THE EVALUATION OF JAPANESE ODA TO VIETNAMESE FARMERS

BY

MR. HIDEAKI SHIRAKATA

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS

FOR THE DEGREE OF MASTER OF ARTS

(ASIA PACIFIC STUDIES)

THAMMASAT INSTITUTE OF AREA STUDIES

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was approved as partial fulfillment of the requirements for
the degree of Master of Arts (Asia Pacific Studies)

on Approval date - 2 NOV 2018

Chairman

(Assistant Professor Sunida Aroonpipat Ph.D)

Member and Advisor

(Associate Professor Suphat Suphachalasai Ph.D)

Member

(Parnpree Bahiddha-nukara Ph.D)

Director

(Associate Professor Suphat Suphachalasai Ph.D)

Thesis Title	THE EVALUATION OF JAPANESE ODA TO VIETNAMESE FARMERS
Author	Mr. Hideaki Shirakata
Degree	Master of Arts (Asia Pacific Studies)
Major Field/Faculty/University	Thammasat Institute of Area Studies Thammasat University
Thesis Advisor	Associate Professor Suphat Suphachalasai, Ph.D.
Academic Year	2018

ABSTRACT

This paper evaluates the impact of the agricultural aid program on Vietnamese farmers, specifically those living in the rural communities of Hanoi and Nam Dinh province. A grassroots Official Development Assistance (ODA) program was implemented by the Japan agricultural cooperative of Ibaraki to teach Japanese farming techniques and knowledge to these selected areas. The Vietnamese agricultural industry has received little foreign aid and few studies have focused on the benefits of technology and knowledge transfer to local farmers. Study data included in-depth interviews with farmers, researchers, and agriculture extension staff from Chuc Son, a town in the Chuong My district, Hanoi and Yen Duong, a town in Y Yen district, Nam Dinh where the ODA program was implemented. The study findings indicate that understanding local needs before the project's implementation increased the satisfaction of the participants. The findings also highlight that education about Japanese agricultural practices and techniques had a positive impact on local agricultural development. An increase in safe vegetable production is expected from the newly introduced practices. Remaining challenges include consumers' awareness of safe products, the pricing of the products. These challenges may reduce the farmer incentive to continue to apply the methods learned through foreign aid.

Keywords: Agriculture, knowledge transfer, Japan, Official Development Assistance (ODA), Vetnam

ACKNOWLEDGMENTS

It has not been an easy journey, but several months of continuous efforts finally paid off. Looking back on my study journey at Thammasat University, anxieties and apprehension covered my mind when I first came to the classroom; however, uneasiness cleared my mind soon not because of my previous experience but thanks to wonderful academic professionals, program staff, classmates, and people I met here.

First and foremost, I would like to thank my thesis advisor as well as the director of the Master of Asia Pacific Studies (MAPS), Dr. Suphat Suphatchalasai who kindly supported, assisted and provided clear guidance on my thesis. Without his advice, I would not have been completed the thesis. Also, I would like to express my utmost gratitude for allowing me to study this program with a generous scholarship.

Second, I would like to thank the thesis committee members, who provided valuable feedback to make my thesis brilliant. Your insights and experience provided the greatest inputs in the thesis, which further polish arguments and discussion. Moreover, my deep appreciation goes to Mr. Hoang who helped fieldwork survey in Vietnam. I am gratefully indebted to him for his wonderful support.

Finally, I must express my very profound gratitude to all my classmates who shared my time here. Studying together with different backgrounds diversified my perspectives and provided new insights. Also, deep credit goes to Ms. Joy Thanyawee Chuanchuen, and Mr. MD Zaidul Anwar Bin Haji Mohamad Kasim, who contributed to assiduous support on academic advice and management of the program.

Last but not least, I would like to say thank you to my parents who wished my studies well and cheered behind the scene.

Mr. Hideaki Shirakata

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LIST OF ABBREVIATIONS

Symbols/Abbreviations	Terms
ADB	Asia Development Bank
DAC	Development Assistance Committee
EROA	Economic Rehabilitation in Occupied Era
FAO	Food and Agricultural Organization for the United Nations
FAVRI	Fruit and Vegetable Research Institute
GARIOA	Government Appropriation for Relief in Occupied Areas Fund
GGP	Grant Assistance for Grassroots Human Security Projects
IBRD	International Bank for Reconstruction and Development
JA	Japan Agricultural Cooperative
JBIC	Japan Bank for International Cooperation
JETRO	Japan External Trade Organization
JICA	Japan International Cooperation Agency
JOCVs	Japan Overseas Cooperation Volunteers
HIPC	Heavily indebted poor countries
MAFF	Ministry of Agriculture, Forestry, and Fisheries
MDGs	Millennium Development Goals
METI	Ministry of Economy, Trade and Industry
MOFA	Ministry of Foreign Affairs
NGOs	Non-Governmental Organizations
NPOs	Non-Profits Organizations
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development

SDGs	Sustainable Development Goals
SEDs	Socio-Economic Development Strategy
SEDP	Socio-Economic Development Plan
SERVQUAL	Service and Quality
UNDP	United Nation Development Program
UNFPA	United Nation Population Fund
UNICEF	United Nation Children’s Fund

CHAPTER 1
INTRODUCTION

1.1 Introduction

This study seeks to evaluate Japanese Official Development Assistance (ODA) to Vietnamese farmers. The purpose of this study is to explore Vietnamese farmers' perception of how they benefit from Japanese ODA and how the Japanese aid contributes to the improvement of farmers' living through gaining technical skills, new knowledge provided through the ODA program, and evaluate its effectiveness. Many development projects have been implemented in many parts of the world through the Japanese ODA. In 2016, The Japan International Cooperation Agency (JICA), aid implementation body under the Ministry of Foreign Affairs of Japan, disbursed $16,819 million in the total amount ($ 10,380 million in net amount) (MoFA, 2017a). Of this, the Socialist Republic of Vietnam (hereafter Vietnam) received the largest amount at $ 1583 million in the total amount ($1166 million in Net Amount). In fact, Tokyo has been the largest donor to Hanoi for many years. The importance of Vietnam in terms of geopolitics has increased due to the rising political competition between China and Japan to maintain a friendly political ally in Southeast Asia. Vietnam, as the largest recipient of Japanese foreign aid, is part of Japan's diplomatic strategy.

Despite of the substantial outflow of foreign aid to Vietnam, most ODA programs focus on large infrastructure projects such as the construction of dams, bridges, airports, harbors, power plants, hospitals and so forth. The spending on economic infrastructure development accounts for more than 50% of the aid. Although Vietnam improved its economy to a member of a lower middle-income country from a low-income country in 2010, the majority of Vietnamese citizens still have very low income. The Food and Agriculture Organization (FAO) of the United Nations reports that nearly 40% of the population still lives below the poverty level with rural villagers earning less than $ 2 a day (FAO, 2018). This study attempts to look at the Japanese ODA to the Vietnamese agricultural sector where the main

beneficiaries are farmers. Agriculture is an important industry for the Vietnam despite a decline in the workforce and its contribution to GDP. For this reason, this paper provides a detailed analysis of the ODA aid effectiveness for Vietnamese farmers by closely examining the ODA program.

The rationale of Vietnam being selected in this study has several reasons. Firstly, as mentioned, Vietnam receives the largest aid amount from Japan, but it appears that most are being spent on economic infrastructure development rather than rural development. Secondly, since 70% of Vietnamese still live in the rural or remote areas, the development of the rural community and human capital would fulfill the objective of ODA such as reduction of poverty. These two backgrounds information provided the author for conducting the research to understand how Japanese ODA benefit Vietnamese farmers, how it has a positive impact, and how it contributes to their living.

1.2 Significance of the Research

The aim of the research is to explore how Japanese foreign aid is perceived by Vietnamese farmers, citing a case study of the outskirts of Hanoi and Nam Dinh Province. The agriculture ODA program was conducted for farmers, researchers and agricultural leaders in the said areas between February 2015 to March 2017 under the project name of “Promotion of Agriculture in Suburban Areas around Hanoi city and Nam Dinh Province”. The research objective in this study attempted to investigate the effectiveness of agricultural ODA program to farmers, which was initiated as a part of JICA’s ODA Grant Assistance for Grassroots Human Security Projects (GGP) by Japan Agricultural Cooperative Ibaraki (JA Ibaraki).

1.3 Research Objective

The overarching objective of the research is to evaluate

- Effectiveness of Japanese Agricultural ODA in Vietnam

1.4 Research Methodology

To better understand the Vietnamese farmers' perception of the Japanese ODA and to evaluate the ODA project, a fieldwork survey was conducted in Vietnam, specifically Hanoi and Nam Dinh Province over the course of two weeks in 2018. In-depth interviews were the primary method of data collection. The necessary information obtained through interviews of 11 became a critical foundation of overall research findings in this study. Moreover, secondary research utilizing existing pieces of literature, official statistics from related institutions was employed to further analyze and verify findings. The aid effectiveness is examined from recipients' point of view rather than donors' in this study. It is because donors tend to conclude that aid is effective as long as the project delivery is completed. The process of delivery and the result of the projects as well as the benefit of locals are often ignored. Hence, to examine farmers' perception, such as local needs, delivery process, management of the project, personal needs are looked into through interviews. Meanwhile, the evaluation of the project is also given based on the findings. Just because aid beneficiaries feel satisfied with the project, it does not mean that the aid project is worth continuing. The economic benefit of continuing the new practices is considered.

CHAPTER 2
LITERATURE REVIEWS

2.1 Introduction

Many policies, suggestions, and recommendations are given to developing countries to spur economic development, improve the lives of the poor, and reduce poverty. Although a large number of studies have examined on the issue of aid, economic development, agriculture in rural areas, correlation between aid and development and other related poverty matters, the literature review will focus on five major themes: development perspectives, development strategies, aid effectiveness, recipient perspective, development in agriculture, and Vietnam and development. The chapter begins by identifying, analyzing, and evaluating the current knowledge, mainstreams, and problems. It moves on to the discussion of major development perspectives. At the end of the literature review, a short summary of all topics is given.

2.2 Development Perspective

Mainstream aid and development theories are discussed extensively in books, journals and official reports from the United Nation, OECD, IMF, World Bank, and so on. Policy makers, academics and government officials have expressed different views on aid and economic development. A prime example of advocating foreign aid is Jeffrey Sachs, the author of End of Poverty. Sachs (2005) argued that it is utmost important to increase the amount of aid to countries with suffering from extreme poverty in order to achieve the target of Millennium Development Goals (MDGs). His argument is that if rich countries meet targets of GNP 0.7 % or at least 0.5 %, extreme poverty will be reduced from the globe. On the other hand, Easterly (2007) highly criticizes the utopian like Sachs because despite having paid a trillion dollars to developing countries, these states are still suffering from chronic poverty,

their citizens are dying, women are under empowerment, and children are searching for food on the street. Easterly, on the contrary, claimed that less-developed countries would be able to get out of poverty without large amount of aid because during a certain period, these states showed a positive growth in the capital growth. The more aid is given, the more countries are dependent on the gift from rich nations. However, the problem lies not only in developing countries but also in the aid management or policy implementation that donor states take.

Moyo (2010) like Easterly, criticized that African countries have not progressed at all despite trillions of dollars inflow into Africa over the course of the last half century. Aid has decreased the growth, promoted the corruption, and prompted the dependency on aid. Hence, aid is perceived as adverse products that cause the devastating consequences. Although it might be true that aid has caused negative impact, it should be discussed the effectiveness and quality of aid because we could see successful economic development in other regions through support of aid. Cash aid probably will not bring positive impact; however, aid in the form of technical assistance and project basis aid could produce different results. Moreover, it is argued, according to Chang (2002), Now-developed-countries (NDCs) implement policies which were not introduced when these countries were in the process of development, meaning that NDCs carry out bad policies for developing countries. Liberalization of market, deregulation in the financial industry, and privatization of state-owned enterprises in the early stage are one of the examples of bad policies because NDCs highly protected domestic infant industries, levied a tariff on foreign merchandise, fostered domestic industries with plenty of subsidies. Chang (2002, p128) further argues “good policies of yesterday may not be good policies of today”. It could be said that although recipients’ nations might have problems in managing aid, tackling corruption, and crafting good policies, NDCs have a certain responsibility for low speed of development in poor countries.

2.3 Development Strategies

The Millennium Development Goals (MDGs) is generally acknowledged as the major development target set by the United Nation in 2000, which aims to achieve 8 different agendas by 2015. These were included, for example, “to eradicate extreme poverty”, “to achieve universal primary education”, “to combat HIV/AIDS, malaria, and other diseases”, and “to develop a global partnership for development” (United Nations, Millennium Development Goals, 2015). With the advent of year of 2016, the MDGs came to an end and new development goals are established as a successor of MDGs. The Sustainable Development Goals (SDGs) are launched and 17 sustainable development agendas are area of focus over the next 15 years. Each 17 target has sub-targets and in total, 169 targets are aimed (United Nations, Sustainable development Goals, 2018). On top of SDGs, in 2005, a declaration called Paris Declaration was adopted in order to facilitate aid effectiveness based on five central pillars; Ownership, Alignment, Harmonization, Managing for Results and Mutual Accountability (OECD, 2005). This is the declaration between donors, recipients’ countries, and civil society, differentiating from past relationship of “Donor and recipient” to new “partnership”

In a study investigating commitment of the Paris Declaration, Borter (2017) found that priorities for donors still lie ahead on their own perception rather than recipients’ needs. Donors put priorities on their strategic interests and those would be main objectives of aid activities. It is likely that despite such declaration, donors are prone to carry out own priority planning to influence recipient states. This perception must be altered, according to Sobhan (2006), because reforms without ownership of main parties are not to be sustainable and would not be successful. He further argued that economic development will be accompanied with the stability of macroeconomy. Moreover, Kharas, McArthur, and Braun (2017) suggested three important frameworks to make a progress on the agenda of SDGs wherein ending hunger is one of the objective. The framework comprises of “Needs”, “Policies”, and “Resources”, all of which are recipient-oriented proposal. Since hunger is a prevalent and common phenomenon in rural areas of developing countries, a task that donor

countries face is challenging. In a similar vein, the research conducted by Mosley and Suleiman (2007) proposed the strategy for development. Their finding shed light on aid effectiveness and impact on poverty while proved pro-poor approach produces significance results.

It is always argued that donor countries' selfishness by prioritizing own self-interest has caused prolonged unproductive consequences which developing nations are unable to climb up the ladders. As Easterly (2006) argues earlier, the essential element in development is a concept of planners and searchers. Planners refer to policy makers who sit in the desk and formulate utopian plan and Searchers are the people who work on the scene. Even voices from governments in the developing countries belong to planners because the governments usually do not work closely with Searchers. What is required is to listen to searchers' advice and proposal because they know what is necessary on the spot; however, these voices are neglected due to complicated politics, mismatches of donor's supply and recipients' demand, and simply corrupted central government. In this regard, it is worth noting that Easterly, Mosley and Suleiman got to the core of the problems.

2.4 Aid Effectiveness

There is a large volume of published studies describing the role of aid, and aid effectiveness on recipients. For example, detailed examination of effectiveness of development water project, by Metzger and Guenther (2015) showed that weaker correlation was found between evaluation rating scores and the improvement of water supply. The most obvious finding to emerge from the study is that evaluation rating focuses on project management and implementation process. Their research has proved that just because project achieved original objective, it does not mean that it would not ensure successfulness of the activities. It can be argued that the most essential part in the aid program is how receivers benefit from the management and implementation process, meaning that donors should understand the local needs, local context and local ownership. Unlike Metzger and Guenther, in order to understand how aid beneficiaries perceive, Winters, Dietrich &

Mahmud (2017) carried out 2295 household survey in Bangladesh using face-to-face interviews and found out that the US foreign aid is perceived as effective. Their claims seem to be somewhat inaccurate because it is unlikely that aid recipients would answer negatively against aid program funded by donor states. As admitted in their studies, further investigation is required to verify the clear correlation between real perception and effectiveness of aid program.

On the other hand, to better understand the impressions and feelings of aid beneficiaries and its role and functions, Paragi (2013) analyzed the local perception by conducting in-depth interviews and focus group in Palestine territories. Pointing out that the view of aid recipients is often not taken into account, the researcher attempted to understand how aid beneficiaries think about external assistance. The finding by the research explained that beneficiaries perceive donors as active players who can influence politics, institution and damage the self-esteem of individuals. As foreign aid is used to exercise certain influence over recipient state, it cannot be denied that aid has an aspect of manipulating local politics. It has been suggested that aid beneficiaries may decrease self-esteem because of aid, which should be noted by donor nations. Furthermore, the following studies by Arndt, Jones, and Trap (2014) were conducted on a broader assessment of aid effectiveness. Their studies suggested that foreign aid had a substantial positive impact on growth between 1970 and 2007, helped to decline poverty and expanded industrial sectors while a decline in the agricultural share in GDP was seen. No evidence was observed that aid is detrimental to recipient states. One question that needs to be asked, however, is whether aid effectiveness measures people's well-beings. It should be noted that development accompanied by foreign assistance is to empower disadvantaged people in developing countries to be better off. The main weakness with the evaluation of aid effectiveness is that it does not take into account well-being of peoples. The evaluation on outcome of the aid tends to concentrate on the macroeconomic dimension such as GDP growth, capital income growth. aspect.

2.5 Recipients' Perspective

The current mainstream of aid policy is heavily biased on donor-oriented as most existing literatures have focused on donor's perspective. It tends to ignore the voice of local policy-planners, local residents, and donor countries select the areas that they want to provide or invest in. Since the core objective of the provision of foreign aid is to contribute to the development of economy where recipient states know the environment better than donor countries, it casts a doubt on the current policies that developed countries are in pursuit against developing countries. What Chang (2002) articulated earlier is a good example of power inequality between donors and recipients. His argument goes that the economic policy that developed countries push against developing countries. It can be argued that the current situation pertaining to foreign aid is similar. Since foreign aid is used to exercise the influence against recipients in the field of economic interest, national interest, and security interest, aid beneficiaries are unable to choose the areas that they want to develop. For example, a research in conducted in Cambodia by Sato, Shiga, Kobayashi, & Kondoh (2011) found out that Cambodian government started to express dissatisfaction with major donor countries from DAC because traditional donors are behaving like aid bureaucrats, aiming to achieve own goals rather than understanding the local context. In Cambodia, the role of new emerging aid donors such as China, India, Korea, and Thailand has increased its presence owing to flexibility in terms of processing procedures, financial costs, and speed of delivery of the project as well as meeting Cambodia's development policy. These new non-DAC donors have gained trustworthiness from recipients although, needless to say, the core interest that countries have is a pursuit of national interests

Despite limited availability of existing literatures on recipient side of story, focusing on how aid recipients feel about foreign aid programs, some researchers have attempted to assess the effectiveness of foreign aid from the viewpoint of local residents. For example, Brown (as cited in Lalhonin, 2016) argued that the delivery of successful aid project is dependent on the engagement of local people, who have

the best knowledge of local areas. Therefore, having a constant feedback with local people is of great help to improve the quality of aid, better management, and successful delivery based on local context. This is obviously true, claiming that without understanding local voice, how could donors provide effective aid to those in need. A question raises as to why recipients' perspective is not taken into account. This is mostly because donors have larger voice regarding decision of projects, focus areas, and delivery of funding. Also, donors do not conduct evaluation of aid programs, being afraid of having negative feedback from aid beneficiaries or recipients would not raise a voice, being concerned with the closure of program or suspension of funding next time. However, this is not effective measures because there might be gaps between donor's approach and recipients' actual needs.

Lalhonin (2016), who inspired by Listening Project which attempts to explore the other side of people whose opinions are ignored, conducted a research on aid recipients' perceptions in Kyrgyzstan to explore residents' own viewpoint on developmental projects. The result suggested that unlike conventional aid approach, people in the selected areas have greater public participation, ownership and coordination on the project. Also, the importance of roles of aid recipients are recognized. This research offers a new insight on the recipients' empowerment and participation in the developmental program. Another example, Lövgren, Taro, and Wipfli (2014) discussed based on their empirical data obtained through qualitative explanatory studies in Africa that distribution of foreign aid should be carefully considered by taking into the perception of individual beneficiaries and policy makers. This would make sure to minimize discrepancies between donors and recipients as well as to reflect their recipients' needs. As these examples have shown, much of the previous research has focused on identifying and evaluating donor's point of view. Further studies on the current topic are therefore recommended in order to elucidate aid beneficiaries' perception on foreign aid project.

2.6 Agriculture and Development

Three out of four people living in developing countries depend on agriculture for their living, according to the World Bank Report (2007). It is believed that agriculture plays a key role as an engine for growth and poverty reduction; therefore, increasing productivity, introducing new technology and innovation, and disseminating information and supporting farmers will bring a magnificent change in the reduction of poverty and economic growth. Aid effectiveness on agricultural sector and impact on development have been discussed and researched in many parts of the world to ascertain correlation of aid and development. Kaya, Kaya, and Gunter (2013) concluded that poverty reduction can be achieved through aid to agriculture sector and this will foster the welfare of local people. Despite the given importance of development in the agriculture, there was a gradual decline in the amount of aid from 1980s to 1990s. World Bank (2007) reported that this trend has seen a slight change since 2000 and relative priority has been given to agricultural field due to higher international commodity prices, new approaches to development projects and higher priority on agriculture by recipient states. Although this situation should be welcomed, Kharas, McArthur, and Braun (2017) claimed that that developed countries, especially G20 can do more and better. More investment should be financed in the field of research, extension, and date system where it presently stood at 13% from 2011 and 2015.

Japanese support on this sector is articulated in the report by Japan International Cooperation Agency (JICA, 2013). JICA, equally, recognizes the significance of agriculture, especially food security, rural development and improvement in the farmers' living standard. It can be evaluated that in the case of Japan, Tokyo perceives a matter of food security as one of important area because food supply from overseas is a crucial for Japan; hence, productivity growth in food production is also prioritized with introduction of new technologies. Moreover, Japan attempts to prioritize the development of value chains such as distribution system, marketing, transportation and storage and food processing, which are all linked to benefit for farmers and local economy. Borter (2017) evaluated JICA's projects in

Kenya that a project is carefully micro-managed from the beginning to the end and the operational efficiency can be observed if adequate local support is given to the project.

Moreover, many agricultural related ODA projects have been implemented under initiation of JICA. For example, a recent study by Horita (2016) examined technical cooperation (TC) in Cambodia's rice sector and how priority of aid agenda affected on implementation process. The research finding outlines the gaps between Japanese ODA strategy, helping small-scale farmers and Cambodia's desire to promote large marketization of economy. MoFA (2015a) 's announcement of "New Tokyo Strategy 2015 for Mekong-Japan Cooperation" has an implication for filling in the gaps between Japan's intention and recipients' needs. Todo and Takahashi (2011) traced the impact of JICA's projects on improvement of farmer's income, specifically focusing on correlation between farmer field schools and household's income. In the same vein, a research on effectiveness of farmer-to farmer training program conducted by Nakano, Tsusaka, Aida and Pede (2015) concluded that farmer-to-farmer extension strategies had substantial outcomes on the dissemination of knowledges, new technologies, and adoption rate. These studies have proved that, to some extent, JICA's ODA projects have certain positive consequences on the farmers in developing countries. As majority of people living in outside of commercial cities in developing countries still heavily reply on the agriculture-related-source of income, aid on the introduction of the latest technologies, dissemination of the updated information, and allocation of expertise on the spot is of great importance.

2.7 Vietnam and Agriculture

The Doi Moi policy introduced in 1986 has had substantial impact on the transformation of Vietnamese economy. Since the policy implementation, growth rate has been recorded at 6% on average annually and Hanoi stepped out of the poor of the poor in terms of Capital Per Income and become a member of middle-income country based on the World Bank classification. Despite a steady annual economic growth, there is a chronic poverty widespread in Vietnam and majority of

people are living in rural areas and engaging in the primary sector, which is agriculture. A report from FAO (2017) shows that contribution of agriculture industry to GDP is roughly 20% and it accounts for 44% of the labour workforce. It is expected that agriculture's contribution to GDP would be on the decrease as the country's economic structure is gradually shifting to industrial and services sector. As Petty-Clark's law explains, the structure of Vietnamese economy has seen a transition from primary to tertiary sector.

Some scholars have conducted a research in Vietnam to investigate how aid, farmers, and rural development are interlinked. For instance, Cuong (2011) analysed the statistics from the Vietnam Household Living Standard Surveys (VHLSSs) and concluded that uneven development is prevalent not only between urban and rural area but also between North West region and Southeast region. In addition, Kang and Imai (2012) focused on the disparity amongst ethnicity in Vietnam and found that growth benefits ethnic majority such as Kinh and Hoa first and minority groups receive benefits later. As is often the case, the progress of poverty reduction is always uneven, and people working in the agricultural field in the rural areas are the victim of this uneven development because distribution of wealth is unequally achieved. Furthermore, Ulimwengu & Basiane (2010) analysed the correlation between vocational training scheme and productivity in agriculture in Vietnam. The result from the study indicates that farmers with vocational training tend to show the higher production per unit of land in comparison with farmers with other different educational background. Lastly, a research undertaken by Peters (2001) assessed the impact of development project in rural area in Thanh Hoa Province and revealed that introduction and dissemination of model of agriculture-related technologies had failed to deliver expected results because of lack of adequate skills, resources, knowledges in the local context. It is likely that, as these previous researches demonstrated, positive correlation can be observed between development assistance, projects, technical support, knowledge dissemination, extension services, and so forth.

On a basis of the preceding literature and of outcomes researchers investigated, it is highly likely that Japanese ODA projects in Vietnam may have a similar impact on farmers who grow crops such as rice, maize, and corn. Despite the fact that large-scale infrastructures are key focus areas in Vietnam where knock-on effect resulted from development of bridges, ports, airports and roads is expected, it is worth noting that there are many types of projects with focus on the rural development, farming support and reduction of poverty. The basic policy of Japanese ODA charter, which was revised recently in 2015, is stated as;

- *Contributing to peace and prosperity through cooperation for non-military purposes.*
- *Promoting human security.*
- *Cooperation aimed at self-reliant development through assistance for self-help efforts as well as dialogue and collaboration based on Japan's experience and expertise.*

(MoFA, 2015b)

One of the priority issues in this principle is "Quality growth and poverty eradication through such growth". Feature of Japanese ODA, as discussed earlier in Japanese ODA section, is large-scale infrastructure development in a hope that economic growth through development in infrastructure assists spillover effects on individual peoples. MoFA's latest statistics (2017b) shows that Vietnam receives US$12.94 million, US$78.52 million, and US$1327.42 million in the form of grants, technical cooperation and, loan aid respectively in 2015. It is regret that a ratio of aid to agriculture to Vietnam is unavailable; however, Japan spent US$58.17 million in grants, US$133.90 million in technical cooperation, and US$427.14 million in loan aid on agriculture in overall, which account for only 3.17% out of all distribution combined. Based on this statistic, it could be assumed that the percentage of Japanese ODA to agricultural sector in Vietnam may not be as much as it expects

2.8 Conclusion

Throughout the literature, several points should be noted. Firstly, current development main streams are presented and discussed what aid should be. To put it simply, it is a heated debate whether it should be based on a qualitative measure or a quantitative measure. This answer has not been found because donors have not produced convincing outcomes and recipients failed to deliver to expectations. Despite growing aid supply, secondly, developing countries in the 70s and 80s have remained as developing countries until now. Development strategies implemented by developed states may have failed for long time. Most probably, pro-poor policies were not taken due to performance-oriented attitude of industrialized countries, the international organization such as the World Bank and IMF. Thirdly, aid effectiveness and recipient perspective are is explored and discussed. Existing literatures tend to concentrate on donor's perception whether the ODA project is succeeded based on their objectives and target without consideration of aid beneficiaries. The perception of aid beneficiaries is crucially important since they are the ones who benefit from foreign aid activities. Then, the relationship between development and agriculture has been discussed, mainly focusing on examples of Japanese ODA projects. Positive correlations were observed in the projects in Africa as well as Cambodia; however, it can be said that not much research have given attention to agricultural development and JICA's projects. Lastly, agriculture and development in Vietnam have been focused on. In spite of sustainable economic growth in Vietnam, low-income and poverty are a widespread phenomenon and majority reside in the rural areas, making a living on farming. These literatures examine wide range of issues, topics, and fields; however, much uncertainty still exists about the relationship between the impact of the Japanese ODA and Vietnamese farmers because much research has not focused on studies. Therefore, for this reason, this research seeks to investigate the aid impact to farmers, especially, specifically focusing on Nam Dinh Province as well as outskirts of Hanoi city.

CHAPTER 3
RESEARCH METHODOLOGY

3.1 Introduction

The literature review in chapter two demonstrated major scholarship in the field of international development, foreign aid, recipient perspective, agricultural development and provided a scope for further research on the relationship between foreign aid and farmers. This chapter aims to detail the research methodology employed in this study as well as empirical techniques applied. It starts with an explanation of research methodology, which is the use of the qualitative approach and moves to the conceptual framework used in this study. The process of a selection of case study site is presented, followed by the data collection process, using the semi-structured interview. The last section deals with the importance of ethical consideration as well as secondary research.

3.2 Research Method

Qualitative Approach

The research uses qualitative analysis in order to gain insights into farmers' perception of the Japanese ODA program. As described in Introduction, the main research question is "The impact of Japanese ODA project initiated by JA Ibaraki as a part of the grassroots project on the farmers in the outskirts of Hanoi and Nam Dinh Province and to analyze how aid is perceived by farmers and contributes to their knowledge and technical skill. In a nutshell, it ought to look at the farmer's perception of Japanese aid activity in Vietnam; hence, the qualitative research design was more suitable because it explored the interpretation of impact and farmers perception against ODA. The qualitative method is employed to explore the meanings of people's world (Brockington and Sullivan, 2003). This can be more useful for identifying and characterizing the impact of ODA projects because it may or

may not directly affect farmers output, income, and living standard. By analyzing farmers' perception of Japanese aid, it helped to understand, to what extent, how ODA project has a substantial impact on recipients.

The research employed the Service and Quality (SERVQUAL) framework to analyze the farmers' perception of the Japanese ODA. SERVQUAL is known as a multi-items scale method to assess the customers' perceptions of service quality, which is frequently utilized in the companies' marketing strategy. The terminology of "impact of ODA" in this research will be interpreted as the effectiveness of aid, meaning that how the Agricultural ODA project is effective, useful, meaningful for farmers. Therefore, by employing the SERVQUAL framework, it seeks to analyze the farmers' expectation and perception as well as the ODA Policy in Agricultural sector, referring to one JICA's project of the agricultural sector in Vietnam. The project is referred to as a case study sample to measure Farmer's satisfaction and expectation of ODA project. Moreover, it will do analysis why there is a policy gap, if any, between the Japanese ODA policy in agriculture in Vietnam and actual recipients.

3.3 Conceptual Framework

Parasuraman, Zeithaml, and Berry (1985) identified that there are several gaps as a root cause of unsuccessful delivery of service. The theory of customer satisfaction, although ODA can be different from commercial services, can be used as the applied method of assessment of the ODA. It is well-known fact that ODA is not always meeting the expectation of the local needs because there is a mismatch of the perception in the government level and in the local recipients' level. As Easterly (2005) argued that this is an issue of "Planner" and "seeker". The planner is policy-makers in the governmental level; on the other hand, Seekers is employers who work in the development field in the developing countries. Planner, as they are bureaucrats in the government administration, tends to formulate eye-catching policies to receive attention. However, at the local level, the needs that local people wish to receive could be different. In this sense, by applying the Service and Quality analysis with customer satisfaction as a framework of this study would

contribute to mitigating the gaps between planners and seekers. Also, it will enhance the quality of service delivery thanks to minimizing a gap between the recipient's expectation and perception.

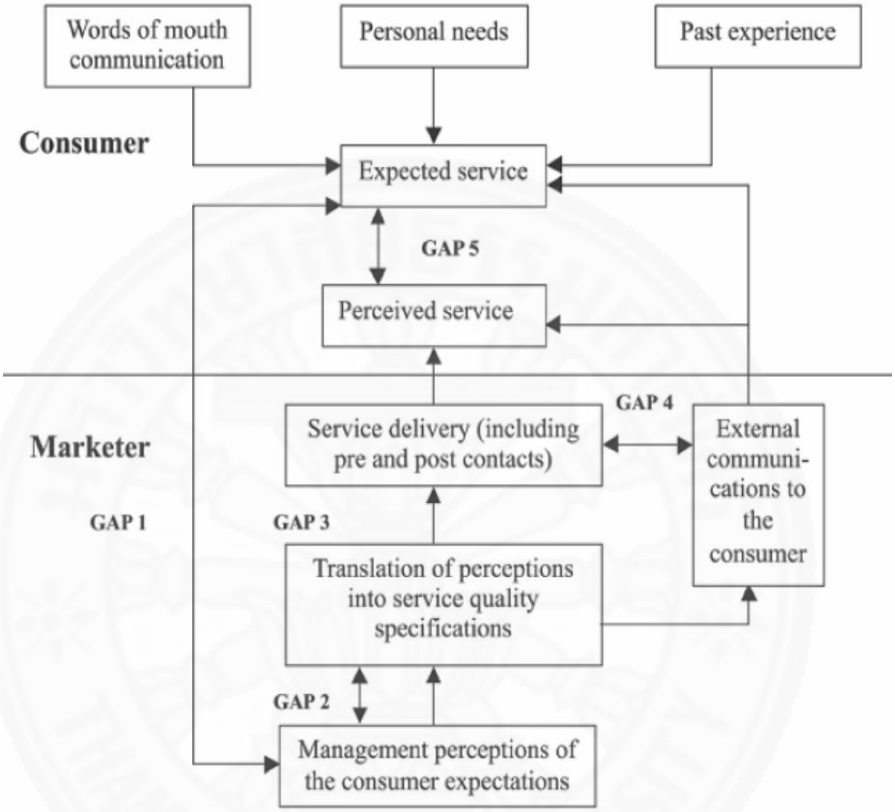

Figure 3.1 Service Quality Model

Source: Parasuraman et al (1991)

Furthermore, the research conducted by Ulimwengu & Basiane (2010), Nakano, Tsusaka, Aida and Pede (2015) focused on the correlation between pre- and post-project income or productivity and concluded that projects have contributed to the increase in the income and productivity; however, it is difficult to measure as it might be subjected to other factors such as the climate, health situation, family conditions, food prices in the domestic and international market, economic booms and recessions and so forth. Just because farmers increase their income or productivity next year after the project, it does not mean the ODA project

contributed to the increasing income, outputs, and productivity. JICA's impact assessment approach (Diagram 2) shows a better picture. The impact assessment mainly focuses on the "Change brought about by the project" (Project effect) in which it does not contain the factors above. The research often looks at this aspect and attempts to prove the correlation between ODA project and improvement of the living standards

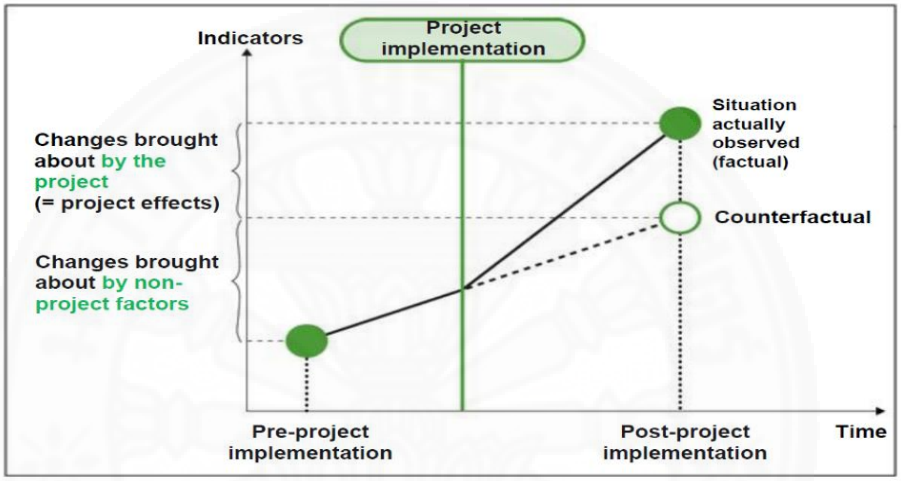

Figure 3.2 JICA's impact evaluation approach

Source: JICA (2018)

In this study, instead focusing the income and productivity, it will focus on the perception of farmers and policy of Japanese ODA in agriculture whether ODA/project meets farmer's expectation in terms of knowledge, techniques, and cultivation method. The conceptual framework will be used on a basis of the approach formulated by Parasuraman et al (1991). It shows how recipients are influenced by individual variables and then recognize the service as positive or negative. Three variables are concerned with expected service and perceived service respectively. These 6 variables will affect how recipients recognize the ODA project. Farmers' level of satisfaction will be high if donors conduct thorough studies on recipients' side. The recipients' satisfaction determines the benefit of the project because recipients feel satisfied if they receive what they expected. The previous

studies have shown that ODA projects did not deliver what had been promised because of a lack of enough studies on local needs. Donors tend to ignore the ownership of recipients' nations and locals. Hence, in this study, in addition to evaluation of the ODA project, recipient's satisfaction (dependent variable) will also be examined.

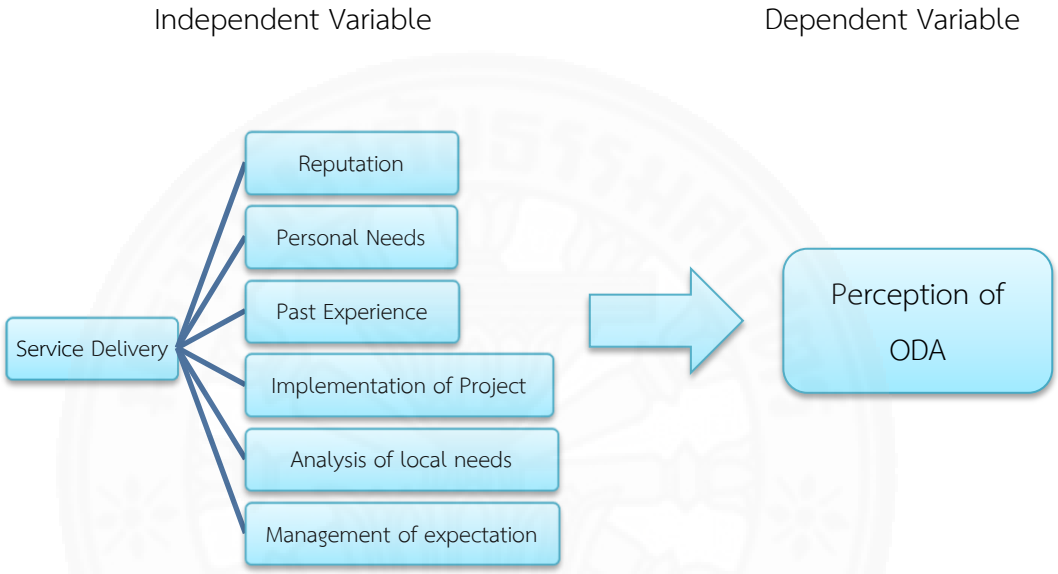

Figure 3.3 The conceptual framework: independent and dependent variable.
Source: Author's compilation based on Service Quality Model

3.4 A Selection of A Case Study

3.4.1 Choice of Vietnam

The author's selection of Vietnam as a case study country has mainly two reasons. First of all, this overlaps the statement in the introduction, though, Japan provides the largest foreign aid to Vietnam. This intrigued the author's interest and curiosity because there are other countries such as Cambodia, Laos, Myanmar in Southeast Asia where national development is behind Vietnam. A clear reasoning can be seen in Japanese policymakers why Vietnam receives the highest ODA amount. A severe competition between Japan and China in the region to make

friendly nations and exert influence. Secondly, the focus of Japanese ODA is on social infrastructures such as airports, dams, irrigation system, power plants, and roads. As Vietnamese people still engage in the primary sector, the area of focus should be rural and agricultural development rather than infrastructure development. In this regard, it should be worthwhile examining the impact of activities funded by foreign aid to Vietnamese farmers.

3.4.2 JICA's Agricultural Project

A case study approach was adopted to obtain further in-depth information and a detailed understanding of the effectiveness of the project. This approach enabled to experience and complexity of programs and policies to study in depth and to be analyzed the patterns and links between implementation and policies (Simons, 2009). Therefore, a case study site was selected from JICA's project database with several criteria (JICA Knowledge Cite 2018). The first criterion was that the ODA project had been ended as of 2018. Selecting a completed project is essential because if a project is still on-going, the researcher would not be able to identify the impact, usefulness, effectiveness of the aid activity. The second criterion was that the scale of projects must be fit researcher's time and budget scope. Although most Japanese ODA programs concentrate on large-infrastructure development, there are some large projects that contribute to the development of agriculture such as irrigation development and water management projects; however, it is unlikely to conduct an impact assessment of these projects. Also, the post evaluation of projects mentioned will be carried out by JICA. The third criterion was that time and cost constraint. Due to limited time and budget availability, a study location should be accessible and has a large sampling population. These criteria are carefully taken into account when selecting a case study site.

After the careful consideration in the decision of the project, the outskirts of Hanoi and Nam Dinh Province were selected as the study site in Vietnam. Based on JICA's information (2015), as mentioned in the introduction, the project called "promotion of agriculture in suburban areas around Ha Noi city and Nam Dinh Province" was conducted during February 2015-March 2017 as a part of grassroots

agricultural project. The project was initiated by the central union of the agricultural cooperative in Ibaraki Prefecture (Northeastern Kanto region in Japan).

3.5 Characteristics of Study Site

3.5.1 Location

As explained above, the main fieldwork sites in this research were both on the Outskirts of Hanoi and Nam Dinh Province. Hanoi, well-known as the capital city of Vietnam, is a political and cultural center of the country whereas Ho Chi Minh City is known as the commercial hub of Vietnam. Nam Dinh Province is 90km south-east of Hanoi and the capital city is Nam Dinh. The map below describes Hanoi and Nam Dinh;

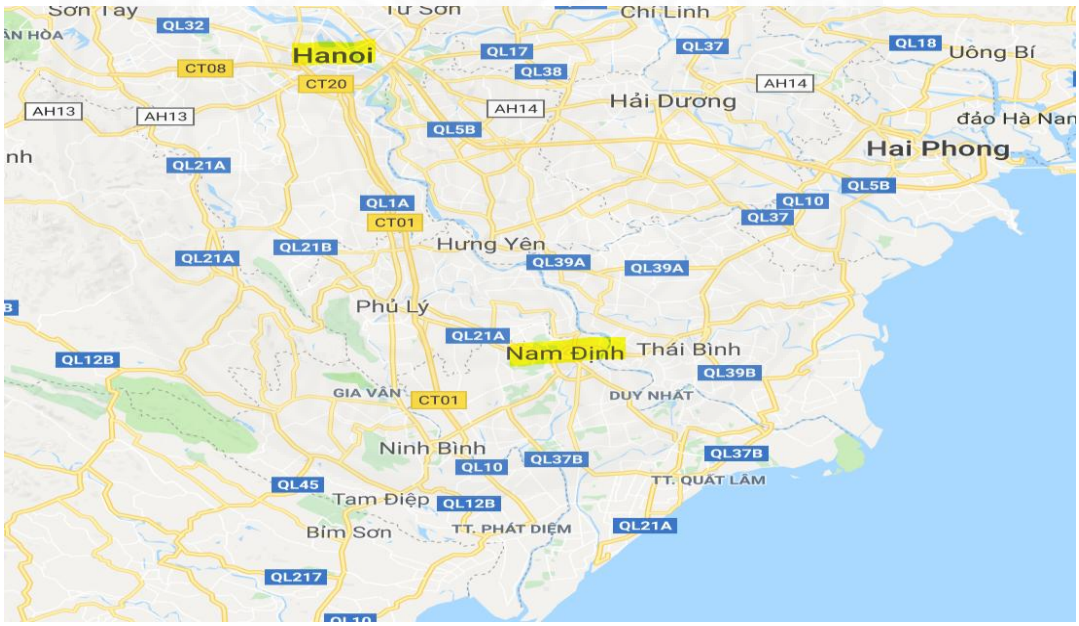

Figure 3.4 The overview of Study Site; Hanoi and Nam Dinh Province
Source: Google Maps (2018a)

Based on the information given by the JA Ibaraki, two communities were selected for pilot testing in the project. The Chúc Son community in the Chuong My district (left picture: red highlighted area) where it is located in the

outskirts of Hanoi while Yên Duong community in the Ý Yên district (right picture: red highlighted area) was selected as a testing site in Nam Dinh province. As maps show below, both districts are outside of the central area. Chuong My District is located in 25 km away from the central Hanoi while Ý Yên District is similarly 26 km far from the capital Nam Dinh city.

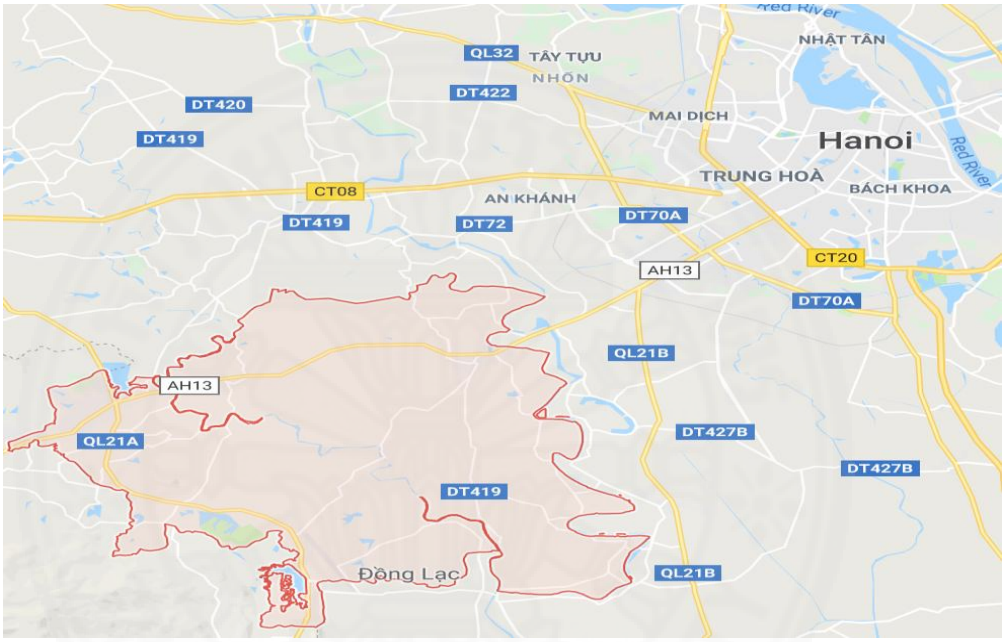

Figure 3.5 Chuong My district in Hanoi

Source: Google Maps (2018b)

Figure 3.6 Ý Yên district in Nam Dinh

Source: Google Maps (2018c)

3.5.2 Population and Income

The entire population of Vietnam, according to the World Bank (2018a), is 95 million people and this is expected to reach 120 million by 2050. Vietnam has 54 ethnic groups including ethnic Vietnamese, Kinh, which comprise of 85% of the Vietnamese society. Minority groups account for 15% and they reside in the mountainous areas such as the border between China, the central highlands, which is a border with Cambodia, Laos. Despite recent steady economic growth and urbanization, a vast majority of Vietnamese live in the remote area. Out of 70% of Vietnamese are living in the rural area and the World Bank Statistics (2017a) shows that employment in agriculture accounts for 41% out of total employment whereas the figure for industrial and service sector take up 25% and 34% respectively. The agricultural industry, despite the employment of roughly 40% of the workforce, only contributes to 18% of GDP. The figure from the General Statistics Office of Vietnam (2018) provides the population of the country, Hanoi, and Nam Dinh Province. Two-thirds of the entire population is living in rural areas but in Hanoi, more than half are living in the urban area. In Nam Dinh Province, only 338,000 people out of 1,852,000

live in urban area and this means that 80% of the population in Nam Dinh district reside in remote areas.

Table 3.1

Average population by province by Cities, provinces, Average population and Year

(Unit/thousands)

	Total		Urban		Rural	
	2015	Prel.2016	2015	Prel.2016	2015	Prel.2016
Whole Country	91,709.8	92,695.1	31,067.5	31,986.0	60,642.3	60,709.1
Hanoi	7,202.9	7,328.4	3,517.1	3,928.6	3,685.8	3,399.8
Nam Dinh	1,850.6	1,852.6	338.1	338.7	1,512.5	1,513.9

Source: General Statistics Office of Vietnam (2018a)

3.6 Data collection: Interviews

3.6.1 Procedure for Interviews

Interviews with farmers were conducted between 19th to 31st of July in 2018 along with interviews with researchers and agricultural extension staff. The data collection step started with initial contact with Japan Agricultural cooperation Ibaraki (JA Ibaraki) via email in order to obtain further information such as project locations, participants, and contact information of Vietnamese counterpart. After the necessary information was obtained, the researcher sent an email to a Vietnamese researcher in charge who is working in the Fruit and Vegetables Research Institute (FAVRI) in Hanoi and briefed the intention of visiting Vietnam for data collection. Having obtained an approval from the Vietnamese researcher in conducting interviews with project participants, the author flew to Hanoi on 19th of July in 2018. An interview location was set up after an initial meeting with Vietnamese researcher.

Due to the researcher's limited language ability, interview questions were first asked in English and translated into Vietnamese by an interpreter. Then the interpreter translated answers from Vietnamese into English. Employment of an interpreter may provide biased data due to 1), filtering out the information by the interpreter, 2) issue of translation into English term, 3) miscommunication due to insufficient knowledge. To avoid such errors or bias in data collection, the researcher held a briefing for the translator before and after interviewing. Also, the translator was an expert in the agricultural field; thus, miscommunication due to lack of knowledge was minimized. This procedure assured the certain quality control of data and plausible information was obtained. Interviews last about 30 to 50 minutes per a participant and audio recording was used for the purpose of ensuring a good quality of transcribed transcript afterward.

3.6.2 Participants and Sample Size

All lists of participants are available in the appendix. In contrast to initial expectation, 11 people were interviewed, consisting of 7 farmers, 3 researchers, and 1 agricultural extension staff. 3 farmers were from Chúc Son community in the Chuong My district and 4 were Yên Duong community in the Ý Yên district. 2 researchers and 1 extension staff were from Seed Center in Nam Dinh where the institution belongs to Nam Dinh Agricultural development department in the local government. 1 researcher was from Fruit and Vegetables Research Institute (FAVRI) in Hanoi and this researcher was contacted in charge of this agricultural project conducted by JA Ibaraki. Lastly, 2 interviews with a farmer who did not participate in the project were conducted together with other farmers in Nam Dinh. Based on the information that the researcher acquired in Vietnam, there are 10 farmers from each district were involved in this program, but these farmers do not mean that individual 10 farmers participated in the project. It should be noted that 5 households in each area were selected for this project; therefore, the response rate in Chúc Son community is 100% because 3 households were selected in this area and the rate in Yên Duong community is 60% since 3 households out of 5 households were interviewed. In total, the response rate in this research is 80% and this high return rate is substantial enough to verify and ensure the quality of data.

In light of sampling size, Mason (2010) claimed that researchers usually use saturation as an indicator while collecting data. This is because many researchers have not given a clear guidance on how large sampling size should be. Francis et al. (2010) stated the concept of data saturation is useful ideas because it functions a purpose of study rather than statistical parameters. As the qualitative research focuses on quality unlike quantitative research by collecting a large quantity of data through questionnaires, for instance; however, it is bear in mind that if the sample size is too much, this will make the researcher difficult to analyze effectively.

3.6.3 Interview Method: Semi-structured interview

Interviews were conducted face-to-face, accompanying with the translator. The primary date was attained through semi-structured interviews with the participants mentioned earlier. Folke and Nielsen (2006) suggested that a variety of approach could be taken for aid impact studies; for example, in-depth research via extensive fieldwork in a specific location, employing comprehensive interviews and participatory observation with interpretative analysis. Willis (2006, p146) stated: "interviews are an excellent way of gaining factual information". Since the study looked at the aspect of farmers factual situation, conducting interviews was believed to be an effective method. Although interview approach is divided into three styles; structured, semi-structured, or unstructured style, a semi-structured interview is the best way because this style not only interviewees could develop opinions, ideas, and thought freely based on the specific themes but interviewees are also able to obtain the necessary information. The strength of the semi-structured interview is flexibility. Hence, this approach was taken. Several questions were prepared in advance, but it was flexibly asked during the interviews. The purpose of the interview was to obtain the real voice of farmers concerning ODA project. As the semi-structured interview was employed, the researcher put an importance on flexibility while having interviews.

3.7 Data Analysis

An initial analysis of the data collected through the semi-structured interviews was performed during the field-work. After the interviews the recordings were transcribed. This process helped in the understanding of the real situation in the field and enabled additional questions to be formulated for the ensuing interview sessions. Punch (2005) argued that this set of the process is called Grounded Theory, which is widely used in the qualitative research strategy. In this strategy, after the collection of the first set of data, data analysis is started, then the second set of data will be collected based on the first analysis of data. This process continues until theoretical saturation is achieved. By taking this approach, the research is able to develop After all interviews were completed, the textual form of data was ready for further analysis. At this point, the following steps were taken for data analysis First, the information was organized according to the research objectives and questions. Simplifying the information by using visualized data such as graphs, charts, and tables gave a clearer picture of the complicated data. Miles and Huberman (1994) referece three concurrent activities that take place during data analysis; data reduction, data display, and drawing and verifying conclusions. By summarizing, editing and segmenting data, the development of the abstract concepts ensued. Second, information was categorized based on concepts, themes, patterns, and groups. The identification of each pattern and examination of connections and relationships were important steps in understanding the meaning of the data. Last, the interpretation of the findings enabled the understanding of the data with reference to the existing literature.

The analysis is, of course, based on the data obtained through primary research and this will be interpreted by dividing or grouping into major variables. Then, the obtained data linked to the main questions and try to interpret how farmers' ideas, perception, and perspectives towards Japanese ODA, how aid supports farmers' needs in a positive manner. The data from interviews at the case study site will be used as a tool to interpret and explain how and why research objectives conceive of a variable. It is likely that farmers might respond to "impact of

Japanese aid" as a positive, negative, no impact or they even do not know support on the agricultural industry by JICA. Data through the interview will be compared between the period of pre-ODA and post-ODA in order to measure the impact of aid. In a nutshell, if ODA has a positive impact on farmers, their situation will be improved after ODA is given; otherwise, the situation will remain as the same or it is unlikely, though, it will get them worse off. In data analysis, this will be investigated and interpreted.

3.8 Ethical Consideration

The importance of ethical consideration, according to Brydon (2006), has got attention in recent years due to the growing ignorance of local practices, cultures, and tradition by researchers from developed countries. It should be noted that researchers be guests of the local communities and respect local customs and take their feelings, psychological impacts and ethical aspects into account. Also, prior to conducting a research in the local community, informed consent was obtained, explaining the objective and intention of the research, allowing research participants to withdraw or interrupt the conversation. It was expected that the researcher would encounter interruption of the research because a country like Vietnam where freedom of speech is, to some extent, under control by the central government. Sensitive questions were avoided as much as possible; however, in case this needs to be asked, participants were free to withdraw from the research at any time. The right of withdrawal was ensured. Moreover, all data collected through the research were kept confidential or disposed of at the end of research.

3.9 Secondary Research

In addition to a case study and interview's data, as a part of the secondary research, documentation analysis on Japanese ODA and its impact on agriculture and farmers was conducted. Also, data from existing the literature, books, official statements, policies, and statistics from ministries in concern (both Japan and

Vietnam) was referred. Lastly, data from the international organizations such as OECD, IMF, and World Bank was utilized.

3.10 Conclusion

This chapter illustrated the overview of the research design. The qualitative approach was introduced to answer the main research questions and semi-structured interviews were conducted in Hanoi and Nam Dinh Province with farmers, researchers and extension staff. The collected qualitative data were transcribed, organized, synthesized for further analysis and the results and findings are presented in Chapter 5. In the next chapter, the overview of the Japanese ODA is critically examined. The section begins with the historical background of the Japanese ODA, moves onto the ODA charter and the introduction of JICA, and investigates ODA strategy against Vietnam.

CHAPTER 4
JAPANESE ODA AND AGRICULTURAL AID

4.1 Introduction

In this Chapter, it presents the overview of Japanese ODA, explaining how Japan started as an aid recipient country and became one of the largest donors in the world. It then goes on to the discussion of Japanese ODA and major critiques of the Japanese aid. Also, it seeks to investigate how Japanese ODA strategy, ODA Charter, transformed from time to time. The ODA charter has revised three times and each chapter reflected the social or external environment of times. Furthermore, it looks at the JICA's role as an aid distribution institution. Finally, the role of Japanese ODA in Asia is explored, focusing on aid to the general agricultural sector as well as Vietnamese agriculture.

4.2 The Overview of Japanese ODA

4.2.1 Japan as a Recipient Country

Prior to the beginning of Japan as a donor country, it briefly examines Japan as an ODA recipient. During the early years in the post-war period, the United States made two major contributions to the reconstruction of Japan through in the form of aid; Government Appropriation for Relief in Occupied Area Fund (GARIOA) and Economic Rehabilitation in Occupied Areas (EROA). These two schemes had helped to contribute to the prevention of diseases, social unrest, provision of food, medicine, and other daily necessary items. According to the Ministry of Foreign Affairs of Japan (2018a), the US provided $ 18 million in total and $13 million was grant aid. Needless to say, support had a significantly positive impact on the Japanese society and economy since Japan suffered from a scarcity of resources and did not possess the necessary supplies, materials, and commodities to feed own citizens.

Japan as a recipient country started with financial support from the United States in the post-war period to stabilize the Japanese society. It is undeniable that foreign aid was used in order for Allied Power to administer and manage Japan occupation smoothly. In additional to the US support, Japan sought a financial support and loaned from the International Bank for Reconstruction and Development (IBRD). It may give a total surprise, but it was not until 1990 that Japan finally paid back all the loans from IBRD and officially graduated from the aid-recipient country in 1990. The loan from IBRD has tremendously promoted growth and development of the Japanese economy by spending on infrastructure projects such as the construction of Kurobe dam, Tokaido Shinkansen (high-speed train), Tomei Expressway and so forth. In all, 31 projects had been initiated with financial support from the World Bank and the amount of loan reached $860 million (World Bank, 2018b). While Japan was receiving financial assistance from the World Bank, Tokyo has contributed to financing the international organizations such the World Bank, the UN, the IMF and made it the second biggest contributor to the budget.

4.2.2 The origin of Japanese ODA

The origin of Japan as an ODA donor dated back to the Colombo plan in 1954 when Japan participated in the regional economic organization that aims to assist economic and social development in the South, Southeast Asia, and Pacific countries (Araki, 2007; Palanovics, 2006). It is widely known that Japanese ODA began as the war compensation payment scheme to Burma, Indonesia, the Philippines, and South Vietnam in the 1950s. A token of apology and promotion of the mutual cooperation were the main incentives for Japan to give financial and technical assistance at the beginning. According to Jan (2016), the significance of ODA has met a transformation from economic and mercantilist objectives to environmental, humanitarian, developmental, national-interest-centered purposes from time to time. Nowadays, it is observed that ODA has been used as a powerful diplomatic tool to bargain for political, economic, and socio-dimensional factors. Yoshimatsu and Trinidad (2010) noted that ODA is Japan's main diplomatic instrument and plays crucial roles in achieving its goals. Similarly, Kusano (2000, p38) argued that "ODA is one of the few areas in which Japan has maintained its leading

position". It can say that these arguments are reasonable because Japan is not able to contribute in the field of military assistance due to the constitutional limits; hence, financial assistance by the use of ODA is one area that Japan can play her role in the international society. These views are supported by Trinidad (2007) whose focus is Japanese ODA and Southeast Asia that aid serves foreign policy objectives such a solution for the bilateral issue, bargaining economic power, a building better relationship, influence in the international community, and so forth.

Japan became a member of the Organization for Economic Co-operation and Development (OECD) in 1964. Under the OECD, Development Assistance Committee (DAC) plays a role of discussion of development policies such as poverty reduction, improvement of living standard, and sustainable development. 30 DAC members from the global North have contributed to the eradication of poverty, development assistance, and economic growth strategy (OECD, 2018a). Japan has been ranked at the top 5 countries in terms of the gross amount of aid disbursement at $16,808 million. On the other hand, due to a higher ratio of the loan in the Japanese foreign aid, Net amount shows slightly declined ratio at $9,203 million. Moreover, Japan rarely achieves 0.7 % target of GNI, which is the international target, mandated in the United Nations. Although many developed countries have not met this goal of 0.7%, Japan, for its economic scale, has a long way to go to meet the target. Currently, the contribution that Tokyo makes is only 0.2 % and Scandinavian countries such as Norway, Sweden and Denmark have met the target (Table 4.2). These figures show that despite the status of being the 2nd largest economy in the world, Japan seems to spend little on the ODA disbursement for its economic size.

Table 4.1

Main DAC Countries' Total ODA Gross Disbursement (Unit: US$ million)

	2012	2013	2014	2015	2016
Canada	5,703	4,990	4,286	4,320	3,974
Italy	2,837	3,510	4,096	4,056	5,159
France	13,557	12,880	12,540	10,944	11,742
Japan	18,662	22,414	15,925	15,028	16,808
UK	14,267	18,286	19,917	18,676	18,204
Germany	14,570	16,221	19,347	19,752	26,819
US	1,398	32,158	33,864	31,736	35,121

Source: MoFA (2018b)

Table 4.2

Net ODA Total % of GNI (Unit: %)

Location/Year	2013	2014	2015	2016	2017
Sweden	1.014	1.094	1.405	0.941	1.010
Norway	1.075	1.000	1.046	1.122	0.992
Denmark	0.852	0.856	0.847	0.752	0.723
UK	0.705	0.701	0.705	0.700	0.695
Germany	0.381	0.419	0.523	0.699	0.659
Japan	0.225	0.198	0.202	0.204	0.228
United States	0.182	0.186	0.168	0.186	0.182
DAC Countries	0.300	0.300	0.300	0.320	0.310

Source: OECD (2018b)

4.2.3 Distinctive Feature of Japaense ODA

There are three distinctive features in the Japanese ODA; geographically-biased, the higher proportion of loan, and Self-help effort. First of all, it is clear that Japanese ODA has been centered on Asia-Pacific region and three-quarter of aid during the period of 1998 to 2002 was spent on Asia (Hook and Zhang,

1998; Woods, 2005). According to the latest report from White Paper on Development Cooperation (2017), Asian countries including East Asia, South East Asia, South Asia, Central Asia, and the South Pacific receives 52.3 % of aid. To be more specific, East Asia including Southeast Asia receives 27.7%, South Asia has 21.7%, and the figure for Central Asia and the South Pacific combined shows at 3%. As it can be seen, more than half of bilateral aid has flowed into Asia while others receive the lesser. The Asia focused strategy, indeed, originates from the Japanese ODA history as a compensation to war-damage-inflicted countries. Also, development of closer economic ties with Southeast Asian countries as well as Northeast Asia, especially the Peoples Republic of China (China) has attributable to the trend. This has been criticized; however, traditionally, each donor state utilizes the aid to the specific geographic location; for example, France is believed to provide more foreign aid to former Francophone countries than other regions. Likewise, America spends aid on the Middles East to influence the American Foreign Policy. As the examples show, decision-making of aid allocation is highly interlinked to foreign and economic policy. Some countries choose based on geographical proximity, others make a decision on a basis of strategy in foreign policy because Foreign Aid is used as a tool to influence other states.

Another distinctiveness observed in the Japanese aid is that the ratio of loan is much higher than that of grants. Yoshimatsu and Trinidad (2010) reported that in 2005-2006, the percentage of grant of Japanese aid was 54.1% while the same figure for OECD average was 89.4%. This has been criticized by internationally and domestically because the high proportion of loan aid was provided to heavily indebted poor countries (HIPC). As table 4.3 shows, Germany and Japan have a tendency of the high proportion of load aid but the figure for German grant aid is doubled. It is worth noting that the US did not provide loan aid in 2017 at all and the UK also only gave $11 million. Indeed, it is the notable feature that Japanese aid is tied; however, this is due to the facts that Tokyo herself had an experience of a nation-reconstruction with loan support from the international organizations. Japan was a prime example that a country with burnt-out wasteland after the war transformed into the global strength of the economy. It has proven that

it is possible to climb up the ladder with loan aid. Therefore, the aid philosophy that Japanese conceive in the mind is that loan is better because it fosters the better management of the project, sense of responsibility, and self-help efforts. If this is a grant aid, these will not be nurtured because it is a free gift from donor countries. Whether a recipient state throws away money, spend on wasteful projects, or hide in the politicians' pocket, it does not matter since it is free of cost. Loan aid, which it may sound stingy, in fact, can be considered as a better approach to educate and discipline receivers. Also, it will surely promote self-help effort, which is a core value of the Japanese ODA policy.

Table 4.3

Countries' ODA Gross Disbursement by Type in 2015 (Unit: US$ million)

Country	ODA Total	Bilateral ODA				Contribution to multilateral institutions
		Total	Grant Aid	Technical Cooperation	Load Aid	
US	31,736	27,402	26,615	787	-	4,333
Germany	19,752	15,924	6,517	3,958	5,449	3,827
UK	18,676	11,841	9,650	2,154	37	6,835
Japan	15,029	11,973	3,227	1,764	6,982	3,055
France	10,944	6,799	2,207	1,610	2,982	4,145

Source: MoFA (2016a)

Self-help efforts are an important concept that Japanese holds because recovery from total devastation after the war was achieved with assistance from many stakeholders and her own "self-help". Therefore, Japan provides loan aid in a hope that aid recipients progress own economy, political system, legal institutions with together assistance from Japan. Japanese ODA support is basically "request-basis" from developing countries. Once the government receives a request

from developing countries, JICA or the Ministry will assess the request and make a decision on the project. After the decision, a project will be gradually launched and move ahead, taking necessary steps. This will promote the recipient country's responsibility since the request is coming from them, not from the Japanese government. Japan does not force developing countries to take the initiative in the ODA project rather it is developing countries that have an ownership in development of the country. Of course, the Japanese ODA policy or Foreign policy may affect the acceptance of the project, choice of geographical location and the amount that Japan provides. Being independent by themselves is a core trait of the Japanese ODA policy, which originated from her own experience.

Last but not least, other than three main features, the infrastructure development is another focus area of Japanese ODA. Palanovics (2006) presented that 31% of ODA was spent on the infrastructure projects in 2004 whereas the average of OECD countries stood at 16%. As table 4.4 shows, half of the Japanese aid is on economic infrastructure whose main target is to develop transportation system (roads, bridges, harbor, airport), build powerplant (Power plant, dams, pipelines), and facilitate the telecommunication system. Social Infrastructure development such as educational institution, medical equipment, and water supply system has more attention from other member countries as the data shows. It is assumed that priority is given on Economic infrastructure development because Japan's experience in the past that Tokyo achieved a high economic growth with stable infrastructure system. Also, the foreign policy that aims to strengthen the economic development in a hope that Japan can enter the recipient's market is a factor of the high degree of economic infrastructure. This attitude has got widespread criticism in the international community and Japan was labeled as "economic animal" in the past. Excessive focus on economic gains rather than humanitarian assistance received a negative appraisal. Rex (1993) explained in his book about this characteristic, arguing that Western donors are more charitable because they are influenced by the philosophy of Christianity where rich need to help the poor. On the other hand, in Japan or Asia, the Confucius philosophy has shaped our basic thought, ideas, and the way approach to others. Especially, the Japanese society is based on the

egalitarianism where everyone feels the same, is treated equally and lives harmoniously. The Japanese have the consciousness that almost all people belong to the middle-class. This sort of mentality could party explain the lower ratio of grant aid and the higher proportion of economic focus or loan aid but does not fully explain the reason behind why Japan is taking this position.

Table 4.4

Sector Distribution of Bilateral ODA by Major DAC Countries in 2015 (Unit: %)

	Japan	US	UK	Germany	DAC Average
Social Infrastructure	18.1	48.4	33.4	30.1	34.4
Economic Infrastructure	52.9	5.4	12.1	26.3	18.8
Agricultural Infrastructure	3.6	4.9	5.7	4.5	4.3
Industry and other production sectors	12.6	6.4	13.3	12.5	12
Emergency Aid	6.1	24.6	16.4	5.4	12.2
Program Assistance etc	6.8	10.2	19.1	21.1	18.3
Total	100	100	100	100	100

Source: MoFA (2016b)

As pointed out, Japan has seen growing criticism pertaining to the ODA approach. However, the ODA is solely regarded as a charity project that developed countries simply help poor developing countries; nonetheless, many literatures overlooked the fact that ODA is more a political project than humanitarian assistant projects. The aid, in the first place, started to reconstruct the European Continent after the war and this is known as Marshall Plan. In this sense, politicizing ODA is widespread phenomenon and ODA is a political bargaining power and shapes donor's foreign policy. Alensina and Dollar (2000) concluded that Japanese aid distribution is highly related to the UN voting patterns and countries in cooperation with Japan receives higher support. Hence, it is likely that Japanese ODA is politicized project that support Japan-favor countries.

4.3 Japanese ODA Charter

The Japanese government approved the Official Development Assistance Charter (ODA Charter) in 1992 and, since then, it is the foundation of Japanese aid policy. The charter has revised twice in 2003 and 2015 in line with the changes in the international environment and surrounding around Japan. In 2015, the current cabinet led by the Prime Minister Abe revised it and renamed it as the Development Cooperation Charter. The rationale behind of being change of the name to Development Cooperation Charter is that the growing participation by various actors including NGOs, private sectors, local government in the aid activities, which multiple international cooperation is necessary to achieve development in developing countries. The ODA charter, despite revision two times, defines solid role of Japan in the international community through ODA. The objective of ODA is to contribute to peace and development of the international community, and thereby to help ensure Japan's own security and prosperity. The basic policies in the latest Charter say that

- Contributing to peace and prosperity through cooperation for non-military purposes.
- Promoting Human Security.
- Cooperation aimed at self-reliant development through assistance for self-help efforts as well as dialogue and collaboration based on Japan's experience and Expertise.

*(*Development Cooperation Charter, 2015*)*

These basic policies have not changed significantly since the beginning; however, the current government's foreign policy is clearly reflected in the revised Cooperation Charter. For example, the Charter emphasizes the Prime Minister Abe's diplomatic posture of "Proactive contribution to Peace based on the shared values". The concept was adopted in priority issues, stating "shared universal values and realizing a peaceful and secure society". The shared values in this context refer to democracy, rule of law, freedom of speech, and basic human right which democratic

countries maintain these rights. Additionally, there is another striking feature in the revised Charter where the incumbent Cabinet has stipulated a clause of "National Interests". It can be read from the wording that the by using ODA, Japan attempts to maintain own national interests such as closer economic ties with recipietns, maintenance of peace and security in the international society, achievement of the own commitment to development goals and so forth.

Moreover, unlike the ODA charters in 1992 and 2003, the revised charter in 2015 has a noticeable feature which is

> "Japan will avoid any use of development cooperation for military purposes or for aggravation of international conflicts. In case the armed forces or members of the armed forces in recipient countries are involved in development cooperation for non-military purposes such as public welfare or disaster-relief purposes, such cases will be considered on a case-by-case basis in light of their substantive relevance"
>
> Development Cooperation Charter (2015)

The clause allows the Japanese government to assist military officials in foreign states for non-military purposes. For example, although this is a case by case basis, it opened the door to assist patrol boats, military hospitals, military schools, and so on. The criticism is raised because this assistance could be diversion to military use behind the scene. Even if the Japanese government lends a patrol boat to a developing country, if the boat is used for military use, Japan would not know it. If this is the case, this can be considered as a military aid, which is against the ODA principle and against the Japanese Peace Constitution. The revised ODA charter has a contradicting clause in line with the conventional Japanese posture in ODA policy.

In his studies, Woods (2005) revealed that the white paper on Japanese ODA explains the use of aid as promotion of peace, prosperity, and stability. The fundamental reason for Japanese aid as a diplomatic tool is articulated by Nuscheler and Warkentin (2000). According to them, the Ministry of Foreign Affairs (MoFA) and the Ministry of International, Industry, and Trade (MITI: Currently renamed as METI)

contested over their ministerial interests. The MITI as Japanese economic planning board wished to advertise the aspect of “economic interest” in its aid policy; on the other hand, the MoFA as the institution to handle foreign affairs as well as aid management was eager to promote the concept of “National Interest”. This could be also another reason that Japanese ODA nowadays emphasizes the wordings such as core interests, foreign policy tool, and win-win relationship. Furthermore, critical evaluation is given on the large-scale infrastructure development. Lairson and Skidmore (2002) raised a question over infrastructure-centred development. This criticism is of importance because large infrastructure projects are usually carried out in the capital or outskirt of capital city and this would have a limited impact on the local residence. The projects such as airport building, bridges & railway construction would only benefit certain groups of local people and majority of people in developing countries are less affected. This is related to earlier discussion of politicized aid where donor and recipient are closely connected to benefit each other.

In a nutshell, three ODA charters have emphasized on peaceful and stable international society and Japan can make a significant contribution to making this happen through own experience. Experienced as a recipient country and achievement as a first developed country in Asia are the great advantage that Japan possesses and there is no such country in this region; therefore, as a peace-loving nation who aspires for peace and prosperity in the international community, the contribution that Japan could make is greater.

4.4 JICA and ODA

JICA is a governmental organization that coordinates ODA on behalf of the government of Japan to developing countries and the institution belongs to the Ministry of Foreign Affairs. JICA was originally established in 1974, being mainly responsible for technical assistance and dispatching Japan Overseas Cooperation Volunteers (JOCVs) while Japan Bank for International Cooperation (JBIC) handled

loan aid. In 2008, the restructure of organization was implemented, and loan and grant aid were integrated into JICA (JICA, 2018)

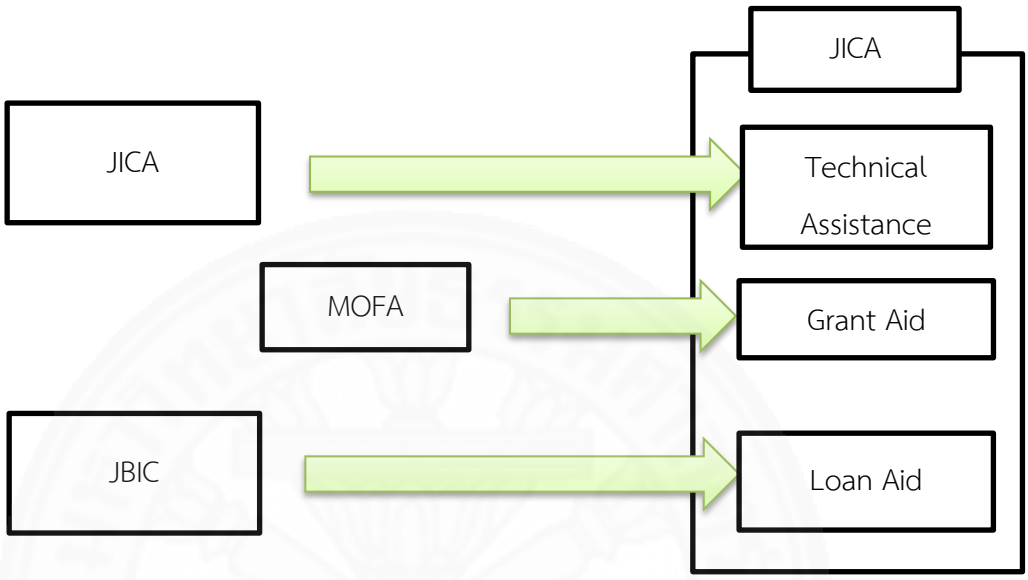

Figure 4.1 JICA's organizational restructure
Source: JICA (2018a)

Hence, JICA's current duty is summarized as the figure 4.2 shows. Japan's ODA structure is mainly divided into two segments; Bilateral Assistance and Multilateral Assistance. Multilateral Assistance is indirect way to finance developing countries through the international organizational bodies such as the UN, United Nation development program (UNDP), the United Nation Children's Fund (UNICEF), the United Nation Population Fund (UNFPA) and other development banks such as Asia Development Bank (ADB). JICA is responsible for implementation of bilateral assistance through Technical Cooperation, ODA Loan and Grant Aid. ODA Loans is the method that provides developing countries with low-interest rate, long-term and concessional funds. Grant aid is in the form of financial assistance that does not require repayment and granted to mainly low-income developing countries. Technical Cooperation is provided through dispatching experts, accepting training participants, and supplying necessary equipment for technical cooperation projects and Technical Cooperation for Development Planning. Other than three core

assistances, JICA dispatches volunteers in the name of JOCVs. Each year, people aged from 20-39 years old are being assigned to developing countries in the world and support in the area of agriculture, repair operation, engineering, education, cultural activities, sports, and so forth. The broad range of activities and projects have been initiated under the JICA.

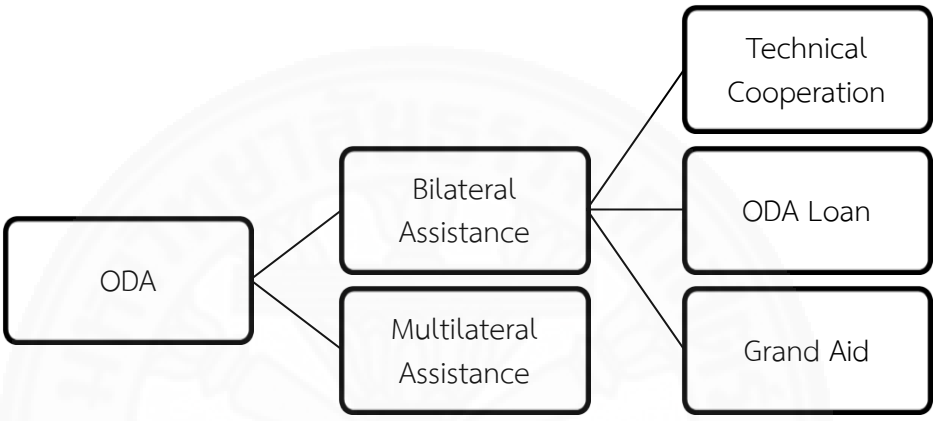

Figure 4.2 ODA and JICA
Source: JICA (2018b)

4.5 The role of Japanese ODA

4.5.1 ODA and Asia

JICA has extensively involved in disbursing ODA to countries in Asia. As it has been discussed, Asia, especially Northeast, Southeast, South Asia are the main ODA target for the government of Japan. China, India, Indonesia, and Vietnam are the one of the largest recipients for long time, but ODA to China basically ceased in 2007 in the areas of yen and grant loan due to rapid Chinese economic growth and Japan is currently providing technical assistance to China in the field of environmental protection, food safety, and prevention of infectious diseases. Asia has been centered for Japanese ODA theme and it is highly likely that this would not change in the near future despite criticism of Asia-centered characteristics. This is explained the fact that, in 2015, Prime Minister Abe announced that Japan will provide approximately $ 110 billion (13 trillion yen) for “quality infrastructure

development" in Asia by collaborating with Asia Development Bank (MoFA, 2015c). In this initiative, Japan attempts to achieve quality as well as quantity and committed to increase the ODA for infrastructure development in Asia by 25% in coordinating with ODA loan, technical assistance and Grant Aid.

Table 4.5

Top 10 Net Bilateral Japanese ODA disbursement

Ranking /Year	2012	2013	2014	2015	2016
1	Vietnam	Myanmar	Vietnam	Vietnam	Vietnam
2	Afghanistan	Vietnam	India	India	India
3	India	Afghanistan	Iraq	Bangladesh	Iraq
4	Iraq	Iraq	Bangladesh	Myanmar	Myanmar
5	Bangladesh	India	Afghanistan	Iraq	Bangladesh
6	Pakistan	Bangladesh	Pakistan	Afghanistan	Ukraine
7	Cambodia	Kenya	Myanmar	Angola	Afghanistan
8	Sri Lanka	Tanzania	Thailand	Kenya	Pakistan
9	Azerbaijan	Pakistan	Sri Lanka	Jordan	Tanzania
10	Tanzania	Mongolia	Cambodia	Uzbekistan	Mongolia

Source: MoFA (2017a)

As it can be seen from this announcement, the government of Japan or the current cabinet led by PM Abe puts highly priorities on Asian economic development. Priority on infrastructure development implies that Japan's aid characteristics of larger infrastructure development remains the same. Large scale infrastructure development, for sure, benefits local people since bridges, powerplant, airports, dams would enable local people to have a better transportation in a shorter time, provide stable energy supply, connect areas to areas and promote foreign visitors. It can say that Japan's objective in development through ODA is to achieve growth of a country rather than achieve local development. This posture shows that

large-scale aid project is more important than smaller-scale community development schemes.

4.5.2 Japan's ODA in Agriculture

Despite the fact that top priority is on the development of the infrastructure in Asian developing countries, Japan has a certain policy on agricultural development. MOFA (2016c) admitted that economic development is a key to reduction in the proportion of malnutrition; however, in order to achieve comprehensive improvement in the living standard of the poor people, the key to success is to improve productivity and increase the income for small-scale farmers. Japan's policy is in line with SDGs goal to end the extreme poverty, improve in the food safety and malnutrition, and promote sustainable development on agriculture. It appears that the food security is the most important aspect in the development agriculture for Japan because vast amount of food is imported from overseas. Therefore, sustainable development of food production, stability of food supply and food price will meet Japan's national interest. For this reason, Tokyo's development cooperation on agriculture is such as development of irrigation systems, promotion of food safety, improvement of distribution channel, and so forth.

Previously table 4.4 has shown ODA sectors amongst major DAC nations where other countries have spent much on social infrastructure development. In contrast, it explained that economic infrastructure development has got attention for Japanese ODA. Table 4.6 below explains Japanese ODA by sectors in 2016 and, needless to say, aid on economic infrastructure accounts for more than half of the Japanese foreign aid. As the figure reveals that only 3%, which was 684.98 million dollars, spent on Agriculture, forestry and fisheries while the total expenditure of bilateral ODA was $21,023.50 million in 2016.

Table 4.6

Japanese ODA by Sectors in 2016

Sector/Type	Bilateral ODA (US$ million)	Share (%)
Economic Infrastructure & Services	10,732.25	51.05
Social Infrastructure & Services	3,597.54	17.11
Agriculture, Fisheries and Forestry	684.98	3.26
Manufacturing, mining, and construction	168.05	0.8
Trade and Tourism	60.91	0.29
Multi-sector aid	3132.78	14.9
Commodity aid and Program assistance	822.21	3.91
Others	1824.8	8.68
Total	21023.50	100

Source: MoFA (2017c)

Furthermore, table 4.7 shows the amount of ODA spending on agriculture, fishery, and forestry in 2016. Compared with these, much budget was spent on agricultural projects such as Agricultural policy and administrative management, Agricultural water resources, Agricultural development, land resources, education/training and other purposes. However, this lower expenditure explicitly indicates that the priority is not given on agricultural development. Although Japan spends much lower percentage on agricultural development in comparison with other development sectors, the figure for other donor countries shows more or less similar. For example, the average expenditure on agricultural development by DAC countries was 5.2 % compared with overall ODA spending while the Japan spent 4.1% from the period 2009 to 2013 (MoFA, 2017d). Counties such as Iceland, Finland and Norway seem to put an importance on agricultural development because their contribution to agricultural industry is more than 10% out of overall ODA output. Japan's contribution to this sector, however, is 2nd highest amongst DAC countries in total amount followed by the United States. In this sense, it can argue that

agriculture, despite the fact that majority of poor engage in this sector globally and it is important to lift these people's living condition, has not received much support from developed countries. While Japan, of course, should be criticized for spending much of budget on infrastructure development, it should be noted it is worth while to investigate ODA policies that other major donors are taking

Table 4.7

Japanese ODA on Agriculture, forestry, and fisheries in 2016

	Bilateral ODA (US$ million)	Share (%)
Agriculture	423.57	2.01
Forestry	35.57	0.17
Fisheries	225.83	1.07
Total	684.98	3.26

Source: MoFA (2017c)

4.5.3 Japan's ODA in Vietnam

Japanese foreign aid to Vietnam dated back to the war reparation in 1959 when Tokyo signed a war reparation treaty with South Vietnam. The 14th article of San Francisco Peace treaty made Japan obliged to make a compensation payment to countries that the Japanese troop occupied (Shiraishi, 1990). The reason behind that Tokyo provided reparation to the Saigon government was that it was America's intension to exclude Communist influence from Southeast Asian region and the Hanoi government was controlled by the communist party, which is the current political domain in Vietnam. In total, Japan provided $ 55.6 million, comprising of $ 39 million and $ 16.6 million in the form of grant and loan respectively. Due to Vietnamese invasion into Cambodia, Japan suspended aid to Vietnam in 1980s, but resumed aid in the early 1992 after the settlement of the armed conflict between Cambodia and Vietnam. Since 1995, Japan has been the largest donor to Vietnam and contributed to its development in many areas.

According to Anh, Duc, and Chieu (2014), Vietnam has 10 years period Socio-economic Development Strategy (SEDs) for 10 years period as well as 5 years term Socio-economic Development Plan (SEDP). 5 years plan is complacent for 10 years strategy. These indicate the direction that Vietnam should aim to achieve. This strategy is supervised and managed by the Ministry of Industry and Trade and the Ministry of Planning and Investment will undertake 5 year-plan. Under the 2011-2020 Strategy, the Communist Government attempts to fulfill the status of industrial nation. In line with these strategy and policy, Japan cooperates with Vietnam in three areas; Growth and increased competitiveness, response to vulnerability, and improvement in the governance. For growth and enhancement of competitiveness, in order to meet the growing demand for economic infrastructure development, Japan assists the transportation system, sustainable energy supply, and promotion of energy savings. Also, support is given on improvement in the market-economy system, in the fiscal and monetary policy as well as development of human capital and industrial development. Secondly, Japan contributes to the area of vulnerability as a result of excessive development because Vietnam would have drawback on its society such as environmental problem, growing inequality, socially-vulnerable. Thirdly, the improvement in the governance is the area that Japan where development of legal system, transparency, are essential in the public administration.

The improvement in the economic system will result in the stable market economy, improvement in the infrastructure enhances the business environment, improvement in the governance leads to less corruption and transparent in the administrative procedures. The improvement ultimately benefits the Japanese business expansion and increase in the investment by Japanese corporations, which contribute to the industrialization of Vietnamese economy. Moreover, Japan and Vietnam concluded in Economic Partnership Agreement (JVEPA) to further promote bilateral trade relationship, liberalize the trade in service, and enhance business environment. ODA has been spent on these areas to tackle the development of the Vietnamese economy, societal development and governance.

For example, the figure 4.8 shows the amount of ODA spent by segment; loan, grant, and technical assistance between 2011 and 2015.

Table 4.8

Net ODA to Vietnam 2011-2015 (Unit: US$ million)

	2012	2013	2014	2015	2016
Loan Aid	1,478.05	1,177.61	1,394.65	983.46	1,061.32
Grant Aid	20.38	23.99	39.67	12.94	9.28
Technical Assistance	148.27	105.30	88.76	78.52	95.47
Total	1,646.71	1,306.89	1,523.09	1,074.92	1,166.06

Source: MoFA (2017e)

As the table 4.8 describes, loan aid has accounted for majority and many large-scale infrastructure projects have been initiated; for example, the Nhat Tân Bridge in Hanoi, the Noibai International Airport Terminal 2, North - South Expressway in South, Can Tho Bridge in the city of Can Tho, and Ho Chi Minh City Metro in Ho Chi Minh City. As for technical assistance, Japan dispatches technical specialists, accepts Vietnamese trainees, and provide equipment based on local needs in the fields of medical insurance, agriculture, education, energy and natural resource, governance, environmental protection and management, and rural development. The role of Japanese ODA and contribution to Vietnam are magnificent since Vietnamese economy is expected to continuously grow and the demand for infrastructure development is high.

4.5.4 Japan's ODA to Vietnamese Agriculture

Although exact statistic of how much Japanese foreign aid is spent on Vietnamese Agricultural sector is not available, it could have a rough calculation based on the total amount and proportion that Japan spends on agricultural sector. Since $104.75 million was spent on Technical Assistance and Grant Aid to Vietnam in 2016 and Japan spends roughly 2 % on agricultural development, it could say that $2.09 million was spent on agriculture related projects, which accounts for only

0.0017%. As pointed out in the introduction, many people are living under the poverty conditions and engaging in agricultural activities where their income is not as high as urban residents. Though it is admitted that large-scale infrastructure development benefit farmers in rural areas thanks to improving distribution channel by bridges, airport, express ways, upgrading irrigation system, and development of powerplant, locally-based community development is more important for farmers because it will benefit them directly. Pertaining to agricultural projects in Vietnam, Japan has conducted different programs across the country. The table 4.9 presents a summary of major Agriculture and Rural Development Projects.

Table 4.9

Major Agriculture/Rural Development Projects in Vietnam

Scheme	Projects
Loan	North Nghe An Irrigation System Upgrading Project
Technical Cooperation	Determine the Outbreak Mechanisms and Development of a surveillance Model for Multi-Drug Resistant Bacteria
Technical Cooperation	The Project for Establishment of Cryo-bank System for Vietnamese Native Pig Resources and Sustainable Production System to Conserve Bio-diversity
Technical Cooperation	Technical Cooperation Project on Development Planning of Agriculture Sector in Nghe An
Technical Cooperation	Project for Agriculture Development in Phan Ri - Phan Thiet Phase II
Technical Cooperation	Project for improvement of reliability of safe crop production in the northern region
Technical Cooperation	Determine the Outbreak Mechanisms and Development of a surveillance Model for Multi-Drug Resistant Bacteria
Technical Cooperation	The Project for Establishment of Cryo-bank System for Vietnamese Native Pig Resources and Sustainable Production System to Conserve Bio-diversity

Table 4.9

Major Agriculture/Rural Development Projects in Vietnam (cont.)

Scheme	Projects
Technical Cooperation	Technical Cooperation Project on Development Planning of Agriculture Sector in Nghe An
Technical Cooperation	Project for Agriculture Development in Phan Ri - Phan Thiet Phase II
Technical Cooperation	Project for improvement of reliability of safe crop production in the northern region
Grassroots Grant Aid	Project on Support for Farmers' Incomes Improvement through the Revitalization of Integrated Agriculture in Hilly Areas
Grassroots Grant Aid	Promotion of Agriculture in Suburban Areas around Ha Noi City and Nam Dinh Province
Grassroots Grant Aid	Project for Strengthening of Agriculture and Livestock Management for small-scale farmers in Hue City
Grassroots Grant Aid	Livelihood Diversification through Heritage Tourism in Remote Agricultural and Fishery Villages

Source: Activities in Vietnam (JICA, 2018 c)

As can be seen from the table, most projects were initiated under technical cooperation or grassroot assistance as a part of grant aid. JICA's technical assistance promotes human resource development, technology dissemination, research and development, and development of institutional frameworks which are supported through dispatching experts, welcoming trainees and providing equipment. It also aims to enhance problem-solving capabilities and local ownership through said activities. As for grassroots assistance, it is classified as a part of Grant Aid which recipient are not obliged to pay back to Japan. Grassroot grant aid scheme was introduced in 1989 to assist local government authorities, hospitals, educational institutions, non-government organizations (NGOs), non-profits organizations (NPOs),

and other organizations that can implement a small-scale development projects, aiming to have a direct and immediate impact on the well-being of grassroots communities in developing countries. A priority is given to the areas of primary education, healthcare, vocational training, rural transportation, public welfare, and environment. By using this scheme, regional government offices, universities, NGOs, NPOs have carried out developmental projects in Vietnam and according to the Embassy of Japan in Vietnam, overall $13 million was spent on grassroots programs. The importance of grassroots grant aid is increasing because of quickness, flexibility, better knowledge, skillfulness, and experience.

Data obtained from JICA and Ministry of Foreign Affairs has shown that the contribution of Japanese ODA in agricultural sector is not made by loan but technical assistance or grant aid, especially grassroots assistance. Since those who initiate programs propose a possible launch of projects to JICA, it can say that agricultural sector in Vietnam is developed by organizations mentioned earlier. These institutions receive funding from JICA with necessary approval, collaborate with local partners, and implement programs. It is rare to see that MoFA or JICA involve in the agricultural activities in Vietnam. Although agriculture is presently a major mode of employment in Vietnam, it only contributes to 18% of GDP. It is expected that as economy grows, more and more people cease cultivating in the field, move to cities, and obtain a new job in manufacturing sector or in the service sector.

The significance of agriculture in Vietnam could be lost sooner or later. Therefore, it does make sense that the contribution of Japan in the sector is not as large as other sectors because the return Japan could receive in near future is expected to be low. For this reason, it can be said that the government leaves this assistance to NGOs, Universities, regional offices, private companies, and others. These organizations, unlike the central government, do not expect financial returns, engage with locals in their spirit of volunteering. The main objective they have is poverty reduction, improvement of living standard and income, protection of environment, and sustainable development.

Despite the situation above, Japan and Vietnam have begun bilateral discussion on agricultural development cooperation recently and hold annual high-level dialogues since 2014. The Ministry of Agriculture, Forestry, and Fisheries are the representative from the Japan and takes initiatives in playing a key role to strengthen cooperation. The Japan-Vietnam Agricultural Cooperation Dialogue, which is held annually, aims to promote growth of Vietnamese agricultural sector and to enhance investment opportunities for Japanese enterprises in the Vietnamese market. Development of a high quality of agricultural production chain such as production, processing, distribution and sales of agricultural products is at the heart of agenda for Japanese. Private business sectors in Japan as well as the public sectors such as JICA and Japan External Trade Organization (JETRO) are involved in promoting this bilateral cooperation. Japan's advanced technology in producing and processing agricultural products and Vietnamese food supply meet both interests since Japan's quest to secure sustainable supply of food is on the rise due to declining labor in the agricultural industry.

Several regions have been selected as pilot experiment areas. For example, in Nghe An Province, irrigation system was upgraded to enhance productivity and provide sustainable supply of water. Other examples are in outside of Hanoi and Ho Chi Minh City. Japanese companies constructed refrigerated warehouse and cold distribution system is developed so that they could maintain the good quality of agricultural products. In order to facilitate smooth investment and development of the system, Vietnamese set up a working group in the Ministry of Agriculture and Rural Development where appropriate consultation is provided to Japanese business sectors. In this way, both countries are promoting the strengthening in the field of agriculture with the involvement of private business investment. Although the amount of agricultural ODA to Vietnam has stagnated, the role of private sectors has increased, and these have entered agri-business in Vietnam. Throughout this new investment, Vietnamese farmers may have chances to increase income, improve living standards, and acquire new market to sell their products. It can conclude that investment by private sectors is a positive sign for both countries since the use of Japanese ODA targets at infrastructural development.

4.6 Conclusion

In summary, this chapter explained the overview, significance, and characteristics of Japanese ODA as well as development assistance to Agricultural sector in Vietnam. As comprehensively presented, distinctive features of Japanese ODA are Asia focus, high ratio of loan, promotion of self-help efforts as well as large-infrastructure projects. These philosophies have an origin from the own experience and path that Japan traced from nothing to 2nd largest economic countries in the world. Also, transition of the ODA charter is looked into. The Charter has reflected social environment in those days and current charter clearly indicated that ODA will be used to achieve Japanese national interests. It implied that foreign aid officially targets at enhancing the presence of Japan in developing countries and take a counterbalance measure against China's presence in developing world such as Southeast Asia and Africa.

In order to achieve rural community development where a majority of population engage in the agricultural work, it is critically important to promote farmers' income, ownership, productivity, knowledge and skills; however, this sector has not gotten spotlight from the global donors from the North. Most countries have spent little on this industry and focused on different areas of development. This, needless to say, applies to the pattern of Japan's ODA disbursement. Approximately 3% is spent on agricultural development and most are spent on infrastructure development in the form of loan aid. Japan and Vietnam have a friendly bilateral relationship and agreed to promote trade and services by concluding JVEPA. It can be seen that there is a clear benefit for Japan to develop Vietnamese economic system, governance, and infrastructure because it would allow Japanese firms to further expand business and investment opportunities. It is concerned that in spite of the fact that these progresses will benefits urban settlers, rural residents may be left behind of the development. Bilateral dialogue on agriculture is on the progress to foster Vietnamese agriculture and agriculture related business model, which may provide certain assistance to local farmers.

CHAPTER 5
ANALYSIS OF JAPANESE AGRICULTURAL ODA IN VIETNAM

5.1 Introduction

This chapter presents the finding of interviews and evaluates the impact brought by the ODA program. Based on empirical data as well as the reference to secondary data, it discusses and analyzes the effectiveness of the project. In the following section, first of all, it explains Ibaraki's involvement in Vietnam as to why Ibaraki came to implement the project and move on the comprehensive explanation of fieldwork interviews and observation. Then, it makes an analysis on how the project has substantially contributed to farmers' vegetable productions and argues the benefit of the project.

5.2 Ibaraki's Development Assistance to Vietnam

Ibaraki's contribution to Vietnamese agriculture dates back to 2014 when Ibaraki and Vietnam signed a memorandum on technological improvement and human resource development in the field of agriculture. When the former President of Vietnam, Truong Tan Sang, paid a state visit to Japan in March 2014, he went to the Ibaraki prefecture, visiting agriculture-related sites and discussing further collaboration in the field of agriculture. The Prefectural Governor of Ibaraki indicated in interview (Vietnam Economic News, 2014) that Vietnam's agriculture was flourishing and a producing a vast number of products. However, to modernize the agriculture sector, Vietnam needed technology transfer from Japanese agriculture. At the same time, although Ibaraki was ranked as the second highest in agricultural output value in Japan, the available manpower in the industry had been decreasing. Therefore, Ibaraki needed foreign trainees from Vietnam.

As a part of the agreement, Ibaraki Prefecture outlined areas of cooperation, focusing on seven core themed areas, summarized in Table 5-1. Ibaraki prefecture and JA Ibaraki divided roles and collaborated. Specifically, JA Ibaraki was responsible for areas four and six, nurturing human capital by accepting trainees from Vietnam and dispatching specialists from Japan; whereas Ibaraki prefecture was in charge of the rest of areas on the list. To implement these efforts, JA Ibaraki used GGP from the JICA for funding. The scope of this study is focused solely on the efforts of JA Ibaraki. The estimated budget that JICA provided to JA Ibaraki was some 46.2 million yen (US$ 416,539) (JICA, 2015).

Table 5.1

Area of cooperation between Ibaraki and Vietnam

1) Application of latest technology in agricultural products
2) Breeding improvement of Vietnamese rice and meat production
3) Mechanization
4) Nurturing of agricultural engineers
5) Technical assistance on processing and preservation of products
6) Dispatch of trainees from Vietnam to Japan
7) Development of an agricultural cooperative

Source: Ibaraki Prefectural Government (2014).

5.3 JA Ibaraki's Project

5.3.1 Ibaraki's GGP

JA Ibaraki's assistance to Vietnam touched two locations, the Chúc Son community in the Chuong My district in Hanoi and the Yên Duong Community in Ý Yên district in Nam Dinh. Both communities received the same assistance from Ibaraki although in different time frames. Farmers in both areas received lectures and on-site training and were invited to Japan for a short training. Only a few households were selected for the pilot farming project in their fields.

Hanoi: Chúc Son community in Chuong My district

In Hanoi, Chúc Son community in the Chuong My district was chosen because, according to the interviews, Chúc Son was known for safe vegetable production and farmers in the district were accustomed to growing vegetables. Further, being located in geographical proximity to Hanoi was significant advantage for this area. The Chúc Son community is the political, economic, and cultural center of the Chuong My district with 13 zones, 3107 households, and a population of 12,653. Its total agricultural output in 2016 was 2,226.95 tons, reaching 98.9%.

Nam Dinh: Yên Duong community in Ý Yên district

In Nam Dinh, the Yên Duong community in the Ý Yên district was chosen as the pilot test site. This was because the Yên Duong community is located next to national highway 38B. The easy transportation of cultivated agricultural products was one of the main decisive factors here. Further, according to the interviews, the Ý Yên was not only in an accessible location to Nam Dinh Central city but also accessible to Nin Binh Province via the highway. In fact, Nin Binh Province is closer than the center of Nam Dinh. For this reason, the Ý Yên district was selected as the pilot area for the JA project.

As mentioned, the main responsibility of JA Ibaraki to educate farmers in terms of new knowledge, techniques, and practices through on-site and classroom training. The project aim was to nurture human resources (researchers, leaders, farmers) who could contribute to the development of agriculture in the target areas by studying the production and distribution techniques used in Ibaraki for agriculture in a suburban area, a type of agriculture that utilizes Ibaraki's strengths. The full project scope is presented in Table 5.2

Table 5.2

Scope of Project

1	Bringing agricultural trainees from Vietnam to Ibaraki - Conduct training for Vietnamese agricultural trainees
2	Dispatch pecialists from Japan to Vietnam - Conduct seminars targeting leading members of the agricultural community - Conduct classroom and onsite training for Vietnamese farmers - Demonstrate high quality and leafy vegetable production techniques on model farms in Hanoi and Nam Dinh - Confirm examples of the distribution of healthy and safe agricultural products and propose a distribution system

Source: JICA (2015)

As acknowledged by JICA, farms in these areas are small-scale and farmers are nowadays moving towards two rice products and one vegetable product to one rice product and three vegetable products to maintain a sustainable income. Ibaraki farming style will be an asset for farmers in the target area because both Chúc Son and Yên Duong are close to the center of cities. Ibaraki is located about 120 km away from the central Tokyo and serves a function as a food supply base focusing on leafy vegetables. Likewise, both communities in Vietnam is located geographically to Hanoi or the center of Nam Dinh and could play a similar role as Ibaraki does.

Under the project scope, Ibaraki invited agricultural researchers, community leaders, and farmers to the Ibaraki prefecture and showed them a processing site, a wholesale market, supermarkets, and also conducted on-site training at Japanese farms. In Vietnam, both parties set up model farming sites in Chun Son and Yên Duong to test Ibaraki's practices and educate selected farmers. JA Ibaraki also contributed agricultural materials and equipment such as row covering sheets. The uniqueness of the Ibaraki method was to use agricultural field covering for product management and safety and this practice was introduced into the polot farms. The Figure 5-1 presents a flowchart of the JA Ibaraki's project.

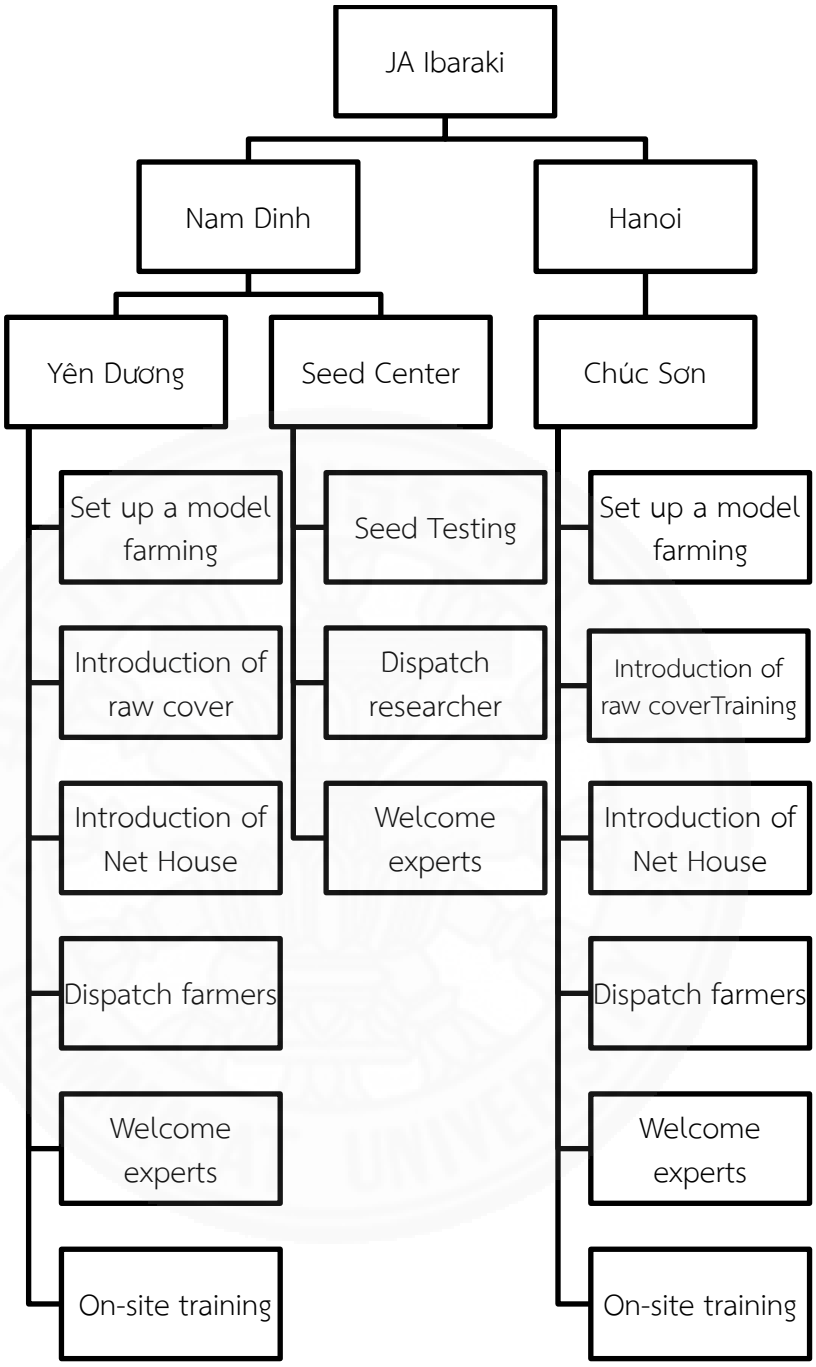

Figure 5.1 [1] Flowchart of project activities

Source: Author's compilation

[1] On-site training includes use of agrochemicals, soil preparation, pest control, preservation of freshness of products, harvesting techniques, packaging method

5.3.2 Target Areas

As figure 5.1 presents, several activities had been conducted in different locations. In Nam Dinh, two locations, the Seed Center and the Yên Duong Community were targeted at the project site; on the other hand, in Hanoi, Chúc Son community in Chuong My district was the target location. Interviews with farmers occurred in these places and field-visit was realized in Chúc Son area.

5.3.2.1 Nam Dinh

In Nam Dinh, the Seed Center and the Yên Duong community were the two places involved in the project. The Nam Dinh Seed Center collaborated with JA Ibaraki to conduct a pilot testing of seeds at their fields before the actual project kicked off. One researcher, one extension staff, and one director of the Seed center were selected to be interviewed. Furthermore, the Yên Duong community was in the Ý Yên district where all the farmers participated in the project. Four farmers, including two farmers who joined the project, one farmer who was about to join, and one farmer who was not participating, were invited to be interviewed (Appendix for interview participants in Nam Dinh).

5.3.2.2 Hanoi

In Hanoi, the Chúc Son community in the Chuong My district was the project area and farmers who were members of the Chúc Son Vegetable and Fruit Cooperative were participants in the project. The Cooperative supports the latest scientific and technical application for the production of safe and high-quality vegetables. It has contributed to safe vegetable production, quality assurance, and consumer demand. Based on experience with vegetables production, three households were selected as project participants from the Cooperative members. (See Appendix for interview participants in Hanoi).

5.3.3 Model Farming Field[2]

As mentioned, Chúc Son is known for vegetable production and it seems that most of its farming fields grow vegetables rather than the typical landscape of paddy rice fields in Vietnam (See Figure 5-2).

Figure 5.2 Agricultural fields in Chúc Son
Source: Photographed by the Author in 2018

The signboard in the image below shows that the project between Ibaraki prefecture and the Fruit and Vegetable Research Institute (FAVRI) are on-going. To be specific, it is stated as "Demonstration Model: Applying Japanese technology to produce safe vegetables at Chúc Son Cooperative.

[2]Due to time limitation and schedule of farmers', only the model farming field in Chúc Son was visited. Chuong My district is roughly 30 minutes' drive from the center of Hanoi.

Figure 5.3 The signboard of the Project

Source: Photographed by the Author in 2018

Figure 5.4 shows the agricultural materials brought over JA Ibaraki. The material provided was agricultural row coverings called “Pass Lite”, which is used for its air permeability as well as its appropriate hygroscopic and warmth-keeping properties. In conventional Vietnamese agriculture practice, farmers do not use this material and their crops are exposed to wind and rain. Furthermore, the netting and steel piles shown in Figure 5.5 were provided by Ibaraki as well. These were the central equipment provided by through the Japanese side since the project began.

Figure 5.4 Pass Lite used in the in Chúc Son farming fields.

Source: Photographed by the Author in 2018

Figure 5.5 Agricultural Net House
Source: Photographed by the Author in 2018

The most notable part of the project in the field was to the experimental application of Japanese agricultural practices for safe vegetable production. Farmers who went to Japan learned harvesting techniques, the use of pesticides, and packaging methods, whereas those who stayed were able to learn from Japanese instructors in this field. Local lecures included topics such as the effective use of agrochemicals, pest control, preservation of product freshness.

5.4 Findings

5.4.1 Gain from Participation

There are several reasons for farmers participating in the project. It is due to the fact that they want to learn something new, study a new approach, benefit from classes, or be given the free cost or other motives. Of all, learning the Japanese technology without cost burden accounts for the largest part of their incentive to participate in. Although farmers expressed that the acquisition of advanced technology is the main incentives, free of charge is presumed to be the most important factor than anything else because farmers can acquire advanced technology without payment. Vietnamese acknowledge Japanese technology as a

prominent and one of the best in the world. It is no wonder that farmers had good incentive and were willing to participate in the program so that they can enjoy the latest technology without additional cost.

According to the interviewees, the objective of the project met their expectation, which was to learn safe vegetable production. All participants unanimously agreed that JA Ibaraki's practices and techniques were suitable for their farming and positive production results were expected. However, the validity of such remarks could be argued and should be examined, as participants may not have expressed honest opinions due an unwillingness to tell the truth. Such reluctance to express an honest opinion may come from a fear that ODA programs would end or benefits might be removed. The recipients' of the program are in a weak position as the donors are the ones providing financial support, resource deployment, and other arrangements. In addition, the interviewer was the same nationality as the donors of a project; therefore, it can be easily imagined that elicitingtrue opinion might be challenging.

For this reason, collecting feedback from non-participants offers additional insight on the project, as these individuals would express their opinions without hesitation. This was important, as they were not dependent on the project, allowing the interviewer to understand their real opinions as to why they did not participate. The feedback from non-project participants revealed that both of them did not join the project, simply because they were not aware of it. After they were informed about the project, they showed a willingness to join the next phase. Their eagerness to join the project could be based on the high satisfaction of existing participants, the usefulness of the training, the ability to fulfill personal needs, the strong project reputation, or simply free cost. It seems that of all the possible determinants, word of mouth is seemingly the most effective for influencing the decision to participate.

5.4.2 Growing demand for Safe Produts and Pricing System

Ibaraki's method of producing vegetables will have strengths in Vietnam because of Japanese branding as well as environmentally friendly standards with fewer pesticides and chemicals. Vietnamese consumers are aware of the quality

of Japanese products, and the reputation of the products is high. Additionally, the awareness of safe and environmentally friendly products has currently gained attention in Vietnam because consumers are concerned with the quality and safety of products because of pesticide residue or other harmful chemicals used on products (World Bank, 2017b). These factors are advantageous for farmers because Ibaraki's practice would meet consumers demand, which result in better sales. During the interviews, the majority of respondents felt that in the long run, JA Ibaraki's method would benefit them; however, they also expressed concerns about the pricing mechanism in Vietnam.

In the existing system, the price of agricultural products, whether they are produced using foreign techniques or conventional methods, remains the same; hence, unless this situation changes, farmers will not be incentivized to continue using new methods through foreign assistance as these foreign methods require additional investments, resulting in higher operational costs. Cost is an important indicator of whether farmers will continue to use these new methods regardless of how beneficial they are. In essence, although a high level of satisfaction with the new technique would contribute to better vegetable productions in farming, in order to sell their products, further development of a marketing and pricing system is required. This is because, in the current system, farmers produce products, third parties purchase their vegetables and sell them to wholesalers and, finally, the products are sold in markets, stores, and supermarkets. This system discourages farmers from further production using the Ibaraki method for vegetable production. Despite the production of high-quality products, it would be difficult for farmers to sell products in the markets without a proper distribution and marketing system. Due to the complexity of the system, the prices paid to farmers are low, and the distribution system needs to be reexamined accordingly.

5.4.3 Change of Mindset

Bringing innovation to Vietnamese agriculture could be possible if farmers change their mindsets. Since advanced countries such as Japan have better practices in agriculture, despite decline in the industry, Vietnam can learn from Japan in many aspects. These new practices and methods would further develop

Vietnamese agricultural industry. The most important factor to achieve a remarkable transformation in Vietnamese agriculture is the change of farmers mindset. Most probably It is easy to transfer the foreign technology and practices to local farmers. This is because while they work together with agricultural experts from donor countries in the field, sooner or later they will get used to new practices; however, it is difficult to change their mindset since farmers are working in the sector for 20 or 30 years with the traditional method. It should be noted that the objectives of agricultural aid would be achieved if farmers proactively change their mindsets and way of thinking after learning new practices. If not, aid recipients might return to old practices and the delivery of the project is to be failed.

Through interviews with farmers, change of mindsets was a common term heard during the interviews with farmers and researchers alike. The change of mindsets occurred to farmers mind when they experienced the Japanese practices. What they seemed to mean was that ever since they took part in the project, some innovation occurred in their minds. Psychologically, the new practice positively affected farmers. JA Ibaraki brought in new techniques or practices that had never been seen in Vietnam before and this was when the farmers began to change their mindset. The farmers expressed that through JA Ibaraki's assistance, they were able to change their mindset towards agricultural work. The mind innovation could be seen as a type of innovation, which would bring a positive outcome if they continued using the new method brought over by Japan. The implication was that farmers could produce strong quality vegetables and fruits if they correctly learn the practice and method. The big advantage of selection of Chc Son community was that farmers in this area were accustomed to growing these products. Hence, these farmers would be able to adopt easily the new techniques introduced in their farms. If this is successful, farmers in the surroundings will follow the same practice and more successful stories will be heard.

5.5 Evaluation of the ODA Project

So far, findings through interviews have presented that farmers' perception on the JA's agricultural ODA project is rather positive and all participants commented that the methods that JA demonstrated for participants have contributed to their farming and knowledge accumulation. In light of these findings in mind, in this section, further analysis of the ODA program is given, focusing on satisfaction and benefit of farmers from the perception of cost, practice, and price.

5.5.1 High Satisfaction

In contrast to a research conducted by Peter (2001), which analyzed the failed project in Vietnam, this aid project has kicked off in a detailed manner from the beginning. The delegation from Ibaraki made a preliminary research on the site locations, farmers, local needs, and areas of cooperation. For example, as mentioned earlier, Ibaraki prefecture and Vietnam signed a memorandum on technological improvement and human resource development in the field of agriculture in 2014. As a part of bilateral cooperation on agriculture, Ibaraki prefecture, especially, JA Ibaraki, investigated possible cooperation areas and proposed ODA scheme to JICA. With a financial support from JICA, JA has implemented the program in Hanoi and Nam Dinh. Detailed background studies prior to implementation of the program had enabled JA to provide to Vietnamese farmers with what farmers expected. As Williamson (2009) argued, the successful delivery of aid project involves coordination between donors and recipients. Importantly, obtaining crucial information such as who needs, in which locations, and how much budget is magnificently essential to achieve the aim of projects. This result may be explained by the fact that accurate information gathering beforehand such as local and personal needs in local context resulted in the farmers' tremendous satisfaction. Also, smooth management and implementation of project could be attributable to overall performance.

Furthermore, Williamson (2009) explained the knowledge gaps between donors and recipients. Lack of feedback and accountability to donor agencies have caused failure of aid projects. This is because lacked mechanism of feedback and observable results, which provide weak incentives to collect necessary

data. To put it simply, donors are not concerned with results of projects nor do not require the maximization of profits. ODA programs, unlike private corporate business activities, have an aspect part of charitable purposes while aid has another aspect of diplomatic tool in the formation of foreign policy. It can, therefore, be assumed that decision making on the selection of countries is highly influenced by the national interest and the process is carefully considered by governments and related ministries such as Foreign or economic Ministries, but the quality of projects seems indifference to these institutions. As the project was a small-scale and those ministries were not directly involved, it turned out to have been efficiently performed with higher satisfaction.

5.5.2 Comparison between Conventional and New Practice

The most distinctive difference between conventional Vietnamese agricultural practice and the method introduced by JA Ibaraki is the use of modern agricultural equipment for growing crops. In the two locations that were selected as project sites, according to interviews, the penetration rate of modern agricultural equipments was not high. Therefore, crops are exposed to wind and rainfalls because farmers do not use the agricultural coverings or net house. The introduction of agricultural equipments brings a change to Vietnamese agricuture. Under the project scheme, Japanese experts conducted on-site training, including the use of agrochemicals, soil preparation, pest control, preservation of the freshness of products, harvesting techniques, and packaging method. These educational activities enhanced farmers' skill and knowledge of modern agriculture. The interviews revealed that in the pre-project period, farmers were not aware of the appropriate amounts of agrochemicals, harvesting practices, preparation of soil, and disease control and their practice relied on their experience rather than scientific method. The conventional practice also includes non-application of agricultural mechanization that workers do farming by manual work. The problems in conventional practice are such as residual agricultural chemicals, excessive use of agrochemicals, soil contamination, and poor postharvest management of crops. For this reason, concers are given on the safety of products and consumers are worried about the safety and quality of the products. Therefore, producing a good quality

and safe vegetable with the use of Japanese practice are important for farmers so that their products get attention in the domestic market.

Ibaraki's projects covered these weakness or challenges that farmers are facing. After the on-site and off-site trainings, the introduction of agricultural equipments were lectured to farmers on top of harvesting procedures, pesticide control, and packaging practice. Farmers were entitled to free educational activities as knowledge transfer has no associated cost for Vietnamese farmers. As shown in figure 5-2, agricultural fields do not have agricultural equipment such as the coverings and net house. In comparison, figure 5-4 and 5-5 present the outcome of introduction of Ibaraki's practice. The coverings, Pass Lite, and net house promote better growth of agricultural producs as it supports frost resistance, uniformity, and durability. In addition, such equipment offers moderate breathability, moisture absorbency, transluency, and prevention og diseases such as insects bites, pestsm and fungus. These new practices further accelerate a safe production practices and better quality products. However, it remains to be seen whether farmers continue the new techniques and practices. It is because the implementation cost would exceed the profit they make. These set of equipments were imported from Japan for the project purposes but actually the price of materials are rather expensive in comparison with farmers' income.

According to the General Statistics Office of Vietnam (2018), the average income in rural areas is VND 2,437,000 (US $104.6) while the figure for urban residents is VND 4,368,000 (US $187.5). The question is whether farmers can afford to sustain Japan's practice. This number, of course, does not represent specifically farmer income in the two communities studied, but monthly earnings in those areas should be similar. There are some exceptional farmers who earn more than the statistics; however, most fall into this category. In order to examine whether farmers can sustain the practice, the following section discusses the calculation of this additional cost incurred by farmers to understand better.

5.5.3 Implementation Cost of Ibaraki's Practice

JA Ibaraki financed the majority of the ODA project; hence, the cost incurred by farmers was nothing. While project was in progress, farmers were not concerned with the additional production cost to their operations. The real issue would occur in the post-project period as farmers were burdened with the costs to continue the Ibaraki's practive. It could be argued that the real value of the ODA project would be put to the test after the financial donor support ended because if the participants did not continue the practices of the aid programs, the entire project could be said to be have failed. Sustainable practice among local residents can be one of the pivotal aspects of foreign aid programs; otherwise, these would not be effective, useful, or contributable. For this reason, the estimation of the cost expected in the post-aid period for farmers is very important to assess. Here, a rough calculation is formulated of how much expense the farmers would need to bear.

The expense the farmers need to cover is mainly for the agricultural row covering (Pass Lite) introduced in Figure 5.3 and the nett Steel Pile fee in Figure 5.4. This material was imported from Japan or was brought in by JA during the pilot test at the farms. Data obtained through the interviews indicated that although this equipment was not available in Vietnam in the past, today, it is accessible to purchase in domestic shops. Therefore, the calculation is based on the retail prices in Vietnam since it is unlikely that farmers would import these materials from Japan. The material to build a net house with steel pile is also accessible in Vietnam. The calculation result is shown in Table 5-3. The exchange rate is based on the average price in August 2018 (US $1= VND 23,291.6)

Table 5.3

Price and durability of Pass Lite and Net& Steel Pile

Name	Pass Lite	Net&Steel Pile
Price	8,500 VND/m² (US $0.36)	100,000 VND/ m² (US $4.29)
Durability	Half a year	3-4 years

Source: Author's compilation

In order to introduce Pass lite in Vietnam, the cost farmers must pay is 8,500 VND (US$0.36) per m². The average size of a farm in Chúc Sơn is 2040 m² and 4000 m² in Nam Dinh according to the interviews. As a result, the additional cost estimated in Table 5-4 will be required if they continue using Ibaraki's method

Table 5.4

Total additional cost incurred to farmers for Pass Lite and Net House

VND:1,000

	Average size of farm	Price of Pass Lite/ m²	Price of Net House/ m²	Total estimated Cost	Total estimated Cost
Chúc Son	2040 m²	8.5 VND ($0.36)	100 VND	17,340 (US $734)	204,000 (US $8,752)
Yên Duong	4000 m²	8.5 VND ($0.36)	100 VND	34,000 (US $1440)	400,000 (US $17,160)

Source: Author's compilation

These two estimations are based on farmers using Pass Lite or Net House to cover their entire fields. If they introduce the equipment partially to cover farm areas, the total cost will be, of course, less than this. Therefore, the estimated cost may not be completely accurate, but roughly suggests how much additional cost farmers will need to invest. Three farmers in Chúc Son have farms twice as large as the average farmland in the area. Assume that, a farmer with 5000 m² of agricultural land buys these materials. If the farmer introduces Pass Lite in the entire farm, the cost would be 42,500,000 VND (US $1,700) and the figure for the net house 500,000,000 VND (US $21,471). Moreover, this raw cover is not as durable as it seems, and farmers end up changing covers twice a year. If this is the case, it is a costly purchase. It is, indeed, arguable whether farmers will use this for their entire farm; thus, it has an additional investment attached to continue applying this practice. According to the office of statistics of Vietnam (2018), the average income in

agriculture, forestry, and fishing is 4556.4 thousand VND (US $182) in a preliminary 2016 assessment. Thus, although it is likely that farmers partially introduce and utilize what they learned in Japan and through on-site training in Vietnam, it remains to be seen whether they will continue to use Pass Lite or a net house on their farms

5.5.4 Economic Return to Farmers

The economic return to farmers will be presented to ascertain whether Ibaraki's practice effectively works for farmers. In this calculation, the price of lettuce is used as an example to analyze the economic return for farmers. It is based on farmers in Chuc Son community sell their products to the market. For the sake of convenience, costs such as labor, fertilizer, distribution, and packaging are excluded. Also, in order to simplify the calculation, only four scenarios will be used (Table 5-5), and the calculation result is shown in table 5-6.

Table 5.5

Four scenarios

Scenario	Description (Ratio: Pass Lite: Net House)
A	No agricultural equipment is used (0:0)
B	Use both Pass Lite and Net House (50:50)
C	Use Pass Lite only (100:0)
D	Use Net House Only (0:100)

Source: Author's compilation

Table 5.6

Additional cost, Expected revenue, and Expected earning Unit: VND 1,000

	Scenario A	Scenario B	Scenario C	Scenario D
Additional cost[3]	0	VND 110,670 ($4743)	VND 17,340 ($734)	VND 204,000 ($8751)
Revenue[4]	VND40,000 ($1717)	VND40,000 ($1717)	VND40,000 ($1717)	VND40,000 ($1717)
Yield	4,000kg	4,000kg	4,000kg	4,000kg
Price per kg	VND 10 ($0.42)	VND 10 ($0.42)	VND 10 ($0.42)	VND 10 ($0.42)
Expected earning[5]	+VND40,000 ($1,717)	–VND70,670 ($3,026)	+VND22,660 ($983)	–VND164,000 ($7,034)

Source: Author's compilation

Scenario B and D are not practical as it causes financial loss to farmers. It discourages farmers to pursue these two scenarios. On the other hand, the feasibility of implementation of scenario C is high, despite its investment, farmers will be able to gain profits. If the price of the product remains unchanged, it is likely that farmers take either Scenario A or C, but Scenario A is the worst scenario because farmers will return to the old practice.

What if the price of the product goes up as a result of quality improvement? Are there any differences in each practice? The next table shows the minimum price in order for scenario B and D to make it sustainable.

[3] Refer to table 5-4 for the cost of agricultural equipment

[4] Revenue=Yield x Price

[5] Net earning = Revenue – Additional Cost

Table 5.7

Expected minimum price of product

Unit: VND 1,000

	Scenario B	Scenario C	Scenario D
Additional Cost	VND 110,670 ($4,743)	VND 17,340 ($734)	VND 204,000 ($8,751)
Yield in Chuc Son	4,000 kg	4,000 kg	4,000 kg
Expected Minimum price[6]	VND27.4 ($1.18)	VND 4.3 ($0.18)	VND 51 ($2.18)

Source: Author's compilation

If the price of the product goes up to the point that farmers earn back the cost of investment, it is feasible that farmers maintain the practice. If not, the result is easily imagined; back to the old practice. Therefore, the success lies to the increase in the demand for products and raise consumers' awareness of safety and healthy products. Promotion of educational activity will help consumers to increase awareness of safety products, and this might help to select Ibaraki-technique-products. If Vietnamese consumers become health-consciousness, it gives an excellent opportunity to sell and gains popularity among consumers. With the growing increase in the middle class, if farmers target at upper-middle class or upper-class, there will be great potential in the near future.

5.5.5 Additional Cost vs Additional Benefit

Earlier discussed, the costs of the new techniques may exceed the farmers' budgets due to a the relatively high prices of the materials and equipment in comparison with their incomes. Meanwhile, as economic return presented, there will be a growing demand for their products in the domestic markets. Hence, these factors concluded that new practice, the use of Pass Lite and Net House, effectively

[6] Expected minimum price=Additional cost / Yield

works as long as the price in the market is more than the price shown in table 5-7. In order to make it sustainable, the price of products must be high enough to cover the additional cost incurred; otherwise, farmers would continue the Ibaraki's practice as long as ODA activities last or the total profits they generate are greater than the cost incurred. If the profits are less than the costs, there is no sense in using the agricultural equipment. Sustainability of practice is key to achieving development, and the significance of aid program bears fruit if this is accomplished. A much stronger incentive for farmers is necessary, especially in terms of financial return.

As the outcome of the project affects the quality of products rather than production increase, the decisive factor for farmers to continue the practice is the price of the product. The increase in the price can be achieved through the certification of Vietnam Good Agricultural Practice (VietGAP), which gives a proof of safe products. JERTO (2015) survey reported that the price of certified products is higher than un-certified products. Notwithstanding this, what is more important is that consumers' willingness to purchase products. The increase in Vietnamese consumers' raising awareness of safe product is striking nowadays (Word Bank, 2017b). If consumers are willing to purchase farmers' products, it is expected that the demand for the product increases, consequently, the price of the product will go up. If this occurs, farmers will be incentivized to maintain the new practice.

5.6 Conclusion

This chapter has shown the findings from interviews and the analysis of the impact of the project. Interviews with project participants have shown the overwhelmingly positive attitude towards aid implementation and process of learning. It has appeared that the program has contributed to the introduction of new practices, knowledge accumulation, and more importantly change their mindset. The increasing demand for the product will depend on consumers' willingness to purchase the products. It remains to be seen whether consumers are eager to buy; however, a growing awareness of safe product among Vietnamese consumers is a good sign for farmers.

CHAPTER 6
CONCLUSIONS

The study evaluated the Japanese ODA program in Vietnam and examines the role of foreign aid to a lower income group such as farmers. Specifically, JA Ibaraki's agricultural assistance was chosen as a case study, and participating farmers in Hanoi and Nam Dinh Province were interviewed during the fieldwork. As the paper describes, farmers have benefitted substantially from the program by accumulating knowledge, learning a new practice, and changing farmer mindsets towards agriculture. The innovative approach that JA Ibaraki applied has nurtured farmer's psychological thinking. As discussed, the contribution of Japanese ODA in Vietnam is mostly in large infrastructure sector areas, but there is some aid assistant at the grass-roots level to improve the agricultural situation.

The evidence from this study suggests that farmers maintain the new practice as long as profits they produce are higher than investment costs. This project contributes to the improvement of product quality, but it does not increase product output. Hence, the most significant aspect of sustaining the practice is the price. The rise in the price of product will enable farmers to keep practicing what they have learned; however, as presented, high additional cost to farmers is expected after the financial support is ended, which is a challenge for farmers. Despite farmers' eagerness to adopt the new practice, they will return to old practice as soon as they find it unprofitable. There will be no sense for farmers in keeping the practice if the price of the products remains the same. The key to sustainable practice is consumers' awareness of safe products and willingness to purchase the products. Vietnamese consumers' raising awareness of food safety might be the lifesaver for farmers because consumers might be willing to purchase products. If the demand for the product goes up, consequently the price of the product increases. If this happens, the Ibaraki's ODA project to Vietnamese farmers will produce a meaningful outcome since farmers could sustain the practice.

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APPENDIX

APPENDIX A

LIST OF INTERVIEW PARTICIPANTS

Number	Date of interview	Place of interview	Occupation	Gender
1	20/July/2018	Hanoi	Researcher at FAVRI	Male
2	21/July/2018	Nam Dinh	Researcher at Seed Center	Male
3	21/July/2018	Nam Dinh	Extension Staff at Seed Center	Female
4	21/July/2018	Nam Dinh	Researcher (Director) at Seed Center	Male
5	22/July/2018	Nam Dinh	Farmer	Female
6	22/July/2018	Nam Dinh	Farmer	Female
7	22/July/2018	Nam Dinh	Farmer	Female
8	22/July/2018	Nam Dinh	Farmer	Female
9	24/July/2018	Hanoi	Farmer	Male
10	24/July/2018	Hanoi	Farmer	Male
11	24/July/2018	Hanoi	Farmer	Male

APPENDIX B

INFORMED CONSENT

Name of Researcher: Hideaki Shirakata

Title: The evaluation of the effect of Japanese agricultural ODA to Vietnamese Farmers

CONSENT FORM

Please consider each of the statements below and initial each box to signify your consent. Please add your name and date to the end of the sheet.

Please initial box

☐ I confirm that I have read and understand, the Participant Information Sheet, for the above study
☐ I agree that I have had the opportunity to consider the information, ask questions and have had these answered satisfactorily
☐ I understand that my participation is voluntary and that I am free to withdraw at any time from the interview, without giving any reason
☐ I agree to take part in the study which will involve taking part in an interview
☐ I consent to the interview being audio-taped and the data collected to be destroyed after the thesis submission.
☐ I understand that any quotations used in writing up the study findings will not be identifiably attributed to me.
☐ All the data will have a duty of confidentiality to you as a research participant and we will do our best to meet this duty

I agree to take part in the study.

_____ _____ _____

Name of Participant Date Signature

_____ _____ _____

Name of Person taking consent Date Signature

(if different from researcher)

_____ _____ _____

Researcher Date Signature

APPENDIX C

LIST OF INTERVIEW QUESTIONS

Background information

Gender ☐Male ☐Female

Age ☐ Below 30 ☐31~40 ☐41~50 ☐51~60
☐61~70 ☐71~80 ☐ Above 80

Experience in Farming industry (Years)

☐ Below 5 ☐6~10 ☐11~15 ☐16~20
☐21~25 ☐26~30 ☐ Above 30

Questions for farmers

Main theme	No.	Question
Key Questions	1	What are you planting/growing in your farm (in this area)?
	2	What is the yield?
	3	Is this irrigated area?
	4	Are you using fertilizers or chemicals? If not, is it organic farming?
	5	Do you receive any support from the government? If yes, What do you think about support for farmers from the government?
	6	Why do you participate in the project?
	7	What do you think about the program?
	8	Does it help your agricultural practice?
	9	Do you have additional cost attached to the method used by JA?
	10	Is the Japanese method suitable to your area?
	11	What changes you can make after you receive the training? In terms of agricultural practice/in terms of yield of production.
	12	Are you going to adopt new method? If so, why? /If not, why?

Main theme	No.	Question
	13	What are your comments and suggestion to the program?
	14	What expectation did you have before you participated in the program?
	16	Has the project met your expectation? What was your perception after project ends?
	17	What was the most/least beneficial part of the project?
	18	Has the project well-managed/well-planned? and understood local needs?
	19	Do you wish to participate another project in the future?
Japanese ODA	1	Are you aware that Japan has initiated agriculture-related aid projects in Vietnam? Is it first time to join? Have you ever participated?
	2	What image do you have about Japanese foreign aid?
	3	Do you know anybody who participated in Japanese aid project before? Did you receive positive feedback?

Question for non-participants

No.	Question
1	Are you aware that Japan has initiated agriculture-related aid projects in this community?
2	Are there any reasons that you decided not to participate in the project?
3	What perception do you have about Japanese aid?
4	What is your needs/expectation from aid program?

Question for researchers

Main theme	No.	Question
Japanese ODA	1	How is the reputation of Japanese Aid program in Vietnam?
	2	Do you know anybody who participated in Japanese aid project before? Did you receive positive/negative feedback?
Expectation	3	What expectation would local people have from agricultural aid program?
	4	Do you think expectation above is shared with donor/organizer? If not, what's the root cause do you think?
	5	If not meet expectation, what do you think the cause of this discrepancy?
Result	6	What was the most/least beneficial part of the project?
	7	Any difficulty to adopt the Japanese agricultural method in VN farming? Cost/suitability/technical dimension
	8	Has project helped to increase output/productivity/income?
Evaluation	9	Which area do you think it needs to be improved?
	10	Has the project well-managed/well-planned ? and understood local needs?
	11	What do you expect in the future?

APPENDIX D

INTERVIEW TRANSCRIPTIONS

Number 2: Researcher in Nam Dinh

Questions/Answers	
Q1	What's the reputation about Japanese ODA in Vietnam?
A1	very good. Firstly, Japan has high technology in agriculture. Techniques they use are safe and good for agricultural products.
Q2	Are there many ODA agricultural activities in Vietnam?
A2	I know two programs. One is Ibaraki's safe vegetable production and the other one is Miyazaki's compound making
Q3	What kind of expectation do local farmers have from Japanese ODA program?
A3	Farmers want to know the knowledge from Japan such as how to grow vegetables. Three things that farmers have expectation. Firstly, techniques to produce safe vegetables, secondly, development of marketing system. Post-harvesting.
Q4	Do you think these expectations are shared with donors/organization?
A4	He's been to Ibaraki for 1 month.
Q5	Is this program proposed by Vietnamese or Japanese side?
A5	Both side but Vietnamese side pays a little. Most supported by the Japanese side.
Q6	How were two locations selected?
A6	Nam Dinh province is at the center of red delta. Urban area is key to this project.
Q7	How was Y Yen district selected out of all districts?
A7	Farmers in Y Yen districuts grow vegetables and Y Yen is located between Nam Dinh city center and Nin Binh city. Good for marketing purpose. Also, farmers have experience in growing vegetables so it is easy to transfer knowledge and techniques.
Q8	What do you think the most beneficial part of this project?

Questions/Answers	
A8	Change the agricultural product system. Now they learnt new techniques from Japan
Q9	What kinds of new techiques did they learn?
A9	Many pesticides in the past. Nowadays they use small tanners like cover to keep insects away and production became safer.
Q10	Is there any additional costs for farmers to use practice?
A10	Farmers doesn't cost. All are supported by Ibaraki. After project is finished, there may be additional cost attached to use this practice.
Q11	Do you think farmers continue using this practice even after project is finished?
A11	Some farmers with high income may continue using practice, others would not use this due to lack of finance. Ibaaki's techniqu is cheap so they can continue to use
Q12	How did they pick up 10 participants? 10 farmers in Nam Dinh are involved in the project.
A12	Local government selected good farmers. Those who have high motivation selected. Community leader picked 10 farmers
Q13	Any least beneficial aspects in this project?
A13	The most important part was to transfer Ibaraki's method to Farmers in Nam Dinh. All things are good
Q14	Is there any difficulty part to adopt Ibaraki's method?
A14	The difficult part was---------- Currently, no matter how you produce, the price of finalized products is the same, whether you use Ibaraki's techniques or without it. In order to practise Ibraki's techniques, farmers need some investments and it costs more; hence, the price of Ibraki-method-produced vegetables should be higher than other products. Marketing system is not good enough
Q15	After two years, if the market price is the same, do you think farmers may not use this method?

Questions/Answers	
A15	If projects are finished, some farmers can apply this projects. Farmers have own selling channel and can sell higher price. Less pesticide are good. Others may not do the same. Hope farmers in this areas would use the same practice. It is safe and environmentally friendly.
Q16	If projects are succeeded, do you think it will help to increase productivity, output, and income for farmers?
A16	will increase outputs
Q17	Is there any areas that need to be improved?
A17	problem with farmers and Vietnam marketing system.
Q18	Project was well-planned and managed?
Q19	Amongst them, what was the most impressive things you learnt?
A19	The most impressive thing was planning. They came here 1 year ago to collect data and made a proposal. Interviewing, meeting with leaders, farmers
Q20	What do you think do you expect in the future?
A20	Further cooperation between Japan and Vietnam. Two things, want Japan to assist farmers continuously and Vietnamese farmers can continue to apply Japanese practice
Q21	Is there any scheme that locally produced vegetables are exported to Japan?
A21	1 month training in Ibaraki. Visited many agri markets. I hope VN products to be exported to japan.
Additional Memo	
▪ I visited JA supermarket. Worked with Japanese farmers, learning a method of harvesting, packing, producing safe products. Packaging has a name of farmers, address, branding, and other necessary information such as when produced, who produced, address. Management of the products, decision of the price of the products. ▪ Visited new technology for planting. I have a youtube clip to show you. Visited mini-store and I saw many Vietnamese products there. Fish source, rice paper, and	

Questions/Answers
chilli source. ▪ Farmers sell to collectors and collectors sell to consumers. ▪ Vietnam has JA style agriculture unit but it does not function properly. Management is not good enough to run the organization.

Number 3: Extension Staff in Nam Dinh

Questions/Answers	
Q1	How is the reputation of Japanese ODA program to Vietnam?
A1	Japanese program is very good. Many provinces have projects and farmers are happy to join the program
Q2	Have you ever received any negative feedback ? Negative aspect?
A2	She studied at the Vietnam Agricultural University (VANU) and heard about JICA projects. Her professor knew lots of JICA projects, all of which have good fame.
Q3	What expectation do local people have in their mind from Japanese agricultural ODA project?
A3	Yes, farmers want to learn new techniques and export products to foreign countries. Focus areas are to learn technological transfer from other countries.
Q4	Do you think these expectation is shared with Donor, JICA? Before project began?
A4	JICA cooperates with universities or other related organizations
Q5	Before project starts, JICA conduct some preliminary research?
A5	Yes
Q6	What do you think the most beneficial part of this project?
A6	The project is very good because farmers are able to learn new techniques and change their production method.
Q7	What is the least beneficial part of the project?
A7	(Translator interpreted the opposite) First techniques and change of thinking, third is how to produce and how to sell the system.

Questions/Answers	
Q8	Does this practice have any additional costs to farmers?
A8	No additional cost for farmers because Ibaraki owns the cost
Q9	What Ibaraki taught farmers is how to produce the good vegetables?
A9	Ibaraki's assistance is to teach farmers in the Field (FFS) together with farmers. Farmers see and learn in the field.
Q10	Which areas need to be improved?
A10	techniques are very good. They conducted a research such as how much pesticides are required in that fields and give a clear guidance to farmers
Q11	Do you think farmers will continue the practice even the project is ended?
A11	Yes. We are promoting Ibaraki's technique to the entire Nam Dinh province.
Q12	Has the project planned well ? Understanding local needs?
A12	Before project was running, researchers came and met leaders in farming industry. Discussed the main problem and possible cooperation areas.
Q13	What do you expect in the future?
A13	We hope many project would run in more, especially greenhouse, grabbing vegetables.

Number 4: Researcher in Nam Dinh

Questions/Answers	
Q1	How is the reputation Japanese ODA?
A1	Many programs by JICA. Many things. Develop economic, vegetable production. Many cooperation between Japanese and Vietnamese JICA: many areas JICA supports. Develop social and economic. Recently focus on agriculture: vegetable production that follow Japanese technology Biodiversity and climate change Infrastructure -ODA: cooperation between 2 governments: investment, non-refundable loan…

Questions/Answers	
Q2	Many areas provided to infrastructure. Do you think enough to Agriculture sector?
A2	ODA programs of Japan in Vietnam: big programs with big budget, important projects of Vietnam such as Nhật Tân bridge, Terminal 2 of Nội Bài Airport.Not much in agriculture. He hopes to receive more projects in agriculture. Have not had big supports in agricultural area yet
Q3	What do you think local farmers expect from Japanese ODA?
A3	Agriculture modern. Big, large production. Transfer technique, using machine, tractors. Machine for processing rice, keeping products. Industrialization for agriculture. - Nowadays, farmers want to work in company and agricultural land in the field is not utilized or left untouched. This land needs to be cultivated by using machine - The production trend of Vietnam agriculture is modernization, land accumulation, make production scale is larger, so need machines to produce, seed processing machines: machine to clean storage, Soil cultivating machine, Planting and Harvesting machine - There is a change of labor in rural areas, annually 5-10% of farmers move to other fields, so the land is not used => need urgent: machines => to support people who have agricultural land
Q4	Any subsidy or financial support from the government to purchase the machine?
A4	Government has a subsidy scheme to give up to 20%. They only 55 million VND subsidy. Tractor 300 million VND. 20% or 55 million VND subsidy. In case, 300 million VND tractor can give farmers 55 million VND.
	The government helps purchase machines, but amount of money government supports is still low, (compare to the value that Vietnam has to invest in the area) Government's subsidy: Maximum = 75 million VND, < 50%

Questions/Answers	
	However, in reality, transplant machine, reaper, dryer, cold storage machine: 300 million VND, government just gives 75 million VND. It means government supports only 20% in pursuing machines If government can learn from Japanese case such as 50% of support, many farmers can buy more machines. 75 million Assistance .
	Many farmers have small areas so they buy small machines but if farmers have large-scale land, they wish to buy large machines.
	Many farmers have small production scale so they buy small machines (ex: transplant machine:150 million VND) => can apply and receive Government's subsidy
	But other farmers have larger production scale => need to buy big machine => to produce effectively
	In Nam Dinh, largest land side 0.5 ha (500m square). 0.24 ha (240 square meter) is the smallest. On average 0.4 ha per person.
Q5	Main crops grown in Nam Dinh?
A5	Rice. 90% are rice during spring to Summer (95%). Summer to Autumn (93%). Spring time: 90% Summer time 95% In addition, peanuts, vegetables. In winter season (October to February). Potatoes. No rice in winter because it is wet season. Two rice and one vegetable. Vegetable production accounts for 25% of total areas during winter season. 75% take up rice production. In winter season, 75% will not be used. No crops in this season because it snows, wet and lowland . Because it is wet, low-lying land
Q6	Do you think expectation is shared to donors or organizers, JICA or Japanese side?
A6	Japanese technology is very good. This project from Japan to Nam Dinh is easy to transfer because it is not large-scale project and production scale in Nam Dinh is also small

Questions/Answers	
	Japan's technological goal is safe, majority of local people can use =>Japan's technology is suitable for applying in Nam Dinh
	In detail, vegetable production: focus on improving soil, it means stable production and safe products
	Vegetable consumption is for domestic. Making safe vegetables. In this project, we focus on Ibaraki technique, specializing for vegetable production. 1st is Vegetable production 2nd is safe vegetable production. About technique, the most important is soil preparation. Insect and diseases. It's about safety. One techniques that can be applied is that soil disease. To prevent pest and diseases, not using pesticide but using agricultural cover.
	technique: plow , organic fertilizer to improve soil
	Pestilent pest control (1st mulching, 2nd bio-baiting, 3rd chemical pesticides), ensuring the environmentally friendly , sustainability, safe products. isolation time before harvesting: strict application
Q7	How many days to grow and cultivate products?
A7	Depends on vegetable. Leaf vegetable. From seeds to harvest, it takes 2 months but for fruit vegetable, such as tomatoes, pepper, paprika, it takes three to four months. It is dependent on vegetable kinds.
Q8	What is the least beneficial part/Negative aspect of the project?
A8	This project, most important, soil preparation, method. Many compounds are used before learning this techniques. They can reduce. Disease management. Using APM (Project Management)
	Soil improvement: add muck improve the soil, production is stable in terms of productivity, less disease, more sustainable
	Cultivation method: concentrate on putting down fertilizer in the first stages (more than the next stages) to make the plant healthy from the beginning.
	Use environmentally-friendly medicine: killing disease from the seedlings, combining many measures in pestilent pest control (mulching, bio-baiting, chemical pesticides)

Questions/Answers	
Q9	Do you think the project helps to increase output/productivity/income for farmers?
A9	Project is still on-going because it is in the progress of small-scale testing. In the near future, the awareness of safety vegetable will increase. This might increase income for farmers. Projects are still running.
	Not yet. The most difficult is the product output but now the products have not changed the trust for consumers yet
	On the small scale: project help farmers produce good products, but cannot increase income
	In the long run, large scale: still apply that technology, create the brand => many people believe brand, can sell products with high price, then farmers can enjoy benefits, increase their income
Q10	Projects are well-managed, well-planned, and understand local needs?
A10	Project management is very good. Ibaraki supported new techniques not giving investment. Farmers can study how to practice ibaraki techniques, they join training courses, discussion.
Q11	Are you satisfied with the project?
A11	Not yet. Still on-going. Budget need
Q12	Your expectation in the future
A12	In the near future, invest in the chestmat? Easy to sell
	Training for 1 month. We visited shopping mall in Japan. Farmers can sell their product, can decide the price. Chinese products not good. Japanese products are better. If vegetable is produced by using Japanese method, consumers will buy this product. Consumers have a certain standard such as Japanese products are good quality. Japanese products are good not only appearance but also quality. Chinese products are cheaper, but Vietnamese will not choose Chinese products. Vietnamese will choose Vietnamese products rather than Chinese products (nationalism). Their products have toxic, chemicals.

Questions/Answers	
	The way to create brand (vegetable, fruit), how to manage and distribute the products to the consumers => need a specific model, the method of introducing and promoting products. A model in Japan, the farmers produce and sell in the market, which is considered a commercial center. People's products are managed by the market, farmers can sell their products at their own price. Japan can create brand, national brand, if see products" made in japan" => ppl think it's good. Made in China ⇒Bad. Made in Vietnam⇒So So

Number 5: A farmer in Nam Dinh

Questions/Answers	
Q1	What are you planting and growing in your farm?
A1	pak choi , cabbage, spinach, Kohlrabi, rice
Q2	What's the yield?
A2	360 square meter. 1500 square meter for Kohlrabi
Q3	Do you consume all vegetables or sell ?
A3	Sell in the field. Middleman collects vegetables in the field.
Q4	Are you using fertilizer or chemicals in your farming?
A4	Yes
Q5	Is there any organic farming?
A5	Not yet.
Q6	Is this irrigated areas?
A6	Not yet. One out of two field is irrigated. The others are not. Some farmers can invest in the irrigation system.
Q7	Do you receive any support from government?
A7	No, we don't receive from the government at all
Q8	What would you want from the government?
A8	Firstly, I want to have technical support on soil preparation. Secondly, the method to produce safe vegetables. Thirdly, marketing support. Fourth is irrigation and electricity system.
Q9	Why did you participate in this project?

Questions/Answers	
A9	Firstly, target how to produce good safety vegetable and knowledge
Q10	Is this first time to join Japan ODA program?
A10	First time
Q11	Do you think Japan has provided to agricultural sector a lot?
A11	No much
Q12	What kinds of impression do you have about Japanese ODA?
A12	Good image of programs because she was able to attend the training, but when I went there, it was not a vegetable season. However, I could learn a lot in Japan.
Q13	Any additional cost attached to JA Ibaraki's method?
A13	not materials
Q14	Do you think Ibaraki's method is suitable to your farming?
A14	very suitable such as soil preparation
Q15	Are you going to continue this practice?
A15	Yes
Q16	Even after project is finished, will you continue?
A16	Yes, continues because it is very good method.
Q17	Is there any suggestion or comments?
A17	Easy to understand, easy to apply
Q18	Before you join the program, what expectation did you have?
A18	She had only traditional vegetable production
Q19	So far, what's your opinion about this project from beginning to until now?
A19	from start until now, this project will be successful and transfer skills to here
Q20	Are you using Ibaraki's method?
A20	Yes. She also wants to learn about compounds making
Q21	What was the least beneficial part/negative aspect of the project?
A21	the most benefit is to change the mindset of us. Since joined project, innovation has occurred. "change of mind"
Q22	What did you learn the most in Japan?
A22	I went to Japan. All trainers and lecturers taught how to produce vegetables. I hope Vietnamese farmers become Japanese farmers in future.

Questions/Answers	
Q23	Do you wish to join if there is another project?
A23	Yes, because I want to learn new thing.
Q24	What is the biggest challenge to Vietnamese farmers?
A24	Learn more from Japan

Number 6: A farmer in Nam Dinh

Questions/Answers	
Q1	When did you know about this project?
A1	My field area is selected for the coming project and Ibaraki came to Nam Dinh for discussion last month. That's when I heard about the project here
Q2	What kinds of image do you have about Japanese ODA program?
A2	I heard iBaraki's project is very good and hope they run the project here. I went to other field to learn other techniques from other communities.
Q3	What's your needs or expectation from the program?
A3	I hope Ibaraki develops irrigation system such as water supply, electricity. And want to learn how to use pesticide, fertilizers. What kinds of fertilizers are suitable to our vegetables. And hope Ibaraki teaches us marketing method. How to harvest, processing and selling. At the moment, I harvest and sell them in the field without packing. If we had good packaging, we can sell with higher price
Q4	What's growing in the field?
A4	vegetables are off season. Phak choy, pumpkin. In winter, crubi, cabbage, broccoli. Marketing is important. Who will buy with higher price?
Q5	Who is buying her vegetables?
A5	collector collect our vegetables and they sell it to market and market sells to consumers. If consumers buy products from farmers. This helps us to increase.

Number 7: A farmer in Nam Dinh

Questions/Answers	
Q1	What are you growing in the farm?
A1	Cabbage, Crabi, tomatoes. And rice and cucumber
Q2	How big your farm is?
A2	1800 square meters. 3 persons got this size. 700 squares meters for vegetables. And 1000 square meters for rice.
Q3	What kinds of image do you have about Japanese ODA?
A3	This is my first time to hear about the project. I heard from my friends farmer. I don't know about it.
Q4	Do you know Noibai T2 or bridge were built by a support from Japan?
A4	I didn't know.
Q5	What expectation would you have if you could join the program?
A5	wants to learn technique, how to harvest, to process, to packing and to sell (marketing). The most important is to have a better marketing system because we sell cheaply.
Q6	Are you going to join the project in this year?
A6	I wish to join.
Q7	What kinds of support you wish you have from government?
A7	Not yet. I want everything. Hope support everything. Irrigation system, seeds, good variety of seeds.
Q8	How do you get seeds?
A8	buy them from seller. Seeds shop.
Q9	Is price high?
A9	yes, high price. The price of seeds and fertilizer goes up
Q10	Do you make a profit by selling vegetables?
A10	not much income. Not much profit. Depends on crop season. Sometimes, we have disease on crops. If vegetables have diseases, income goes down.
Q11	Irrigation is important ?
A11	Yes, first priority.
Q12	How do you get water? Coz it is not irrigated.
A12	we got some water line. Use boom? Or hand curry tanks

Questions/Answers	
Q13	How long do you work a day?
A13	it depends on weather. If weather is good, I stay in the field without taking lunch. If it rains, stay short. It is up to the weather

Number 8: A farmer in Nam Dinh

Questions/Answers	
Q1	What are you grown in your farm?
A1	Cabbage, Bok choy, Spinach, rice
Q2	How big is your farm?
A2	3600 square meter (0.36 ha) 1000 for vegetable production and 2600 for rice production
Q3	is this irrigated area?
A3	not yet. Near kallang (small river)
Q4	Are you using fertilizer or chemical?
A4	using a limited amount of fertilizer
Q5	What support do you want from the government?
A5	Not support but she wants to have techniques, seeds, fertilizer, lending money for investment. The interviewer wants to have good quality of seed because good quality of seed will produce good quality of vegetables
Q6	What kind of image do you have about Japanese ODA?
A6	She didn't know about Japanese ODA.
Q7	Why did you join the project because she doesn't know anything?
A7	The community selected me and want to learn about new techniques, grow, take care of products.
Q8	How did you feel when you are selected?
A8	I was happy
Q9	Do you think JA ibaraki's method is suitable to your farming?
A9	Very suitable. They provided good techniques. Small tanner (Plastic mulch/plastic cover)

Number 9: A farmer in Hanoi

Questions/Answers	
Q1	What are you planting/growing in your farm?
A1	Leaf vegetables, phak choi, masta? No rice grown
Q2	How big your farm is ?
A2	5000 square meter
Q3	Average size of farm in this area?
A3	2040 square meters
Q4	Is your area irrigated area?
A4	Yes
Q5	Who is working in your farm?
A5	Me, my wife and 1 worker. Sometimes, we hire additional worker.
Q6	Are you using fertilizer or chemicals?
A6	Yes, using compound chicken. Bio-pesticide. Oshin pesticide from Japan. It is friendly to environment. Oshin is imported from Japan but cheaper than bio-pesticide in Vietnam
Q7	Do you receive support from the government?
A7	He has support from government, from extension office. Support on net house and irrigation system
Q8	Do you think government support to agriculture is enough?
A8	He wants to have more support because it is not enough
Q9	What kinds of support you need?
A9	Construction of greenhouse. To grow safe vegetables. Greenhouse enables us to produce in the off-seasons
Q10	Why did you join the project?
A10	Wants to learn Ibaraki techniques.
Q11	Where did you hear about this? Why you are selected?
A11	When established, JICA selected this area for project.
Q12	Why JICA picked this area?

Questions/Answers	
A12	Chuc Son is famous for safe vegetable production, supply to Hanoi city. Hanoi and Ibaraki have a cooperation and Hanoi government selected Chuc Son for the project site.
Q13	What do you think about project so far?
A13	Ibaraki has transferred techniques in a good manner.
Q14	What expectation did you have before this project?
A14	Techniques transferred to Chuc Son. Build a brand. Connect to market such as AEON or Japanese communities and develop marketing strategies
Q15	Ibaraki's method is suitable to your farming?
A15	Very suitable. Now continues practicing
Q16	Do you think even after project is finished, are you going to continue?
A16	He continues. 3 years have passed but we still continue using
Q17	Is there any additional cost to this method?
A17	there is some cost such as pass lite, small tanner.
Q18	Is this expensive to buy?
A18	360 square meter around 100 USD. Bamboo lasts for 6months but steel would last longer.
Q19	How long can you use phat nay (plastic cover)
A19	Half a year. 4 or 5 crops time. One time is more than 1 month for leaf vegetables
Q20	Phat nay is cheap?
A20	8000 VND per square meter.
Q21	Before you learned Ibaraki's method, how did you produce?
A21	Only traditional method
Q22	Are you aware of producing safe vegetable?
A22	Yes, 10 years ago. Vietnam has a program of safe vegetable production. We have been practicing safe vegetables
Q23	So far, what's the beneficial part of the projects?
A23	This project changed the mindset of farmers.

Questions/Answers	
Q24	Is there any negative aspect/bad aspect?
A24	All techniques are very good. Japanese experts have good attention. At first, seeing and hearing the techniques, I felt this method doesn't need in my farm. But later realized this techniques are useful and applicable to my place.
Q25	How's the management of the project?
A25	Management is very organized. How to make compound, fertilizer?
Q26	Do you think you can increase outputs/productivity?
A26	may increase double because techniques are very good
Q27	If another projects were to be conducted, do you wish to join?
A27	Yes, wants to join. We can learn more and compare which project is better.
Q28	What is the most important to improve agricultural situation in Vietnam?
A28	Interesting in vegetable production by using pass lite. This is good because farmers can grow during off-seasons
Q29	Is this good because you can keep insects away ? And You can grow vegetables anytime?
A29	Yes
Q30	Is this new method?
A30	Yes
Q31	What do you expect Japanese ODA activity?
A31	All vegetables using Japanese method grow very good. We want to learn high techniques to grow vegetables. Farmers in Chuc Son have many years of experience and got used to producing vegetables. If we have a high techniques, Chuc Son may become very famous for vegetable production.
Q32	What do you mean by high techniques?
A32	High technique mean that vegetables are produced in a greenhouse, support fertilizer, protect from insects. And friendly to environment.

Number 10: A farmer in Hanoi

Questions/Answers	
Q1	What's growing in the farm?
A1	6-7 different vegetables. Phak Choi, Red Onions, Nektus,
Q2	How Big
A2	4000 square meter
Q3	Is it common to have this land size
A3	Normally half size. Around 2000 square meter.
Q4	Is it irrigated?
A4	Yes, have irrigation
Q5	Are you using fertilizer or chemicals?
A5	Yes.
Q6	Do you receive any support from the government?
A6	Yes, received. Irrigation and bio-pesticide. For safe vegetable production
Q7	Farmers belong to cooperative?
A7	Chuc Son has two cooperative; One is vegetable production and the other is agriculture. He belongs to Chuc Son safe vegetable production cooperative.
Q8	How did you know about this project?
A8	Firstly, Ibaraki is running the project with Cooperative and I am the member of cooperative. I knew this project through cooperative activities.
Q9	Why do you think you are selected to go to Japan?
A9	I am a member of cooperative and a leader of cooperative group
Q10	So far how do you think about the project?
A10	it is a good and suitable project. It is a suitable for farmers in Chuc Son
Q11	Does it have additional cost?
A11	Cost is not much. Only little. This won't affect much
Q12	Before you join this project, what kind of expectation did you have?
A12	I expected safe vegetable production and change mindset. Hope agricultural production in Chuc Son will be famous in future.
Q13	What kind of mindset did you have before you join the project?

Questions/Answers	
A13	My thinking method is based on my experience, traditional way. After joining, I changed my mind to following of Ibaraki's method.
Q14	After this project is finished, do you think you continue this method?
A14	I will continue. I am interested in compound making.
Q15	Is Ibaraki's method applicable to all vegetables in Vietnam?
A15	Nearly all vegetables.
Q16	What's the most impressive thing you learnt in Japan/in Ibaraki?
A16	Interested in compound making. Harvesting. Using packaging . Hope it will be applied in here
Q17	Please tell us the most beneficial part so far?
A17	Benefit is cooperative development, learning new method. Increase income, agricultural activities
Q18	What's cooperative development? Is it like you want JA style cooperative?
A18	If we could achieve like JA, we would be delighted.
Q19	Do all farmers in Chunc Son belong to cooperative?
A19	We have two cooperative in Chuc Son. One is agriculture and safe cooperative. Those who grow rice, fruit or other crops belong to this cooperative but those who grow vegetable are a member of safe vegetable cooperative.
Q20	Is there any negative part of the project?
A20	Now it's okay
Q21	How's the management of the project?
A21	very good
Q22	If there's other project in near future, wish to join?
A22	Want to join other project. Because every project provides new techniques
Q23	Is there other projects initiated by other countries?
A23	Not yet. Only data collection purpose.
Q24	What is the important thing to improve Vietnamese agricultural situation?
A24	Technique and marketing. To sell products well and high price.

Questions/Answers	
Q25	If you can produce good quality vegetables, do you think you can sell more ?
A25	Now so high. Price is not high. If we get a confidence from consumers, in future, maybe
Q26	In the near future, what do you want from Japanese ODA programs?
A26	I want to learn new project, learn new techniques, and this develops Chuc Son areas
Q27	What kinds of new techniques?
A27	important is how to produce safe vegetable. Safe and high quality vegetables. We set objective and want to achieve this.

Number 11: A farmer in Hanoi

Questions/Answers	
Q1	What are you growing in farm?
A1	More than 10 kinds of vegetables; fruit and leaf vegetables. I don't grow rice
Q2	How big your farm is?
A2	5000 square meter
Q3	Is it irrigated area?
A3	Yes, it is. It has a automatic supply of water. But it is broken right now. Cooperative supplies water and everyone uses and it breaks easily
Q4	Do you receive any support from the government?
A4	Nope.
Q5	What do you want to receive if they subsidies?
A5	Seeds, fertilizers, pesticides, and loan to buy land
Q6	Do you want to have free fertilizers, discounted price, or what?
A6	discounted price. Government supported a little bit when farm was flooded by typhoon last year. I received compensation
Q7	Do you use machine for farming or do manually?
A7	Yes, small trackers and other small equipment for pesticide spray.
Q8	How did you hear about JA project?

Questions/Answers	
A8	Through Cooperative. They selected me as a representative.
Q9	So far, how do you think about the project
A9	Many opportunities for farmers to learn new techniques from Ibaraki
Q10	Does it have additional cost?
A10	No, because 90% of costs are supported by Ibaraki
Q11	After project finished, do you still continue? Currently supported everything by Ibarki.
A11	I will continue this practice because technique I learnt can be applicable.
Q12	What expectation did you have before joining?
A12	I wanted to have Chuc Son farmers changed their mind and learn techniques to produce good products. How to sell products and how to develop marketing system.
Q13	What kinds of mindset did you have before participation of the project?
A13	I had mind-set of traditional cultivation method but after learning JA's techniques, I came to change my mind. In future, I want to use JA Ibaraki's brand on my packaging so that consumers believe that products are made by use of techniques of Japan.
Q14	What did you learn the most in Japan?
A14	How to harvest. How to advertise the products
Q15	What's the most beneficial part of the project so far?
A15	Change the mind. High quality of agricultural production.
Q16	Do you think you can sell your products better?
A16	Yes. This projects will make Chuc Son famous and connect to marketing aspects. Consumers will trust products and buy our vegetables.
Q17	What is the most important aspect for selling? Branding, Price, Safety of products or what?
A17	1st is quality of products. Then, price. Least is branding. If quality is good, we can sell with high price.
Q18	Do you think Vietnamese will buy a good quality products with high price?

Questions/Answers	
A18	Customers want high quality with cheap price.
Q19	Is there any bad aspects of projects?
A19	No
Q20	How's the management of projects?
A20	good management system
Q21	How's the management in Japan?
A21	Friendly. Respect for others.
Q22	Will you join the similar project in future?
A22	Yes
Q23	What do you want to learn in next project?
A23	new techniques
Q24	Explain about new technique?
A24	Produce vegetables with sonic
Q25	Why did you start farming?
A25	I likes producing vegetables, safe vegetable production
Q26	Important thing to improve agricultural situation in VN?
A26	Marketing, selling.
Q27	What do you expect from Japanese ODA in future?
A27	Want to have agriculture ODA more. And learn Japanese techniques. And more farmers can go to Japan for training purposes.

BIOGRAPHY

Name	Mr. Hideaki Shirakata
Date of Birth	September 7, 1988
Educational Attainment	2017-Present: Master of Arts in Asia Pacific Studies, Thammasat University, Thailand 2012-2013: Master of Arts in Global Development and International Political Economy, School of Politics and International Studies, University of Leeds, United Kingdom 2011-2012: Graduate Diploma (Pre-Master program), INTO Manchester, United Kingdom 2007-2011: Bachelor of Arts, Faculty of Humanities, Department of English, Matsuyama University, Japan
Scholarship	2017: Thammasat University Scholarship Recipient
Work Experiences	2016 (May) - 2017: Subject Matter Expert 2016 (Mar) - 2016 (Apr): Senior Transactional Specialist 2014-2016 (Feb) :Transactional Specialist Arvato digital services., Pte Ltd. In Singapore