

## **Japan's Official Development Assistance Diplomacy towards Burma in Post 2012**

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### **Introduction**

Over the past decade, there has been a substantial change in Japan's foreign policy position on democracy support. Its 1992 Official Development Assistance (ODA) Charter committed the country to provide foreign aid in a manner that promotes democracy abroad (MOFA, 10992). The second Abe administration, which came to power in December 2012, has taken Japan's policy of democracy support a step further. The 2012 ODA white paper, which was released in March 2013, not only expressed Japan's intention to strengthen democracy abroad but also prioritized it above traditional focuses of Japanese foreign aid such as human security and hard infrastructure assistance. In Burma, Japan has a vital interest in nurturing friendly relations to increase its political and economic clout in the country. This is principally true because Burma, which is undergoing a process of democratic reform, is currently attempting to restrain Chinese influence, long a dominant force in the country. Furthermore, Japan is investing a significant amount of ODA in rebuilding Burma's economic infrastructure. After the liberalization process began in 2011, Japan started assisting Burma on the rule of law and economic reform through a series of seminars, and in November 2013 it initiated a legal capacity building project.

Beyond Burma, however, Japan's support for democracy in the region remains limited. ODA is broadly divided into bilateral aid, in which assistance is given directly to developing countries, and multilateral aid, which is provided through international organizations. JICA provides bilateral aid in the form of Technical Cooperation, Japanese ODA Loans and Grant Aid. NIPPON Foundation is specifically focusing on promoting a peace process through unhitching the factors impeding development in Burma, especially decades-lasting civil wars, in which supporting the cease-fire agreements between Burma Union Government and Ethnic Armed Groups. Hence, it is a vital motivated factor to tackle the upshots Japan's ODA as it states in white paper as "expanding support for countries that share strategic interests and the universal values of freedom and democracy with Japan is crucial in attaining a free, prosperous, and stable international community with the goal of securing peace and stability in developing countries," since the white paper enshrined democracy support as the first and foremost principle of the country's foreign engagement (MOFA, 2014). Since 1967, Japan has consistently provided Japan's official development assistance (ODA) not only for countries in the Mekong Region but also for all members of the Association of Southeast Asian Nations (ASEAN) (Inc, 2015).

Large-scale of ODA loans for Burma were made in FY 2012 when Japan resumed its' provision of ODA for the country. In September 1988, the Japanese government, in line with other OECD donors, stopped its Official Development Assistance (ODA) to Burma in response to the military coup.

### **Dimensions of Development in Burma**

Burma, with its dedicated and resilient human resources, favorable geographic location and rich variety of natural resources, has potential for development. However, it remains one of the Least Developed Countries, ranked 150 out of 169 countries in the 2014 Human Development Index (UNDP,2014). Serious concerns thus exist over un-development and equity issues.

There are four traps which put Burma under un-development. The first of the four traps is conflict or civil war. The history of Burma is replete with fighting for freedom, peace and justice. The first was the struggle against the British and Fascist colonizers, while the second is the struggle against homegrown military dictatorship for six decades. The result has been uncountable damage to national development, generations of citizens, especially the youth raised in an atmosphere of fear, distrust, and above all uninformed. The Union of Burma is one of the most ethnically diverse countries in Asia, which continues to suffer one of the longest internal ethnic armed conflicts in modern times. Ethnic conflict is the major issue that today's Burma faces. Another poverty trap is natural resources which influx unfair foreign investment to enrich few privileged elite authoritarian in a country landlocked by bad neighbors. The government and the elite are making a fortune out of natural resources. Domestic trends and international neglect are growing over land rights and natural resource extraction. Not only do local communities complain that they will not benefit from such projects but, as Burma moves to formal laws that do not recognize customary ethnic land rights, they fear that land loss will only increase under current legislation. Hence, the third and fourth traps are land locking with bad neighbors and bad governance in Burma. . In 1997, when Burma joined ASEAN, the country's membership was met with stiff resistance because of its abhorrent human rights record under an oppressive military dictatorship. Still, China, which had long enjoyed unchallenged influence in the isolated state, and ASEAN as the chief "regional vehicle" who is the most responsible to push Burma into positive change has been holding on Non-interference policy, and turned a blind eye to the ailment of Burma for the sake of their own national development through extracting natural resources and cheap labors from Burma. Western countries have approached Burma democratization through harsh sanction whereas ASEAN and other countries in the region approached it through economic diplomatic engagement, so-called constructive engagement. But the failure of both policies pursuit lies on the failure to incorporate rights-based approach to development in Burma. While governments do not function, or exist only to benefit themselves, development is ultimately impossible. The successive governments of the Union of Burma since 1962 have violated minority rights, including collective rights of self-determination, in the name of "nation-building", abused the rights of minority religious groups in the name of "national integration", and the basic human rights citizens are denied in the name of maintaining "national sovereignty". Nation-building belongs to what social scientists call "subjective values," that is, culture, language, religion, ethnicity, homeland, shared memories and history, etc., which differentiate one group of people from another— values that cannot be shared objectively .

Thus, the nation building process is impossible to implement in a multi-ethnic, multi-cultural, multi-religious plural society like the Union of Burma. The only way to implement the nation-building process in a plural society is to use coercive force for assimilation, but that approach will definitely result in confrontation and conflict because the very notion of nation-building is “hostile to multiculturalism and diversity.” In contrast to state-building, nation-building excludes from its process other ethnic groups, cultures, religions and everything related to multiculturalism and diversity. State-building is purely a matter of objective value; for the federal constitution is “a legal institution, [which] knows only citizens no matter of what nationality, and [whose] legal order is open to all who happen to live on its territory.” Undeniably, new nominally civilian government’s administration’s ceasefire agreements with ethnic national revolutionary groups have received remarkable international attention. Some believe that Burma is on her way back to democracy that it had lost sixty years ago, which is not a U-turn. On the other hands, longtime Burma watchers agree that a lasting resolution of ethnic conflicts requires more than forging ceasefires or just an absence of war. The peace process in Burma is just still in the step at ‘just give it a try to trust’ level. The urge to depend more on intellectual consideration and exercise one’s intelligence and compassion becomes less when lethal weapons are still in one’s hands. In Burma politics, ‘Democracy’ remains an incredibly positive notion. Although the reforms are positive signs of liberalization, the government does not constitute democratization. The contemporary problem seems to be that large sections of the public want ‘democracy’ but without the ‘politics of elite’ or with “a people’s development oriented politic”. The mystery democracy version of so many south-east Asian countries is not about “who the majority have” but “who is in command of the majority”.

There have been two conflicting agendas regarding Burma: one being poverty alleviation and development; the other being political change in the belief that democratization is a pre-requisite to sustainable development. Of these two agendas, the latter is the current dominant view. Without a way being found to progress development goals within the context of the current political environment, it is likely that many of the expected targets will not be achieved in Burma. This could have serious implications in 2015 on future international funding and on reform programs in the country, an outcome which must be avoided. There is broad agreement internationally that achieving these targets will require two things: a) more and better targeted aid (e.g. ESCAP 2006); and, b) commitments from the developing countries to policy reform and better governance. Baulch argues that "substantially more aid—along with appropriate policies and commitment in the developing countries—will be required to achieve development" (Baulch, 2006).

There is consumption analysis that highlights the conflicting agendas focusing in Burma. While working on poverty alleviation and development, democratization is a pre-requisite to sustainable development as a long-term solution to poverty in Burma is predicated on significant political change. This latter approach is inspired in part by rights-based thinking. While the international community would like to see both agendas fulfilled, the latter is the dominant of these two agendas. However, Burma government sees stability and nation-building as pre-requisites to sustainable poverty alleviation. These differing perspectives exacerbate the impasse between the Burma government and the international community. These differing perspectives exacerbate the impasse between the Burma government and the international community. Promoting inclusive growth, inclusive finance and agriculture-based development, providing quality social services and social

protection, developing small and medium enterprises, managing remittances to reduce poverty, reducing vulnerability to climate change and natural disasters, and upgrading data and information systems are options as Development Priorities for accelerating poverty reduction and security. Since poverty still is not fully eradicated in Burma, democratic oriented development should enable a holistic approach to the matter of poverty by addressing its systemic and structural grounds. Strengthening the basis for pro-poor progress with due attention to the rights of the most marginalized should be prioritized. International donors appear to believe that ethnic peace and political reform can be supported by aid and development program. As a result, they often implement development agenda according to their own priorities and terms. Importantly, too, while international humanitarian aid is welcomed, the perception is growing that international donors and governments frequently fail to understand the nature of Burma's ethnic crises and the need for political solutions. What is required in Burma is not only just a democratic state, but a developmental state in which its political and bureaucratic elites, as well as, multilateral and intergovernmental organizations have the genuine developmental determination and autonomous capacity to define, pursue, and implement development goals equally for all the ethnic people in the country.

In supporting rights-based development in Burma by constructive engagement, all programs of development co-operation, policies and technical assistance should further the realization of human rights as laid down in the Universal Declaration of Human Rights and other international human rights instruments. Human rights and human development share a common vision and a common purpose — to secure, for every human being, freedom, well-being and dignity. According to the Declaration on the Right to Development, humankind is entitled to participate in, contribute to, and enjoy economic, social, cultural and political development, in which all human rights and fundamental freedoms can be fully realized. Programs of development cooperation should contribute to the development of the capacities of duty-bearers to meet their obligations and of 'rights-holders' to claim their rights. People should surely be recognized as key actors in their own development, rather than passive recipients of commodities and services which means the development process is locally owned.

### **Japan Official Development Assistance**

Japanese ODA began as technical cooperation after Japan joined the Colombo Plan in 1954, starting with the development of a support system alongside postwar reparations. Beginning in 1977, in line with Japanese economic growth, it expanded globally while systematically increasing ODA aid amounts. In 1989, Japan overtook the United States to become number one worldwide in the quantity of ODA, and during the decade from 1991 to 2000 Japan supported the growth of developing countries as the world's largest donor nation. In 1992, the first ODA Charter was established in response to the post-Cold War international situation, clarifying principles and strengthening policies. Then, in 2003, the ODA Charter was revised for the first time in eleven years. The Government of Japan Revises the ODA Charter and establishes the Development Cooperation Charter, also bearing in mind the National Security Strategy decided by the Cabinet on December 17, 2013 (MOFA, 2015).

Japanese ODA is founded on the core principle of non-intervention, which guides much of Japan's foreign affairs thinking. This approach emphasizes the concept of self-help, considered fundamental to Japan's own development transformation, and this leads in turn to a more hands-off style of aid delivery than is common among DAC members. Japanese aid has fewer political conditionality and is intended to be request-based, requiring the participation (and, in principle, the ownership) of government counterparts (Menocal and Wild 2012).

Even though Japan was ranked second lowest at 21st of the 22 OECD members in the index of donor performance (CGD, 2014), no country has offered a greater amount of the Official Development Assistance (ODA) to developing countries than Japan. Typically, ODA takes four different forms: 1) bilateral grants, 2) bilateral loans, 3) technical assistance, and 4) multilateral aid (Furuoka, 2009). Japan's ODA provision started in 1954 as the war reparation to Asian countries, and even after the termination of the reparation, the amount continuously increased (Inada, 2005). Japan became the largest ODA donor country in Asia because ODA has been one of the few ways Japan can show its presence in the international community due to the constitutional limitation on deployment of the Japanese Defense Forces (JDF) (Sunaga, 2004).

### **Japan's Approach to Burma**

A special significant difference approach to Burma in terms of its' transition is that while many of other third parties donors from Western take a democracy-first approach to Burma, Japan prioritizes development - human security and hard infrastructure assistance. The important implication is an international community prepared to restrict economic activity if necessary as a tool to push for democratization – if not complete removal of the regime – even at the expense of direct humanitarian assistance. This is reflected as stagnant economy. 'Development' as a dominant 'discourse' of western modernity does not always fit in the developing world's milieu. In places with people who have no concrete knowledge foundation, 'development' as a short to medium-term outcome of desirable targets is preferable than 'development' as a long-term process of structural societal transformation. In post 2012, through Japan International Corporation Agency, Japan has proposed "to promote peace through development" and encourages development activities to be conducted "in parallel" with political dialogue in Burma.

Being the most important economic aid relationship that Burma had with any foreign state or organization, either multilateral or bilateral, from independence in 1948 until 1988, Japan had fallen into a role of marginal assistance and influence for the past score of years. Until the military coup of September 18, 1988, Japan had provided Burma with US\$2.2 billion in foreign aid and reparations; Burma was one of its largest aid recipients Japan alone provided about half of all foreign aid to Burma from any source. It had multiple reasons for its prominent role in Burma: amongst many are access to Burma's natural resources and markets, and a desire to play an important positive international role (Steinberg, 1993).

Burma is an especially interesting case study because it has become the East Asian country that highlights the arguments surrounding those two interlinked key issues that have become increasingly prominent since the end of the Cold War, democratization and human rights. Burma also highlights many issues of central importance in East Asia; the rise of China, ASEAN integration,

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the ASEAN-China-Japan triangle, state-society relations and economic/political trade-offs in development (Strefford, 2007).

Prime Minister Shinzo Abe, in 2013 May, has pledged "all possible assistance" to kick-start Burma's long-left economy "in laying a new foundation for taking the relationship between Japan and Burma to a higher level and establishing a lasting, friendly and cooperative relationship, Japan and Burma will work together to bolster their relationship...." These efforts include support for Burma's reform process, development of economic and social capital and rural and ethnic minority areas, cultural and sports exchanges, political and security cooperation and on Association of Southeast Asian Nations (ASEAN) affairs. (MOFA, Japan., 2013). In terms of Official Development Assistance, Japan has become the "dominant player" in Burma, with China facing flak from communities concerned over the environmental and social impact of several major infrastructure projects.

Since Japan's ODA Charter committed to provide aids to developing countries in a manner that promotes democracy, hindering factors that impeding development in Burma cannot wait until a functional democratic system is installed but grassroots level development should be carry on while building up a better development. The peace process in Burma is just as important as other areas of reform such as constitutional amendment and political and economic liberalization. Without a lasting peace with ethnic minority groups, who make up around 40 percent of the population, any future administration will have difficulty ensuring nationwide buy-in for its reform agenda and providing the political stability needed to manage and develop the country's resource-rich frontiers, where most ethnic groups are located. Now, the fragile peace process in Burma has reached a critical stage - it can either move ahead with a nation-wide ceasefire agreement soon or be dragged on without any deadline. The role of Japan, as a mediator to bolster the basic level of practical knowledge and sound and prudent judgment based on a simple perception of the situation or facts that the people need to help to live in a reasonable and safe way.

Japan's long years of involvement in Burma affairs means that Japan is part of the human capital helping to address the country's challenges as it emerges from a half century of isolation and oppression. On the other hand, their political footprints are discernible to both stakeholders and "spectator communities", i.e. politically aware grassroots organizations and individual advocates for ethnic autonomy, countrywide peace, and ethnic and national reconciliation.

### **Basic Policy of Japan's Official Development Assistance to Burma**

According to the revised Charter, the philosophy of Japan's ODA consists of objectives, policies and priorities. The objectives stress first, to contribute to the peace and development of the international community to ensure its own security and prosperity. Second, taking advantage of her experiences, Japan significantly and actively contributed to economic and social development of developing countries, especially in East Asia, a region close to her. Third, stresses humanitarian viewpoint, i.e international community need to be addressed that the fact of extreme poverty, famine, natural disasters and important issues are still exist in some developing countries and that

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present a grave threat to each and every human being. Finally, as conflicts and terrorisms are becoming more serious issues, preventing conflicts and terrorisms, efforts to build peace, as well as efforts to foster democratization, and to protect human rights, Japan is determined to make best use of ODA to take the initiative in addressing the issues.

In order to support Burma's efforts for reforms in various areas towards its democratization, national reconciliation and sustainable development, Japan extended economic cooperation focusing on the following areas: improvement of people's livelihood, capacity building and development of systems to sustain economy and society, development of infrastructure and related systems necessary for sustainable economic system.

Promoting regional development and the consolidation of peace, Japan has been proactively implement assistance in ethnic minorities' areas in order to contribute to the stable and sustainable growth of Burma. Japan has thus far implemented assistance for ethnic minority regions based on the issues and needs of each state. Rural development assistance (technical cooperation) has been provided in the northern area of Shan State for the dissemination and distribution of drug crop alternatives. In the southern part of Shan State, production and distribution assistance in the development of sustainable circular agriculture was provided by working with NPO Terra People Association on a technical cooperation. In Chin State, assistance in disseminating cultivation technology for high value-added plants (medicinal plants, etc.) was implemented as a technical cooperation with the Makino Memorial Foundation of Kochi Prefecture. In other sectors such as health, assistance was provided to improve maternal and child health in the Kokang Self-Administered Zone of Shan State (Grant Assistance for Japanese NGO Projects used by AMDA Multi-sectoral and Integrated Development Services). Food aid was provided in six states including Rakhine and Shan (¥814 million of Grant Aid in collaboration with the UN World Food Program (WFP)), and assistance for internally displaced people (¥200 million) was implemented through the United Nations High Commissioner for Refugees (UNHCR). Also, for refugees who fled to Thailand, Grant Assistance for Grass-Roots Human Security Projects was used to provide fireproof facilities and disaster risk reduction training (¥9.8 million), as well as to build vocational training centers (¥14 million) at 9 refugee camps in Thailand. Providing support for the development of roads and community infrastructure, as well as improving livelihoods, Japan aims to further extend the implementation of projects to all states across the country. Japan will also continue to work with international organizations and NGOs to proactively provide humanitarian assistance and other assistance to meet the needs of each state.

Following 60 years of armed conflict, 21 Ethnic Armed Groups are in ceasefire negotiations with the Burma government. While about half of them have previous experience from ceasefire negotiations, none of them have ceasefire monitoring experience. Furthermore, Japan appointed Mr. Yohei Sasakawa, Chairman of the Nippon Foundation as "Special Envoy of the Government of Japan for National Reconciliation in Burma" in February 2013 in order to embody and contribute to the progress of national reconciliation in Burma.

The Japanese approach to development may be characterized as an ‘ingredients approach’, focused on field-level engagement and supporting the relevant institutions that can realize change at the local level. This is in contrast to the ‘framework approach’ of other DAC members, which is more focused on high-level (or upstream) policy frameworks. As new opportunities arise for economic and social development in the wake of ceasefire agreements, the important questions are: Who decides what is delivered? Who provides the services? And who benefits from its delivery?” Business involvement is more important in a place like Chin State, which is the second poorest state in Burma in which more than 70 percent of the population earns less than international poverty line, because there has only been low intensity conflict. As a result, most people have not been directly affected by war. Chin State is the poorest state in the country, so when the Chin National Front negotiates with the government, the people want them to bring development, so business people are needed for this.

In May 2013, for the first time in 26 years, Japanese government provided three new Yen Loans amounting approximately ¥51.1 billion to the Government of Burma. All of these three ODA Loans are for infrastructure development in Burma. According to the Japan’s Official Development Assistance White Paper 2013, the first ODA Loan is for the goal of “Regional Development Project for Poverty Reduction Phase 1.” It is to improve the livelihoods of residents by constructing and rehabilitating life-supporting infrastructure, such as roads, electricity, and water supply, the inadequacy of which has been hindering the development of rural areas. “Urgent Rehabilitation and Upgrade Project Phase 1” is intended to address the problem of constantly enforced power cuts, which disturb people’s daily lives and economic activities in Yangon. Yangon, where the demand for electricity is the largest in the country, is expected to see further boosts in economic activities. This project will work to solve the power shortage by means of rehabilitating and upgrading existing power facilities. The third ODA Loan is “Infrastructure Development Project in Thilawa Area Phase 1.” To raise national income through economic growth, the Government of Burma places importance on increasing direct investment from overseas. In particular, Burma has made it a policy to attract foreign companies by developing its Special Economic Zones (SEZs). Among them, the Thilawa SEZ Development Project being implemented in a neighboring area of Yangon, the largest city in Burma has captured much interest as a large-scale project undertaken jointly by Japan and Burma. The Japanese and Burma governments are actively involved in the project to build the Thilawa special economic zone. The Thilawa SEZ, located about 20 km southeast of Yangon, is being built on 2,400 hectares of land. It is drawing attention not only because of its functions as an industrial park but also as a symbolic Joint venture between Japan and Burma. The Governments of Japan and Burma have affirmed that the two countries would collaborate to develop the Thilawa SEZ, and the public and private sectors of the two countries will make concerted efforts to develop the industrial zones.

### **Censure on Japan’s Official Development Assistance in Burma: Case Studies from Karen State and Mon State.**

#### **(i) Case One: Karen Refugees Repatriation**

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The Japanese International Cooperation Agency (JICA) has recently issued a blueprint, namely Preparatory Survey for the Integrated Regional Development for Ethnic Minorities in the South-East Burma: Final Report, which proposes industrial development in Southeast Burma/Burma, purportedly to aid in the return and settlement of refugees and Internally Displaced Persons (IDPs) in Karen and Mon States (JICA 2013). The JICA blueprint proposes “to promote peace through development” and encourages development activities to be conducted “in parallel” with political dialogue. JICA proposes to support returning IDPs and refugees through an information center where refugees and IDPs can learn about conditions in proposed resettlement sites and job opportunities in the region.

By working primarily with the central government and its appointed state governments in planning major development projects, JICA’s approach legitimizes and reinforces existing centralized government structures. The blueprint assumes that refugees and IDPs will voluntarily return when more development occurs, and it assumes that large-scale industry and infrastructure developments are appropriate for the area and will be implemented in parallel with the peace process. Instead, poverty is just amongst so many other heart breaking outcomes of mismanagement of equal political share in Burma. As in its cabinet decision on the Development Charter Implementation Principle A (a) says a more strategic approach should be applied in cooperation with diverse stake holders, it is vital to consider whether the “development” cooperation is focuses on results that meet targeted area’s priorities which is an important indicator of aid effectiveness. The current peace process in Burma has not yet led to a meaningful decentralization of constitutional powers, whereby local ethnic peoples have a voice in government development policies. It is precarious now that JICA’s blueprint neither sufficiently recognizes this risky context nor proposes people-centered development alternatives. Japan Platform, along with Burma Peace

Center has launched a 3-year program starting from April 2013 for assistance for returnees in Karen State and future returnees who re currently in Thailand. On the other hand, one of the three of UNHCR’s durable Solution is voluntary repatriation in safety and dignity which requires the full commitment of the country of origin to help reintegrate its own people. It also needs the continuing support of the international community through the crucial post-conflict phase to ensure that those who make the brave decision to go home can rebuild their lives in a stable environment. However, Karen State is not ready for this sort of resolution yet, not just because of the case of undevelopment, but because of insecurity in terms of politic and self-determination. It is indeed dangerous to ignore the underlying causes of conflict in the region, and to invest money or technical support without consulting communities or paying heed to their concerns. A development strategy lacking a strong foundation of sound information from diverse sources – including critical analysis – cannot possibly lead to sustainable development. JICA must reform its consultation process to be consistent with its own stated principles, “Clarification of Principles for the Project Implementation”. Section 5 in JICA Position Paper, March 20, 2014”, of seeking consensus, by engaging the full partnership of civil society organizations and local people in all levels of project planning, design, and implementation. JICA must explicitly ensure that any development projects connected with its blueprint establish meaningful partnerships with local civil society organizations in order to strengthen local capacity and ensure sustainability.

**(ii) Case Two: New Power Plant Project in Mawlamyaing, Mon State**

There is a New Power Plant Project in Mawlamyaing, Mon State which is to construct a coal-fired power station with a generating output of 600 MW, a coal storage yard, and a coal unloading facility is developed along the seashore nearby Mawlamyine, the largest city in the Mon State. Toyo Engineering Corporation's Thai affiliate company, TTCL (formerly Toyo-Thai Corporation) is planning to build a coal fired power station. Studies began in 2015, and in April 2015, TTCL and Burma's Ministry of Electric power signed a Memorandum of Agreement. TTCL has announced on its website and at press conferences that construction will begin in 2016 (TTCL 2015). Since TTCL held its first public hearing in Inn Din in April 2014, however, residents have made it consistently clear that they are against this project. They protest because they feel that they have not received enough information and they are worried that they will lose their means of livelihood. Residents worked with a Thai NGO to do their own livelihood survey, and some of the survey results have been posted in the village in both Mon and Burmese. According to their survey results, the total income earned by the village through farming (betel trees, rice, etc) and fishing is far greater than the amount that TTCL has promised in CSR. It is clear that they are very concerned about maintaining their means of livelihood (Mekong Watch 2015).

There is a strong perception in Burma that coal-fired power generation is considered to be highly environment-burdening as a result of NGO activities and of great environmental impacts inflicted by existing coal-fired power stations in Burma because of their inefficiency and lack of environmental treatment. In order to promote the Project, it is necessary for the Burma Government and also Japanese Government to make it widely known to the public that the environmental-friendly coal-fired power generation is achievable by introducing environmental treatment system for removal of toxic substances such as desulphurization equipment to remove sulfur oxides, selective catalytic reduction facility to remove nitrogen oxides and dry dust collector to remove dust.

## **Conclusion**

Burma was long considered a pariah state, isolated from the rest of the world with an appalling human rights record. After military-backed civilian government's reform in post 2010, many economic-oriented countries have taken what they called an engagement-based approach, based on reward-oriented and indirect measures. While humanitarian assistance has value, because of lack of proper institutional quality, there is no prospect that official development assistance provided to Burma would be utilized for its intended purpose. Recent concern on foreign official development assistance to Burma is that funding countries should be more cautious about the underlying causes of conflict in the region than economic interests alone, and not just invest money or technical support without consulting the local communities or paying heed to their concerns. The principle of Free Prior and Informed Consent enshrined in the UN Declaration on the Rights of Indigenous Peoples (UNDRIP) should be observed in any development agenda.

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Considering Japan's foreign aid policies today one can discern the long-standing institutional division between loan aid and grant aid. Japan has been always mindful of the balance between hardware type cooperation, such as construction and provision of equipment, and software type cooperation, such as technical cooperation and institution building. In the case of Burma, Japan has three priority areas: (i) improvement of people's livelihoods such as assistance for ethnic minorities and poverty group as well as agricultural and rural development, (ii) Capacity Building and development of systems to sustain economy and society, including promotion of democratization, (iii) development of infrastructure and related systems necessary for the sustainable economic development.

The more explicit articulation that development assistance is both a contribution to Burma peace process and a strategic tool to ensure Japan's national interest such as peace, prosperity, international orders based on universal values. In the case of Burma, while imposing economic sanction for the past twenty three years since 1988, Japan has been very cautious in its' intention to strengthen democracy abroad but also prioritized it above traditional focuses of Japanese foreign aid such as human security and hard infrastructure assistance. Japan's ODA to Burma is not only solely intended to be charity or philanthropy activities but also secure diplomatic environment favorable to Japan as a diplomatic tools.

While the white paper enshrined democracy support as the first and foremost principle of the country's foreign engagement, people-centered approach is prioritized in its' international relation as people as the core of a democracy promotion. In the case of Burma, Japan prioritizes right-based development - human security and hard infrastructure assistance. In post 2012, through Japan International Corporation Agency, Japan has proposed "to promote peace through development" and encourages development activities to be conducted "in parallel" with political dialogue in Burma.

The Japanese approach to development in Burma can be characterized as an 'ingredients approach', focused on field-level engagement and supporting the relevant institutions that can realize change at the local level. This is in contrast to the 'framework approach' of other DAC members, which is more focused on high-level (or upstream) policy frameworks. Still, there are local people's concern that Japanese approach to field-level engagement needs more relevant approach to meet grassroots level people's need instead of applying state and local government's proposition. Japanese aid should have fewer political conditionality and should be intended to be request-based approach from the context of targeted group of people in Burma, with specially aware of environmental soundness, ownership, mutual cooperation from both sides of donors and aid receivers, and especially assurance of quality based sustainable livelihood development for local residence.

There is a serious question that whether to freely receive international aid, assistance and investments, and allow for major development projects to go ahead now or only after there's a political resolution. But as distrust is a major constraint, there has to be some interim arrangement that can help move the process forward and help build trust and confidence. In order to ensure an accurate development agenda, the aims must be rooted in human rights and in the universal values of equality, justice and peace and security – secure in terms of political standard, social equality, cultural competence, economic soundness and effective local governance. Acutely, an accurate

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transformative agenda that is both collective and flexible to the conditions of each state in Burma, and that places local people at the center is a must. This agenda has to accentuate the need of positive peace and positive freedom, the just-rule of law, civic space, effectual governance and practical institutions, innovative development projects and effective business, firm global partnership, rights-based corporations and sensible environment.

What has happened during the period since the projects were formulated until the project will be concluded, the process of implementation in Grant Assistance for Grassroots Human Security Projects, will be review with more particular focus on aid effectiveness such as local participation, ownership, mutual accountability, and harmonization. In fact, this research has just started in April this year (2015), and by now, only documentary research has been conducted.

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