
Program/Nonproject	3	1	2	8
Culture	0	3	1	0

nearly eighty percent of total grant projects allocated in 2011–2015. Relatively constant rates of grant assistance are found in the economic infrastructure sectors, in the top half of the table, reflecting the distribution of loan aid seen in table 11. Note also relatively constant levels of food aid in the first three periods.

Table 13: Sectoral allocations of subsidized Japanese NGO projects in the Philippines, 2001–2015

Sector	2001–2005	2006–2010	2011–2015
Waterworks	0	3	0
Agriculture/Forestry	1	0	9
Industry/Mining	2	2	0
Education/Human Resources	3	2	4
Medicine and Health	1	4	1
Social Services	0	2	0
Disaster Relief/Reconstruction	0	1	3
Peacebuilding	0	1	5
Community Development	0	1	0
Self-reliance	1	0	0

Table 13 presents the data on sectoral allocations of Japanese ODA-subsidized NGO projects in the Philippines. Observing the allocations by period, the education/human resources sector predominated in the 2001–2005 period with three projects, the medicine and health sector during the 2006–2010 period with projects; and the agriculture and forestry sector in the 2011–2015 period with nine projects, the highest number of projects in a single sector. Overall, the emphasis on social development sectors, followed by agriculture and forestry, is clear.

Table 14: Sectoral allocations of Grassroots–Human Security projects in the Philippines, 2001–2015

Region	2001–2005	2006–2010	2011–2015
Roads and Bridges	1	0	0
Energy/Electricity	2	0	0
Waterworks	17	10	3
Agriculture/Forestry	15	8	15
Industry/Mining	1	1	0
Education/Human Resources	24	49	30
Medicine and Health	24	10	10
Social Services	19	3	3
Disaster Relief/Reconstruction	4	4	2
Public Administration, Civil Society	0	0	3
Environment	0	0	1
Resilience	0	4	0

Table 14 presents the sectoral allocations of Grassroots-Human Security projects in the Philippines. As with Japanese NGO grants, education/ human resources and medicine and health are the predominant sectors. These are followed by waterworks, agriculture and forestry, and social services. As with the grant program one can see concentrations in both the economic infrastructure and social development sectors. The former are projects carried out by local government agencies; similarly, public schools frequently appear in the lists of recipients of education grants. This suggests that local public agencies are using the grant fund as a supplement or substitute for national and municipal public works budgets.

Regional Allocations

Tables 15 through 18 display the results of the investigation into regional allocations of aid to the Philippines. Note in all the tables that the number of cases recorded as “national/unspecified” is high, especially for the NGO grant modalities. Many project listings either did not include a regional identifier or only listed a community without provincial designation. Some caution must be exercised in interpreting the results.

Table 15: Regional allocations of loan aid projects to the Philippines, 1995–2015

Region	1995–2000	2001–2005	2006–2010	2011–2015
Northern Luzon (Regions 1 and 2, CAR)	2	1	0	0
Central Luzon (Region 3)	5	3	2	4
NCR, CALABARZON (Region 4-A)	0	1	1	4
Southern Luzon (Region 5)	3	0	0	0
Visayas (Region 4-B, Region 6, Region 7, Region 8)	2	2	0	1
Mindanao (Region 9, Zamboanga)	4	0	0	1
Northern Mindanao (Region 10, 13)	0	0	0	1
Southern Mindanao (Region 11, 12)	1	1	0	1
ARMM	0	1	0	0
National, Unspecified	1	4	9	5

The data reveals two patterns in regional distributions of Japanese aid in the Philippines. First, there is a concentration of loan and grant aid in Luzon, although this is not as pronounced as the period to 1993 [see Potter 1996]. A number of projects included in the “national” category are projects that link regions, especially the National Capital Region (NCR), Calabarzon (the second most populous and economically important part of the country), Central Luzon, and Southern Luzon. Second, Mindanao has received more aid than in the period Potter [1996] researched. The allocation of projects in Southern Mindanao and the Autonomous Region of Muslim Mindanao (ARMM) is significant and reflects both the efforts of the Government of the Philippines to achieve peace and development in the most unstable and poorest part of the country and of the Japanese government’s commitment to supporting peacebuilding there [Lam 2009].

In December 2006, Prime Minister Shinzo Abe announced the launch of “Japanese-Bangsamoro Initiatives for Reconstruction and Development” or J-BIRD, increasing Japanese support in the Mindanao region during the ongoing peace process [Fukunaga 2013]. We can consider this program as a factor to the increase of budget from 2006 for ODA-subsidized NGO projects; specifically, with projects focusing on post-conflict reconstruction and development. As for the fluctuation period of 2010 and 2011, the change from the Arroyo administration to the Aquino administration could be considered as a factor. In addition, then-President Benigno Aquino III resumed the peace negotiation with the Moro-Islamic Liberation Front in 2011, which had been halted two years beforehand.

Table 16: Regional allocations of grant aid projects to the Philippines, 1995–2015

Region	1995–2000	2001–2005	2006–2010	2011–2015
Northern Luzon	3	5	3	1
Central Luzon	1	2	3	
NCR, CALABARZON	3	2	0	1
Southern Luzon	0	0	1	1
Visayas	5	3	0	2
Mindanao	1	0	0	0
Northern Mindanao	0	0	0	0
Southern Mindanao	3	1	0	0
ARMM	0	0	0	0
National, Unspecified	27	33	41	57

This is especially the case with NGO grant aid. Table 17 presents the regional distribution of Japanese ODA-subsidized NGO projects in the Philippines. Overall, there is a fairly wide distribution of projects across the country but with a clustering in the National Capital Region, CALABARZON, and Central Luzon. Note, however, the clustering in the last period in the four regions of Mindanao: ARMM and Southern Mindanao, especially. As table 18 demonstrates there is also a noticeable shift of regional allocation of Grassroots-Human Security aid in the periods of 2006–2010 and 2011–2015 to

Table 17: Regional allocations of Japanese NGO subsidized projects to the Philippines, 2001–2015

Region	2001–2005	2006–2010	2011–2015
Northern Luzon	1	3	5
Central Luzon	0	1	0
NCR, CALABARZON	2	7	1
Southern Luzon	0	0	0
Visayas	3	3	1
Mindanao	0	1	0
Northern Mindanao	0	0	1
Southern Mindanao	0	0	6
ARMM	0	0	3
National, Unspecified	2	1	5

Table 18: Regional allocations of Grassroots-Human Security NGO subsidized projects to the Philippines, 2001–2015

Region	2001–2005	2006–2010	2011–2015
Northern Luzon	12	7	5
Central Luzon	7	3	1
NCR, CALABARZON	18	5	1
Southern Luzon	3	3	2
Visayas	18	11	12
Mindanao	3	2	3
Northern Mindanao	6	4	6
Southern Mindanao	11	26	13
ARMM	10	27	16
National, Unspecified	28	1	8

the regions of ARMM (27 and 16 projects, respectively) and Southern Mindanao (26 and 13 projects, respectively).

To cite JICA, a major distinguishing feature of NGOs is that it pursues activities to the basic needs of people in socially and economically vulnerable positions in different parts of the world, and encourage their self-reliance (social development) [JICA 2008, 7]. This characteristic can be seen in the concentration of NGO projects in vulnerable regions, affected by conflicts and poverty, in the Philippines. It also suggests that the Ministry of Foreign Affairs sees civil society organizations and local agencies as better vehicles for peacebuilding than the official channels usually utilized in the Japanese aid program.

Discussion

The results presented above reveal an overall decline in aid in Thailand to near zero levels by 2015. Aid to the Philippines also declined but continued through the period with a rebound to pre-2000 levels after 2010. This trend is in line with data from other sources. Ministry of Foreign Affairs rankings of aid recipients show both in the top ten at the beginning of the period: Thailand dropped out of the top thirty after 2003, and the Philippines had declined into the top twenty by 2010. Edward Feasel [2014, 76] calculated that Japanese ODA accounted for 6.0 percent of Thai government spending in the period 1996–2000, 4.5 percent in 2001–2005, and 0.5 percent in 2006–2010. Japanese ODA accounted for 7.1 percent of Philippines government spending in 1996–2000, 8.5 percent in 2001–2005, then 4.5 percent in 2006–2010.

A comparison of annual aid allocations with annual GNI growth in each recipient revealed no visible correlation even when aid allocations were lagged one year. However, there are three peaks in aid in each recipient's allocations: one around 1997–1999, the second around 2007–2009, and third sometime after 2011 (see figures 1, 2, 5, and 6 above). The first two are attributable to Japanese responses to the 1997 Asian financial crisis and the 2007 Lehman shock. Note in the first instance that the spike is more dramatic in loan aid to Thailand than to the Philippines and occurs earlier in the Thai case. No doubt this reflects the severity of the financial crisis in the former recipient. In both cases the response to the Lehman shock was more measured.

The third set of increases after 2011 is attributable to non-economic factors. Grant aid in 2011–2012 is clearly a relief response to natural disasters (Typhoon Haiyan in the Philippines and flooding in Thailand). The spikes in loan aid in 2015 may be attributable to the Abe administration's use of aid to support strategically important partners in the region [see Potter 2015, 2016]. This point requires further research.

If we consider aid allocations by recipient country administration the mid-2000s stand out (see figures 1, 2, 5, and 6 above). Loan aid allocations in Thailand, having declined from the period of the Asian financial crisis, are volatile, with no loan aid committed in 2001, 2003, and 2006. Neither are there grant aid commitments in 2003 and 2006. This is the period of the prime ministership of Thaksin Shinawatra. Similarly, there were no loan commitments in the Philippines from 2003 to 2005 and only a modest increase in 2006 before more robust increases thereafter. Grant aid commitments were also the lowest of the entire period surveyed during these years. This occurred during the presidency of Gloria Macapagal Arroyo.

Why this is so begs explanation. This was a period when both countries negotiated economic partnership agreements with Japan, which should have stabilized aid. It was also a period of political instability in both countries. Thaksin was deposed in mid-2006 by a brief military coup following allegations of corruption. His term was marked by open political conflict between his supporters, many in the periphery of the country, and traditionalist conservatives supporting of the political elite in the country. He subsequently went into exile to avoid prosecution in Thai courts. As vice president Arroyo assumed the presidency in 2001 following the impeachment and subsequent ouster of

President Joseph Estrada in the second EDSA uprising. Elected to the presidency again in 2004 she left office in 2008. She was arrested on corruption charges in 2011.

A political explanation for the Thai case is relatively straightforward. Thaksin aimed to change Thailand's relationship with Japan from that of donor-recipient to one of partnership [Chachavalpongpun 2010, 210]. To that end his administration restricted overseas borrowing, with the result that the Thai government under Thaksin made no requests for new loan aid from 2003 [Ministry of Foreign Affairs 2006, 2]. It is interesting to note that Japan's loan aid also dropped to zero during the prime ministership of Thaksin's sister, Yingluck Shinawatra (2011–2013).

The Philippines case is less clear. The Arroyo government was widely perceived as corrupt and the period was marked from its beginning by political instability. Kang [2010] found that absorptive capacity, the ability to formulate, schedule, and implement aid projects declined during the period 2003–2008 compared to the prior period. Further research on this period might yield additional insights.

Sectoral and regional allocations of aid reveal the following: Japanese aid supports a broad range of sectors across wide regions of each country. Sectoral and regional clustering is more evident in the Thai case, however. Loan and grant aid tend to focus on central Thailand and Bangkok in the Thai case and Luzon in the Philippines. Note that grant and loan aid allocations avoid the southern region of Thailand and, mostly, the ARMM in the Philippines. Both are home to Muslim minority resistance against central government control and therefore present security threats to development agencies. NGO grant projects, on the other hand, are more broadly distributed in each country, suggesting an official aid presence in core regions with NGOs and local agencies filling in the gaps in the periphery. This pattern is also found, for example, in Japanese aid to Myanmar [Potter 2017].

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Japan's Official Development Assistance to Thailand and the Philippines, 1995–2015

David M. POTTER and POTTER Seminar

Abstract

This article investigates Japan's official development assistance to Thailand and the Philippines from 1995–2015. It attempts to establish a baseline dataset of Japan's official development assistance for these two recipients. It examines aid by amount, modality, and regional and sectoral distribution within each country, and seeks to answer two basic questions: how much aid was allocated and where did it go? Data are analyzed by aid amount, sectoral allocations, and regional allocations for each recipient. The article concludes that there has been an overall decline in Japan's ODA to both countries but the decline is more pronounced in the Thai case. Differences and similarities in the two cases are discussed.