

Aid Effectiveness & Regional Economic Integration

Seminar on Challenges in Cooperation and
Communication for Development in Southeast Asia

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WELCOME SPEECH **DELIVERED BY Mr. MITSUO SAKABA** *Japanese Ambassador to Viet Nam*

H.E. Mr. Vo Hong Phuc, Minister for Planning and Investment of Viet Nam,

Mr. Mario Amano, Deputy Secretary-General of OECD,

Excellencies,

Distinguished guests, Ladies and Gentlemen,

On behalf of the Ministry of Foreign Affairs of Japan as one of the co-organizers of today's seminar, let me, first of all, express my sincere welcome to all of you. I would also like to extend my heartfelt gratitude to the Government of Viet Nam and H.E. Mr. Vo Hong Phuc for their hospitality as a host, the OECD Development Centre for taking an active initiative in organizing this seminar, and the Government of Republic of Korea for co-organizing with us.

Ladies and Gentlemen,

The hosting of this seminar is very significant, given the current economic reality in which Asian developing countries are now making strong recovery from the global economic and financial crisis. According to Asian Development Outlook, which was released by the Asian Development Bank on 13th April, this year's economic growth of developing countries in Asia is expected to reach 7.5%, representing a major improvement compared to 5.2% of 2009. This is quite a

contrast to the economic prospects for developed countries, which still remain uncertain. According to the data of “World Economic Outlook” provided by IMF, G7 countries’ economic growth was -3.8% last year. Although a slight recovery is expected in 2010, it is estimated to stay at -0.02%. The United States, which is the largest consuming market for Asia, has not fully recovered from the crisis. To ensure further economic growth and recapture the momentum for poverty reduction as before the crisis, it is our utmost importance to make further efforts to expand domestic and regional economic demand and to promote trade within Asia.

Indeed, economic integration holds a good promise of being an effective means for that purpose. Elimination of tariffs provides lower costs of trade, which leads to new demand. Free movement of people, goods, money and service will make new trade flows. In order for the economic integration to be effective, infrastructure for logistics, telecommunications, energy supply etc. needs to be improved in support of the value chain of business. Development of a system for trade and investment is required, and human resource development is critical for keeping continual value creation in every business field.

In order to promote smooth economic integration, the issue of rectifying economic disparities in Asia has to be tackled. That requires the cooperation in human resource development, infrastructure building, among others, which enables the developing countries to make their own basis for economic growth. In fact, we have witnessed that such undertakings have been successfully carried out in this region.

Japan, as a partner of developing countries in Asia, has emphasized the importance of capacity development and self-help support of the partner countries in the planning and implementation of its development assistance. We are proud to have made our contribution, through our development assistance, to the economic growth in this region, which is known as “Asian Miracle”. I would like to touch upon one of the examples of Japan’s contribution, that is,

the first meeting between the Heads of the Governments of Japan and the Mekong region countries held in November last year in Tokyo. The Heads of the Governments of Japan, Cambodia, Laos, Myanmar, Thailand and Viet Nam came together to discuss partnership between Mekong region countries and Japan. They reaffirmed that the relationship and cooperation between Japan and the Mekong region countries had made considerable progress in various fields. In the "Tokyo Declaration" issued after the meeting, they confirmed to establish "A New Partnership for the Common Flourishing Future" for further development of the Mekong region and further expansion of cooperation between Japan and the Mekong region. Pursuant to the Tokyo Declaration, we adopted 63 actions and measures as listed in "Mekong-Japan Action Plan 63", and Japan will continue further cooperation for the prosperity of the Mekong region.

In today's seminar, I hope constructive discussion will be held on desirable features of economic integration in Asia and necessary economic cooperation for such integration. In this regard, I would like to draw your attention to "Southeast Asian Economic Outlook", which will be published by OECD Development Centre in coming November, and to which Japan has provided some financial assistance. Just like "African Economic Outlook" and "Latin-American Economic Outlook" published by the Centre, the contents of the "Southeast Asian Economic Outlook" will be discussed in various international conferences and meetings of world leaders. I am certain that the study outcomes for the new publication will be shared in this seminar, and, in return, our discussion will be reflected in the publication to enhance its value.

Ladies and Gentlemen,

It is essential to keep public interest and support for ODA from both donor countries and partner countries if we are to continue development cooperation. In Japan, there are voices to ask why we have to provide foreign development assistance when Japan itself is going through difficult economic conditions. Recognizing the insufficient understanding of and support for

ODA from the public, the Government of Japan is now conducting the thorough review of its ODA policy. As for developing countries, further understanding in the public about how development assistance from donor countries is delivered and contributes to economic and social development will facilitate enhanced aid effectiveness through improved transparency. It will also enhance the effectiveness of development assistance through the capacity development of the involved personnel. The important role of Civil Society Organizations for the improvement of communication with the public on the issue of development assistance should also be emphasized.

Ladies and Gentlemen,

I am very pleased to see here many representatives and stakeholders from different international organizations, donor countries including emerging donors and developing countries participating in this seminar. I sincerely hope you will have active discussions and share each other's experience from different perspectives, and contribute to the future discussions on aid effectiveness in other parts of the world, and to the Fourth High Level Forum, which is scheduled to be held in Korea next year.

In conclusion, I would like to thank all of you who have made this seminar possible, and wish you all the success of this seminar. Thank you.