

Formulation and Implementation of the Development Cooperation Policy

This section reviews measures for enhancing the efficiency and effectiveness of ODA in three parts, which are: "Formulation and implementation of development cooperation policy," "Increasing public participation," and "Requirements for the implementation of strategic and effective assistance."

1. Formulation and Implementation of Development Cooperation Policy

(1) Formulation of Consistent Development Cooperation Policy

In August 2006, the Ministry of Foreign Affairs (MOFA) established the International Cooperation Bureau, reorganizing the Economic Cooperation Bureau. The International Cooperation Bureau is in charge of the overall planning and formulation of ODA policies, while also playing a central role in inter-agency coordination within the government. In July 2009, the International Cooperation Bureau underwent organizational reform to strengthen the ODA policy planning function of MOFA. The Aid Policy Planning Division, which had been overseeing the planning and formulation of ODA policy, and the Grant Aid and Technical Cooperation Division and the Loan Aid Division, which had been overseeing aid schemes, were consolidated, and the Country Assistance Planning Divisions were

strengthened. This organizational reform made it possible to provide loan aid, grant aid, and technical cooperation in a unified manner through three Country Assistance Planning Divisions under the newly established Development Assistance Policy Coordination Division.

In addition, efforts are being made to further increase the collaboration among divisions related to bilateral cooperation and multilateral cooperation (through international organizations), strengthen the strategic nature of international cooperation, and implement more effective ODA. Moreover, by sharing information and views among related agencies, the knowledge and experience of those agencies are being reflected in ODA policies.

(2) Partnership between the Government and Implementing Agencies

MOFA works with JICA, the implementing agency, to enable the prompt implementation of ODA reflecting various types of policies such as the Priority Policy for International Cooperation that MOFA revises every fiscal year.

In October 2008, JICA which had been an agency for implementation of technical cooperation and grant aid, became a comprehensive ODA implementing agency that

provides technical cooperation, loan aid, and grant aid, in an integrated manner, merging the section of the overseas economic cooperation of the Japan Bank for International Cooperation (JBIC), which had been in charge of providing ODA loans and other development loans. A portion of the work related to implementation of grant aid that had been handled by MOFA was also transferred to JICA.

(3) Strengthening Policy Dialogue

Japan holds close policy dialogue with developing countries for sharing mutual recognition and understanding in order to implement more effective development assistance. As Japan implements ODA with emphasis on requests from developing countries, from the perspective of offering supports that encourage development promoted by the recipient country's own efforts, Japan attempts to

harmonize those requests with Japan's ODA policy, thereby gaining a thorough understanding of the development policy and assistance needs of respective developing countries by conducting policy consultations with relevant governmental officials of those countries, at a stage prior to receiving a formal request.

(4) Strengthening Functions at the Field Level

In order to strengthen policy dialogue with the governments of developing countries, the Country-based ODA Task Force¹, consisting of a Japanese diplomatic mission (Embassy of Japan), local offices of JICA and other agencies, has been established in each recipient country of Japan's ODA, in principle. The Task Force also participates in decision-making process on ODA policies such as Country Assistance Policies and Rolling Plans after gaining good understanding on the development needs of the recipient countries. In addition, the Task Force conducts consultations regarding policies with the governments of developing countries. Furthermore, while working in cooperation with other donor countries and international organizations, the Task Force makes recommendations

related to collaboration and review in terms of assistance methods, as well as conducts consideration and selection of candidate projects for implementation by Japan's ODA.

Furthermore, responding to the situation in which aid coordination* gains momentum in the field of developing countries along with the work of formulating and reviewing the Poverty Reduction Strategy Paper (PRSP)*, Japan has been assigning coordinators for economic cooperation at some diplomatic missions abroad since FY 2006 to collect information and conduct research related to aid coordination. In addition, Japan has also established a system to disseminate information on Japanese ODA policies to other countries and make recommendations in the field.

● Glossary

PRSP: Poverty Reduction Strategy Paper

PRSP is a document introduced in 1999 by the World Bank and International Monetary Fund (IMF) as a condition for heavily indebted poor countries (poor countries that have an enormous amount of debt) to receive debt relief. It is an action plan for socio-economic development with goals set every three years in the areas of education, healthcare, food security, and other areas, for these countries to spend funds not repaid due to debt relief on measures to reduce poverty instead. The document was created incorporating the views of representatives from donor countries, NGOs, research institutes, and the private sector, under the ownership (proactive initiative) of the governments of developing countries.

Aid coordination

Aid coordination refers to the sharing of information amongst multiple donors and the cooperation to formulate aid strategy as well as planning and implementing projects, etc., in order to achieve enhanced aid effectiveness. In the past, aid coordination focused on collaboration and coordination among donors on individual projects, while in recent years, approaches have shifted to more comprehensive aid coordination in which donors provide assistance under shared strategies and procedures in accordance with the development policies of the recipient countries mainly in Sub-Saharan Africa but also in other nations around the world.

(5) Partnership with Various Actors

Japan engages in international cooperation in partnership with NGOs, private companies, universities, local

governments, international organizations, and other donor countries.

● Partnership with NGOs

Japanese NGOs implement high-quality development cooperation activities in various fields including education, medical care and health, rural development, refugee assistance, and technical guidance on mine clearance in developing countries and regions. They also provide prompt and effective emergency humanitarian assistance in the sites affected by conflict or natural disasters such as earthquakes and typhoons. In this way, Japanese NGOs are attuned to different local situations in developing countries and are able to carefully tailor responses to the assistance needs of the local people. Thus, Japanese NGOs can provide assistance at the grass-roots level, reaching out to local needs that are difficult to be addressed through assistance by governments and international organizations. Furthermore, Japanese NGOs



A Japanese instructor explaining the internal structure of engines to female students as part of Grant Assistance for Japanese NGO Projects, "Project for Auto-Mechanics Training in East Timor." (Photo: Katsunobu Kotaki / Japan Demining and Reconstruction Assistance Center (JDRAC))

Note 1: Excluding some countries under the direct management of JICA Headquarters.

are indispensable players in the field of international cooperation in realizing the “Visibility of Japanese Aid.” MOFA regards Japanese NGOs as important partners in implementing ODA projects, and has strengthened MOFA-NGO partnership through holding opinion exchanges and dialogues regularly. The Government of Japan advocates the promotion of partnerships with NGOs in the Development Cooperation Charter and other policies. Specifically, Japan strives to strengthen partnerships based on the three pillars of: (i) Financial support for the

a. Financial Cooperation for NGO Projects

Japan cooperates in a variety of ways to enable Japanese NGOs to smoothly and effectively implement development

■ Grant Assistance for Japanese NGO Projects

MOFA provides funding for the socio-economic development projects that Japanese NGOs implement in developing countries through Grant Assistance for Japanese NGO Project scheme. In FY2013, 57 organizations utilized this framework to implement 106 projects in 33 countries and one region in such fields as education, human resources development, medical care and health, vocational training, and rural development. The scale of this financial assistance has almost doubled over the last five years and was approximately ¥6 billion in FY2013. In addition, as of November 2014, 48 NGOs are members of the Japan Platform (JPF), an emergency humanitarian aid organization established in 2000 through a partnership among NGOs, the government, and the business



Rwandan trainees during the first training session of making a blouse using an electric industrial sewing machine. (Photo: Reborn Kyoto)

■ NGO Project Subsidies

MOFA provides subsidies to Japanese NGOs that conduct investigations for project formulation and post-project evaluations, hold seminars and workshops in and outside of Japan, and implement other activities related to socio-economic development projects. The subsidies equal one-

development cooperation activities of NGOs; (ii) Support for the capacity building of NGOs; and (iii) Holding of dialogues with NGOs on a regular basis.

Year after year, Japanese NGOs have played increasingly active role in giving policy recommendations (advocacy) on major challenges in international cooperation and diplomacy, such as development, environment, health, disaster risk reduction, gender issues, human rights, and disarmament.

cooperation activities and emergency humanitarian assistance projects in developing countries and regions.

community. The JPF utilizes ODA funds contributed by MOFA as well as donations from the private sector and individuals to carry out emergency humanitarian assistance, including distribution of living supplies and livelihood recovery, for example, when a major disaster occurs or a vast number of refugees flee due to conflict. In FY2013, approximately ¥3.1 billion of ODA funds was disbursed for the projects implemented by JPF member NGOs in 15 countries, including assistance for the victims of flood disaster in North India, Luzon in the Philippines and Southeast Asia, assistance for ethnic minority returnees in Myanmar, humanitarian assistance in response to the conflict in Syria, emergency assistance in South Sudan, and humanitarian assistance in Afghanistan and Pakistan.



Pregnant women attending a lecture organized by “Pregnant Women's Club” in the mountain area of El Paraiso Department, Honduras. (Photo: AMDA-MINDS)

half of the total project cost and no more than ¥2 million. In FY2013, a total of 12 organizations utilized these subsidies to implement activities, such as project formulation studies, ex-post evaluations, and seminars and workshops both within and outside of Japan.

■ JICA Partnership Program and other JICA activities

In some cases, JICA's technical cooperation projects are outsourced to the private sector, including Japanese NGOs, making use of the expertise and experience of NGOs, universities, and a variety of other organizations. Furthermore, as part of its ODA activities, JICA conducts "JICA Partnership Program (JPP)"* to outsource projects that have been proposed by NGOs, universities, and local municipalities that directly contribute to the improvement of the lives of local residents in developing countries. In FY2013, JPP provided funds for 250 projects, which were implemented in 47 countries.



The sericulture techniques of Japan are transferred to the sericulture industry in Uzbekistan, which has flourished in the past. It will enable the production of high quality cocoons and add value to silk fabric as a product. The Tokyo University of Agriculture and Technology takes initiatives to promote the sericulture industry through JICA Partnership Program. Mr. Mitsuo Osawa, a visiting professor who was in charge of teaching how to raise silkworms, and the local residents harvesting cocoons. (Photo: Tokyo University of Agriculture and Technology)

b. Establishing Better Environment for NGO Activities

Further measures to support Japanese NGO activities other than financial assistance include programs for establishing better environments for NGO activities. The objective of these programs is to further strengthen the organizational

arrangements and project implementation capabilities of Japanese NGOs, as well as developing their human resources. Specifically, MOFA carries out the following four programs.

■ NGO Consultant Scheme

In the context of rising concern over the international cooperation, an increasing number of young people have been seeking employment with NGOs, leading actors of international cooperation by citizens. However, many Japanese NGOs, either because of financial constraints or staffing shortages, cannot afford to train young workers. This program, called "NGO Intern Program,"

commissions Japanese NGOs to accept and train young people interested in international cooperation in order to open up the door for potential NGO workers, and aims to expand develop multilayered international cooperation activities of NGOs through the enlargement of the workforce. In FY2013, 19 interns were accepted into NGOs through this program.

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■ NGO Overseas Study Program

This program offers overseas practical training for mid-career personnel from Japanese NGOs for the period of approximately one month to a maximum of six months. The training is divided into two types, namely, "Practical training" and "Training enrollment," which makes this program unique in that it enables the NGOs to which

the trainees belong to formulate an independent training plan based on the NGOs' needs. Upon returning to Japan, trainees and their affiliated NGOs must leverage the fruits of the training in the activities of the said NGOs, thereby circulating the benefits back to the organizations.

■ NGO Study Group

The Government of Japan supports NGOs in organizing study group meetings to build up the capabilities and expertise of NGOs. Specifically, MOFA commissions an NGO to conduct activities such as studies, seminars, workshops, symposiums, and present reports and recommendations regarding specific improvement measures with the cooperation of other NGOs. This program is designed so that NGOs themselves strengthen their organizations and capacities by accumulating experience through above activities. In FY2013, study groups were organized on four themes: “Gender and NGO”; “Post-MDGs and International NGOs”; “Survey on NGO Partnerships from the Perspectives of Companies and Individuals”; and “Capacity-building of Rural NGOs in International Cooperation Activities.” The reports and deliverables of the activities are available on MOFA’s ODA website.

In addition to MOFA’s supports, JICA also provides a variety of training programs for NGO staff members, which include the following:

1. “Training for organizational strengthening through

human resources development for NGOs”

Supports the organizational strengthening of NGOs through the human resources development of NGO staff who will conduct activities both domestically and internationally.

2. “Basic Seminar on Project Management”

Equips NGO personnel with approaches for planning, designing, and evaluating projects in developing countries using Project Cycle Management (PCM)*.

3. “Sending Advisors for Institutional Strengthening of NGOs in Japan”

Dispatches advisors with knowledge and experience relevant to domestic public relations activities, and funds procurement and accounting in order to strengthen NGOs’ abilities in these fields.

4. “Sending Advisors Overseas for Strengthening NGO Activities”

Dispatches advisors to give guidance on strengthening the necessary capabilities for effective implementation of overseas projects.

c. Dialogue and Partnership with NGOs

■ NGO-Ministry of Foreign Affairs Regular Consultation Meetings

To forge a stronger partnership and promote dialogue between NGOs and MOFA, this meeting was launched in FY1996 as a forum for sharing information on ODA and regularly exchanging opinions on measures for improving partnerships with NGOs. Currently, in addition to the general meeting held once a year, there are two subcommittees which are the “ODA Policy Council” and

the “Partnership Promotion Committee.” In principle, both subcommittees are convened three times respectively a year. At the ODA Policy Council, opinions are exchanged on general ODA policies, while at the Partnership Promotion Committee, the agendas focus on support for NGOs and partnership policies.

■ NGO-Embassies ODA Consultation Meeting

Since 2002, the NGO-Embassies ODA Consultation Meetings have been held to exchange ideas and opinions with Japanese NGOs that work in developing countries. The meetings have been held in 34 countries, including Nepal and Sri Lanka, to

exchange views on the efficient and effective implementation of ODA among the staff of Japanese Embassies, aid implementation agencies and NGOs.

■ NGO-JICA Consultation Meeting, NGO-JICA Japan Desk

Based on equal partnership with the NGO, JICA holds the NGO-JICA Consultation Meeting to promote the realization of more effective international cooperation as well as the public understanding towards and their participation in international cooperation, with JICA and NGOs working

as equal partners. JICA has also established NGO-JICA Japan Desks in 20 countries outside of Japan to support the field activities of Japanese NGOs and to strengthen projects conducted jointly by NGOs and JICA.

● Glossary

JICA Partnership Program (JPP)

JPP is a part of ODA programs in which JICA supports and jointly implements international cooperation activities for local residents in developing countries with Japanese NGOs, universities, local governments, and organizations such as public interest corporations. JPP is divided into three types of assistance based on the size and nature of the organizations: (i) Partner Type (Project amount not exceeding ¥100 million and to be implemented within five years), (ii) Support Type (Project amount not exceeding ¥25 million and to be implemented within three years), (iii) Local Government Type (Project amount not exceeding ¥30 million and to be implemented within three years).

Project cycle management (PCM) approach

PCM approach is a participatory development method of utilizing a project overview chart to manage operation of the series of a cycle of analysis, planning, implementation, and evaluation of a development cooperation project, which consists of participatory planning, monitoring, and evaluation. This method is used by JICA and other international organizations at the site of development cooperation.

Afghanistan

Afghanistan Civil Society Support Initiative
Grant Aid for Japanese NGO Projects (March 2013 – Ongoing)

In Afghanistan, local governments are poorly equipped to deliver basic social services. Furthermore, various restrictions prevent the international community's assistance from fully reaching rural areas.

Under such circumstances, four Japanese NGOs – Peace Winds Japan; Association for Aid and Relief, Japan; Civil Sophia; and Japan International Volunteer Center – have continued to provide support through the scheme of the Grant Aid for Japanese NGO Projects. Due to security reasons, it is very difficult for these NGOs to enter Afghanistan. Therefore, they have partnered with local Afghan NGOs to implement their activities. This project offers various training programs to enhance the capacities of civil society organizations (CSOs) across Afghanistan that are positioned closest to community members, and have the potential to properly understand and meet their diverse assistance needs.

This project has been implemented over a three-year period from 2013 to 2016. The trainings cover topics such as: anti-corruption; peacebuilding and reconciliation; good governance and human rights; code of conduct; Afghan laws such as NGO laws; human rights and gender in conflict situations; financial management; accountability; and project management.

In 2013, a total of 69 trainings were implemented in 31 provinces out of the 34 provinces in Afghanistan. The number of participants totaled 2,225, including local CSO staff and local government officials.

Human resources development in the development assistance sector is essential for the self-reliant development of Afghanistan. This project contributes to such needs for human resources development and is highly praised as an example of customized support provided by Japanese NGOs. These trainings will contribute to improving the capacity of Afghan CSOs and building up a close network between CSOs and local governments. It is expected that the project will enable local CSOs to plan, design, and implement their own projects in the future to appropriately deliver support to people most in need.

(As of August 2014)



Training on NGO law, income tax law, labor law, code of conducts, and human rights during conflicts held in Balkh Province in Northern Afghanistan. (August 27, 2013, organized by ACBAR)

Myanmar

The project for improving living environment for promoting return and resettlement of displaced people in Kayin State through support for electric power supply
Grant Aid for Japanese NGO Projects (Japan Platform (JPF) Project)
NGO Telecom For Basic Human Needs (October 2013 – Ongoing)

Kayin State in southeast Myanmar is home to many ethnic minority groups. Although fighting between the Myanmar armed forces and ethnic minority armed forces lasted over many years, the fighting was brought to an end, and a ceasefire agreement was reached between the two sides. Nevertheless, there still remain many refugees and internally displaced persons (IDPs) who are unable to repatriate to Kayin State, presenting a serious issue for the area. In addition, the long-lasting conflict has resulted in the underdevelopment of Kayin State, with people having insufficient access to basic needs, such as healthcare, water supply, hygiene and sanitation, education, and electricity.

In response to such a situation, the Japan Platform (JPF) started the “Reintegration Assistance Program for Refugees/IDPs of Myanmar” in April 2013. Through this program, several JPF member organizations are engaged in activities mainly in Kayin State to help refugees/IDPs return to the villages they used to live in prior to the conflict. For example, in this project implemented by the Telecom For Basic Human Needs (BHN), support was provided for the electrification of villages that had no electricity to which refugees and IDPs are being repatriated, including the installation of solar power generation systems at a community center and schools.

As a result of this support, nearly 100 households living in the area, local government officials, school teachers and others began gathering around the TV at the community center. These people now have opportunities to come into contact with domestic and international information through news programs. They have also begun holding discussions on education and development of the villages. Thus far, this project has given access to electricity to approximately 700 students at two schools, allowing them to study in better learning environments. Improving the living and educational environment of the people will contribute to creating an environment conducive to accepting more refugees and IDPs at these villages. This is expected to promote the further repatriation of refugees and IDPs as well as the development of the communities.

(As of August 2014)



Solar panels installed in the community center. (Photo: Telecom for Basic Human Needs)

● Partnership with Private Business

With the globalization of the economy, inflows of private finance into developing countries are currently about 2.5 times larger the amount of inflows of ODA. Therefore, it is increasingly important to promote contribution by private finance to development to address financing needs for the development in developing countries. In responding to such a situation, the Japanese government encourages the private investments through the following public-private partnerships.

The Japanese government proposes an idea that private investment should take a “people-centered” approach in order to lead to sustainable development in developing countries. In short, through partnerships with the private sector that utilize ODA, the government intends to promote “people-centered investment,”* which will lead to employment

creation; the formulation of countermeasures against disaster risk reduction, climate change, and environmental issues; and the capacity building of local people.

A policy to promote this “people-centered investment” was unveiled for the first time by the Minister for Foreign Affairs Fumio Kishida at the OECD Ministerial Council Meeting under the chairmanship of Japan in May 2014. Following this, Japan has continued to make efforts to publicize the policy in order to obtain the international community’s understanding and endorsement by offering its details at the Japan-ASEAN Ministerial Meeting in August and the Japan-ASEAN Summit Meeting as well as the G20 Summit in November.

a. Public-Private Partnership (PPP) for boosting growth

Japanese private companies’ various projects conducted in developing countries can bring multiple impacts to these countries, by creating employment opportunities in the local context, augmenting tax revenue, expanding trade and investment, contributing to the acquisition of foreign currency, and transferring Japan’s superior technology. Aiming to facilitate activities by these private companies in developing countries, in April 2008, Japan announced the “Public-Private Partnership for Growth in Developing Countries,” a new policy to strengthen partnerships between ODA and Japanese companies. Through this, the government receives consultation and proposals from private sectors related to their activities, which are conducive to economic growth and poverty reduction in developing countries, as well as public-private cooperation projects together with ODA. For example, in Indonesia, a Japanese company installed an independent solar power generation system at a primary school using the Grant Assistance for Grassroots Human Security Projects. By extending the electricity usage hours at the primary school and the surrounding area, the project enhanced the learning environment for primary education and improved lives in the surrounding area. Other than this, there is a case in which a project to utilize technical cooperation to invite a team of Mexican physicians to Japan for training of sophisticated medical technology (cardiac catheterization techniques) that had been developed by a Japanese company.

Meanwhile, Corporate Social Responsibility (CSR) activities, in which private companies aim to proactively contribute to resolving issues facing local communities they enter, and BOP business*, which aims to contribute to improving lives and resolving social issues through businesses focusing on the low-income population, are receiving attention. In order to promote cooperation between the CSR activities and BOP businesses of Japanese private companies and the activities of local NGOs, preferred slots are created to proactively adopt

projects jointly implemented by local NGOs and Japanese private companies. Japan actively supports cooperation within non-public sectors and authorized 11 such projects in FY2013. In addition, Japan works on Public-Private Partnership (PPP)* that aims to implement highly public projects more efficiently and effectively through public-private cooperation, and provides consistent assistance from the planning stages of the project, such as institutional development and human resources development through technical cooperation, utilizing Private-Sector Investment Finance or ODA loans.

Furthermore, at the Millennium Development Goals (MDGs) Follow-up Meeting held in June 2011, Japan announced the establishment of the “MDGs Public-Private Partnership Network.” This network assists the smooth implementation of business and social contribution activities in developing countries by Japanese companies, and promotes their activities contributing to the achievement of the MDGs through providing them, for example, with: information on the development needs of recipient countries; assistance in creating networks through introducing domestic and overseas NGOs, international organizations, and universities; and workshops on different themes such as health and the post-2015 development agenda.

In addition, international organizations, such as the United Nations Development Programme (UNDP) and the United Nations Children’s Fund (UNICEF), draw on their extensive experience and expertise in developing countries to promote inclusive businesses* by Japanese companies. For example, UNDP experts gave advice to Japanese companies promoting the cultivation of organic cotton in India by utilizing the Japan-UNDP Partnership Fund. As a result, this project to support the transition to organic farming was selected for Business Call to Action (BCtA), an international initiative that encourages businesses that simultaneously achieve corporate profits and development objectives.

■ Cooperation Preparatory Surveys for PPP Infrastructure Projects and BOP Businesses

JICA implements two types of preparatory survey based on proposals from the private sector in order to encourage Japanese companies with excellent technologies, knowledge and experience, and have an interest in overseas expansion, to participate in the field of development. Specifically, this is a survey scheme based on proposals from the private companies aiming to support their plan formulation in which JICA calls for proposals widely from the private sector for a feasibility study on PPP infrastructure projects and BOP businesses, respectively, and commissions a feasibility study* to the companies that

submitted such a proposal. Thus far, JICA has selected 55 PPP infrastructure projects such as expressway, and water and sewerage system projects, and 83 BOP business projects in the areas of health and medical care and agriculture. Some of these projects were authorized as Private-Sector Investment Finance projects and ODA loan projects. Through this scheme, JICA will utilize the specialized knowledge, funds, and technologies of private companies to the socio-economic development of developing countries as well as support the overseas expansion of private companies.

■ Partnership with Japanese Small and Medium Enterprises (SMEs) and Other Entities Infrastructure Projects and BOP Businesses

For the future growth of the Japanese economy, incorporating the rapid economic growth of emerging and developing countries is of crucial importance. In particular, although Japanese SMEs possess numerous world-class products and technologies, etc., due to insufficient human resources, knowledge and experience, many businesses have not embarked on overseas expansion. On the other hand, it is expected that such products and technologies of Japanese SMEs and other entities will be useful for the socio-economic development of developing countries.

In response to these circumstances, MOFA and JICA proactively support the overseas expansion of Japanese SMEs and other entities using ODA. Specific examples include: surveys that take into account the establishment of development assistance projects that make use of a product, technology, etc. of an SME or other entities (Needs Survey); surveys for collecting basic information and formulating project plans necessary for the overseas business of an SME (a business undertaken by direct entry into the country) that contributes to resolving the issues of developing countries (SME Partnership Promotion Survey); surveys for studying the feasibility of using an SME's product or technology in a developing country, based on a proposal from an SME, etc. (Feasibility Study with the Private Sector for Utilizing Japanese Technologies in ODA Projects); and surveys to verify ways for enhancing a product or technology's compatibility with a developing country and thereby disseminate the product and technology, based on a proposal from an SME, etc. (Verification Survey with the Private Sector for Disseminating Japanese Technologies).

These projects aim to achieve both the development of developing countries and the activation of Japanese economy by utilizing Japanese SMEs' excellent products and technologies through ODA. In FY2012 and FY2013, MOFA and JICA supported surveys and the Verification Survey with the Private Sector for Disseminating Japanese Technologies by 155 SMEs. These projects have yielded various outcomes. For example, approximately 30% of SMEs secured new clients and approximately 10% of



A Japanese SME, Security Japan Co., Ltd. is expanding its business to the overseas market. A crane base is being erected to install heat-resistant cameras in India. See page 118, "Master Techniques, From Japan to the World". (Photo: Security Japan Co., Ltd.)

SMEs started local production about one year after the implementation of Project Formulation Surveys.

Approximately 60% of SMEs are conducting ongoing "Verification Survey with the Private Sector for Disseminating Japanese Technologies" one year after the implementation of the project formulation survey. As many participating companies and other participants have expressed their requests regarding the further expansion of such initiatives, Japan will continue to proactively support the overseas expansion of SMEs and other entities through ODA.

Furthermore, Japan provides funding to import supplies necessary for the socio-economic development of developing countries at no cost to them, and utilizing this fund, Japan implements the Non-Project Grant Aid for Provision of Japanese SME's Products in which Japan provides Japanese SME's products to developing countries.

The Non-Project Grant Aid for Provision of Japanese SME's Products does not only support socio-economic development in developing countries through the provision of Japanese SMEs' products to developing countries based on their requests and development needs, but it also strongly supports the overseas expansion of Japanese SMEs by raising the profile of these SMEs' products and creating sustained demand for them.

Additionally, to assist the development of global human resources required by SMEs, the “Private-Sector Partnership Volunteer System”* in which staff from SMEs are dispatched to developing countries as Japan Overseas Cooperation Volunteers (JOCV) or Senior Volunteers (SV) while keeping their affiliation to their companies was established in 2012. Through this system, Japan proactively supports SMEs in building networks within developing countries.

Similarly, as an initiative contributing to the development of global human resources required for

the overseas expansion of Japan's SMEs, the Ministry of Economy, Trade and Industry (METI) supports such a move taken by SMEs by launching the new Global Internship Program to dispatch young business persons and co-hosting a symposium on fostering global human resources with JICA in November 2012. Additionally, in February 2014, MOFA and METI launched the “Fast-Pass System for Overseas Expansion”* to facilitate SMEs' access to the aforementioned programs.

■ Private-Sector Investment Finance

Private financial institutions are often reluctant to finance projects in developing countries due to the high risk involved, among other reasons. Considering such a situation, Japan uses JICA Private-Sector Investment Finance* (PSIF) to directly invest in and provide loans for, and thereby, assist the development projects implemented by private companies in developing countries. The “Reorganization and Rationalization Plan for Special Public Corporations” announced in December 2001 stipulated that in principle no investments and loans would be made, except for projects authorized before the end of FY2001. However, due to the increased need to respond to new demand for high development impact through the private sector engagement, JICA resumed on a pilot basis

the provision of PSIF to private companies. For example, PSIF was provided for an industrial human resources development project in Viet Nam and a microfinance project for the poor in Pakistan in March 2011. JICA fully resumed PSIF in October 2012. To date, a total of five investment and loan agreements have been signed, including for the Thilawa Special Economic Zone (Class A Area) Development Project in Myanmar. In June 2014, in order to reduce the exchange rate risk of Japanese companies participating in overseas infrastructure projects, improvements were made to JICA's PSIF scheme to allow loans to be denominated in the local currency, as well as in yen as before.

■ Collaboration Program with the Private Sector for Disseminating Japanese Technology for the Economic and Social Development of Developing Countries

This public offering-type program aims to deepen the understanding of excellent products, technologies, and systems of Japanese companies as well as examining the feasibility of their application to the development projects in developing countries. JICA calls for proposals from private companies, and the implementation of selected projects is commissioned to the company, which made the proposal. This program brings an effect that the project and the private company's subsequent execution of the project can contribute to resolving the challenges of developing countries. From the standpoint of private companies, expected effects include enhanced profile of their own

technologies, products, and systems in the relevant country, specific expansion of highly public businesses, and the formation of human networking with government officials in developing countries.

In FY2013, 15 proposals and 12 proposals were selected in the first and second call for proposals, respectively. Contents of the proposed projects extend beyond individual products or technologies in sectors such as health and medicine, agriculture, energy, and the environment, and also cover diverse areas from Japanese systems, such as postal service and nutritionist certification, to complex systems, such as traffic control and disaster risk reduction.

■ Infrastructure System Exports*

The Japanese government holds the Ministerial Meeting on Strategy relating Infrastructure Export and Economic Cooperation to support infrastructure system exports by Japanese companies and discuss key issues of external economic cooperation, and implement it in a strategic and efficient manner. The Strategy for Exporting Infrastructure Systems was established in May 2013 and was revised in June 2014. Based on the strategy, MOFA supports infrastructure development in developing countries by improving and utilizing the various schemes of economic cooperation, including ODA loan, grant aid, and technical

cooperation. At the same time, MOFA also leverages Japan's technologies and know-how in partnership with the relevant ministries and agencies, JICA, JBIC, NEXI-related organizations, private companies, local governments, among other entities. Infrastructure orders in 2013 doubled to 285 from 137 in the previous year. As far as the amounts known are concerned, a significant increase from approximately ¥3.2 trillion in the previous year to approximately ¥9.3 trillion was recorded. (Researched by the Cabinet Secretariat)

Promotion of “people-centered investment”

The Japanese government promotes “people-centered investment” through public-private partnerships with an emphasis on the following three points: 1. “Inclusiveness” so that as many people as possible enjoy the economic benefits of investment through employment creation, improved access to social services, etc.; 2. “Resilience” to economic fluctuations, climate change, natural disasters, etc.; 3. “Capacity building” among local people through investment. In the promotion of “people-centered investment,” the government will make use of various measures, such as ODA (improvement of business environment, development of business-savvy human resources, etc.) which can play a catalytic role in attracting private investment, Private-Sector Investment Finance, and assistance for business model formulation of BOP business and public-private partnership (PPP) projects.

BOP (Base of Pyramid) business

BOP refers to businesses that are expected to be useful in resolving social issues for low-income groups* in developing countries. Accounting for approximately 70% of the world's population, or about 4 billion people, low-income groups are attracting attention as a market with potential for growth. This type of business targets low-income groups as consumers, producers, and sellers, which is expected to be useful in providing sustainable solutions to a variety of local societal problems. Examples: Hygiene products such as detergent and shampoo, water purifying agents, nutritional products, insecticide-treated mosquito nets, solar power panels, etc.

* Low-income group: The income bracket with an annual income per capita of \$3,000 or less in purchasing power parity. Purchasing power parity is determined by removing differences between price levels to make purchasing power between different currencies equivalent.

Public-Private Partnership using ODA (PPP: Public-Private Partnership)

PPP is a new form of public-private cooperation in which governmental ODA projects are conducted in collaboration with private investment projects. Input from private companies is incorporated from the stage of ODA project formation. For example, roles are divided between the public and private sectors so that basic infrastructure is developed with ODA, while investment and operation/maintenance are conducted by the private sector. The technologies, knowledge, experience, and funds of the private sector are then used in an effort to implement more efficient and effective projects, as well as to improve development efficiency. (Areas for PPP: Water and sewer systems, airport construction, motorways, railways, etc.)

Inclusive Business

Inclusive Business is a generic term for a business model advocated by the United Nations and the World Bank Group as an effective means for achieving inclusive market growth and development. It includes sustainable BOP businesses that resolve social challenges.

Feasibility study

Feasibility study verifies whether a proposed project is viable to be executed (realized), and plans and formulates a project that is most appropriate for implementation. In the study, points such as the possibility of a project, its appropriateness, and its investment effect will be investigated.

Fast-Pass System for Overseas Expansion

Fast-Pass System for Overseas Expansion is a system for supporting the overseas expansion of SMEs and other entities with the potential and will to expand their businesses overseas. Local governments, local business groups, local financial institutions, and other organizations, which have a close connection to these companies, serve as a bridge between these companies and other actors, such as client companies, Japanese overseas diplomatic missions, and JETRO, which have know-how on overseas expansion. The system is intended to provide seamless support, both domestically and internationally.

Private-Sector Partnership Volunteer System

Private-Sector Partnership Volunteer System is a system in which employees of SMEs are dispatched to developing countries as Japan Overseas Cooperation Volunteers (JOCV) or Senior Volunteers (SV), and contribute to the development of global human resources of SMEs and their overseas business expansion. The country, occupation type, and duration of dispatch are determined upon consultation and in response to requests from each private enterprise. Volunteers are dispatched to countries in which their companies consider business expansion. It is expected that the volunteers grasp the understanding of the culture, commercial practices, and technical level in their respective destination countries through the volunteering activities, and that they acquire not only language skills but also communication skills, problem solving skills and negotiation skills, which will be put back into corporate activities upon their return.

Private-Sector Investment Finance

This is one of JICA's loan aid programs, which provides necessary investment and financing to private sector corporations and other entities, which are responsible for implementing projects in developing countries. Private companies' projects in developing countries create employment and lead to the revitalization of the economy, but it is difficult to obtain sufficient funds from private financial institutions, in some cases due to a variety of risks involved and little chance for high gains. Private-Sector Investment Finance by JICA is used to support development in developing countries by providing investment and financing for such businesses. The fields eligible for this assistance are: (i) MDGs and poverty reduction; (ii) acceleration of infrastructure development and growth; and (iii) measures against climate change.

Infrastructure System Exports

Under this concept, in response to the demands for infrastructure such as electricity, railways, water, and road from abroad, Japanese companies not only construct facilities or export equipment, but also export “systems,” which include the designing, construction, operation and management of the infrastructure.

b. Improving ODA Loan Arrangements

ODA loans are expected to provide Japan's advanced technologies and know-how to developing countries, thereby improving people's living standards. Simultaneously, it is also required that Japan incorporates the growth of emerging economies including those in Asia, which have a particularly close relationship with Japan, also leading to the vitalization of the Japanese economy. The arrangements for ODA loans need further improvements for the scheme to become more attractive to both developing countries and Japanese private companies.

Japan unveiled the “Improvement Measures for the Strategic Use of ODA Loans” in April 2013 and announced follow-up improvements to the ODA loan arrangements in October 2013. First, in April's improvements, past priority areas were consolidated into “environment” and “human resources development,” and then “disaster risk reduction” and “health and medical care” were added to

create four priority areas. Furthermore, loans in these four areas were given a greater concessional character (more relaxed requirements through lower interest rates and longer repayment periods). Japan has also decided to make further use of ODA loans for developing countries, which have income levels equal to or higher than those of middle income countries. Additionally, improvements were made to the Special Terms for Economic Partnership (STEP) scheme that was introduced to promote the “Visibility of Japanese Aid” through leveraging Japan's advanced technologies and know-how as well as transferring technologies to developing countries. These improvements included expanding the scope of application of STEP and lowering interest rates. At the same time, Japan has established the Stand-by Emergency Credit for Urgent Recovery (SECURE)² and taken additional measures. Following October's improvements, Japan introduced the

Note 2: A scheme in which Japan signs ODA loan agreements in advance with developing countries where natural disasters are expected to occur in the future, making the swift lending of funds for recovery possible if a disaster does occur.

Equity Back Finance (EBF) ODA loan³ and the Viability Gap Funding (VGF) ODA loan⁴ to appropriately meet the huge infrastructure demand in Asia in particular. These instruments are designed to support, as needed, the development and application of effective measures to promote the steady formulation and implementation of PPP infrastructure projects by recipient governments.

● Partnership with Universities and Local Governments

Japan utilizes the practical knowledge accumulated by universities, as well as local governments to implement more effective ODA. JICA implements technical cooperation and promotes ODA loan projects jointly with universities to enable them to work on the issues that developing countries face, utilizing the specialized knowledge possessed by universities. In addition, JICA works in cooperation with local governments to facilitate more active international cooperation projects carried out by local governments through the collaborative utilization of their operational

In June 2014, Japan decided to initiate full use of the “Sector Project Loan” that provides comprehensive ODA loans for multiple projects in the same sector, etc. Japan also decided to further accelerate ODA loan implementation by integrating the pre-qualification and project tender processes for ODA loan projects, which can expect the involvement of Japanese companies.

know-how on urban infrastructure and other insights, as well as through the enhancement of the quality of ODA projects and implementation of training of human resources, who will engage in development cooperation.

In March 2013, utilizing the framework of the JICA Partnership Program (JPP), the Japanese government announced its policy to revitalize Japan at the regional level through the international cooperation efforts of local governments as a special framework for the invigoration of local economies.

● Partnership with Local Governments and NGOs of Developing Countries

Partnership with local governments and NGOs in developing countries leads to the strengthening of not only the economic and social development of developing countries, but also of the capacity of civil society and NGOs in those countries. Japan supports economic and social development projects implemented by these development cooperation partners mainly through the Grant Assistance

for Grass-Roots Human Security Projects. This financial cooperation has received high praise in developing countries as a precise and rapid form of assistance that provides direct benefits at the grass-roots level, including the construction of schools, upgrading of basic medical equipment at hospitals, and digging of wells.

● Partnership with International Organizations and Other Countries

In recent years, various countries as well as aid organizations and groups have been working to coordinate in the formulation and implementation of their development cooperation policies. This trend is based on the perspective of aiming at improving the quality of development cooperation and effectively conducting development cooperation in order to achieve international development goals such as MDGs, based on the Paris Declaration and the Accra Agenda for Action (AAA), Busan Partnership for Effective Development Cooperation, and the items agreed upon by the Global Partnership for Effective Development Co-operation (GPEDC). Currently, working groups have been formed for various development sectors such as health and education in many recipient countries, and program-type assistance is being implemented in accordance with the sector development strategy of the recipient countries. Japan participates in many of these programs, such as the reform of local administration in Tanzania. Furthermore, the Joint Cooperation Strategy (JCS) to Bangladesh was formulated in June 2010 with the participation of 18

international organizations, following the joint strategic partnership for Bangladesh to support the country’s poverty reduction strategy (PRS) formed in 2005 between Japan, the World Bank, the Asian Development Bank (ADB), and the UK’s Department for International Development (DFID). Through these initiatives, Japan promotes cooperation and collaboration for the implementation of more effective and efficient cross-sectoral development cooperation (which uses a link beyond different sectors such as the health and education fields). Likewise, as specific cooperation with the Multilateral Development Banks (MDBs), the Enhanced Private Sector Assistance for Africa (EPSA) was set up in 2005 together with the African Development Bank (AfDB), and to date cooperation of over \$1 billion in ODA loans has been provided to ensure the smooth flow of funds to Africa’s private sector and encourage private sector investment for the improvement of roads and electricity conditions, etc. At the G20 Los Cabos Summit (Mexico) in 2012, Japan announced the provision of a new \$1 billion ODA loan under this

Note 3: If a Japanese company is among the implementers of a PPP infrastructure project, which the government of a developing country, state enterprise, and other parties have a stake in, then an EBF ODA loan is provided for the investment portion of the government of a developing country in the Special Purpose Company (SPC), the entity responsible for the public works project in the developing country.

Note 4: In principle, if a Japanese company has a stake in a PPP infrastructure project implemented by the government of a developing country, then a VGF ODA loan is provided to help finance the VGF that the developing country provides to SPC, in order to secure the profitability expected by SPC.

initiative. In January 2014, Prime Minister Abe pledged to double this amount to \$2 billion in his policy speech on Japan's diplomacy towards Africa delivered in Ethiopia. Furthermore, in 2012, together with the Inter-American Development Bank, Cofinancing for Renewable Energy and Energy Efficiency (CORE) was set up as a co-finance framework with a vision of providing a maximum of \$1 billion worth of cooperation over five years.

Recently, Japan has also been proactive in cooperation and collaboration with international organizations and other donor countries. Amid the decreasing trend of the ODA budget of all major donors, it is becoming increasingly important to cooperate and collaborate with international organizations and other donors to effectively utilize the limited ODA budgets of each country for the development of developing countries.

In recent years, Japan has further deepened its cooperation and collaboration with the United States. When U.S. Vice President Joseph Biden visited Japan in December 2013, the two countries announced the launch of a new, regular, senior-level Japan-U.S. Development Dialogue in the "Fact Sheet on United States-Japan Global Cooperation." The major focus of this cooperation included humanitarian assistance/disaster relief, Southeast Asia, the Pacific, Africa, and empowerment of women. In February 2014, the First Japan-U.S. Development Dialogue was held, and the two countries discussed bilateral cooperation for a wide range of development challenges. When President Barack Obama visited Japan in April of the same year, the two countries unveiled the "Fact Sheet: U.S.-Japan Global and Regional Cooperation," which set out concrete coordination efforts in Southeast Asia, Africa,

and other parts of the world. Since then, the two countries have successfully carried out concrete collaboration on supporting the activities of women entrepreneurs in Africa and UN Women's programs for the creation of Indian communities safe for women. Japan considers that strengthening Japan-U.S. development cooperation will expand the breadth of Japan-U.S. relations and contribute to the further advancement of the Japan-U.S. alliance.

Members of the Development Assistance Committee (DAC) of the OECD have been taking a leading role in carrying out development cooperation in the international community. In recent years, however, non-DAC members, namely "emerging donor countries" such as China, India, Saudi Arabia, and Brazil have increased the significance of their influence in dealing with the development issues of developing countries underpinned by their funding ability. This trend also appears within the framework of the G20—consultation on development issues is now conducted, not only by the developed countries but also by a mixture of countries including emerging and developing countries. Japan facilitates discussions by encouraging the participation of emerging donor countries in various meetings to ensure that their development cooperation does not conflict with other international efforts.

In April 2014, the First High-Level Meeting of the Global Partnership for Effective Development Co-operation was held in Mexico City, Mexico. The participants shared the view that solving the development issues of developing countries requires inclusive efforts participated not only by the governments of developed and developing countries, but also by a variety of organizations and groups engaged in development, including civil society organizations (CSOs), the private sector, and parliaments. The participants also discussed the effective use of developing countries' domestic funds to finance development projects in addition to ODA, by improving their taxation systems, for example, in order to achieve the post-2015 development agenda. Furthermore, the participants also discussed the contribution of South-South cooperation and triangular cooperation to development, and the importance of making effective use of private funds and of the catalytic role of ODA for this purpose (e.g., use of ODA to develop infrastructure in developing countries, and thereby attracting private investment).

Similarly, the Fifth Asia Development Forum* was held in Hanoi in September 2014 to have in-depth discussions on the future implementation of development cooperation based on the Asian experience on the theme of "Challenges and Strategies towards Sustained Growth of Asia."



Former Parliamentary Vice-Minister for Foreign Affairs Seiji Kihara giving a speech at the First High-Level Meeting of the Global Partnership for Effective Development Co-operation held in Mexico City in April 2014.

Glossary

Asia Development Forum

This is a forum with the objective to form and disseminate the "voice of Asia" regarding development cooperation, on the basis of discussions on various development-related issues and future approaches by government officials from Asian countries, representatives of international organizations such as the Asian Development Bank (ADB), the World Bank, and the United Nations Development Programme (UNDP), and representatives of private-sector enterprises, among other stakeholders who gather at the forum. It was established under the initiative of Japan and the Republic of Korea, and the first forum was held in 2010. Since then, a group consisting of the organizing countries, as well as past host countries including Japan, has been playing a central role in its operation.

2. Increasing Public Participation

(1) Importance of Promoting Public Understanding and Support

The “ODA Review Final Report,” published in June 2010, emphasized the importance of obtaining public understanding and support for ODA.

MOFA and JICA promote the strengthening of public participation in the process of development cooperation at various levels and in a variety of ways, including: promotion of discussions and dialogues regarding development cooperation; promotion of development education; information disclosure regarding the current state of development cooperation; dissemination of relevant information to both rural areas and a wide demographic. In addition, opportunities in which a broad range of Japanese nationals can directly participate in actual assistance activities in developing countries to have experiences of ODA in the field are also offered. At the same time, Japan recognizes the importance of human

resources development, research cooperation, and public-private partnership in order to appropriately respond to development issues, which are becoming increasingly diversified and complicated. Similarly, it is important to promulgate an understanding of Japan's basic policy regarding development cooperation in the international community, while Japan is also aware of the increasing significance of partnerships with NGOs as well as education and research institutions such as universities.

Meanwhile, promoting Japan's assistance is an essential process in the implementation of ODA projects, ensuring that it is widely known by local people in developing countries. Thus, overseas diplomatic missions and overseas JICA offices cooperate with each other to focus on conducting public relations activities in developing countries.

(2) Direct Participation in Assistance to Developing Countries by the Japan Overseas Cooperation Volunteers (JOCV) and Senior Volunteers (SV)

JICA runs the Japan Overseas Cooperation Volunteers (JOCV) program and the Senior Volunteers (SV) program, with the aim of promoting the participation of a broad spectrum of Japanese citizens in the country's development cooperation activity as volunteers, including young people and those who have a variety of skills and experiences. The JOCV program is a popular participatory program in which young Japanese aged 20 to 39 are dispatched to developing countries for a two-year-term, in principle, to assist economic and social development in those countries while living and working together with local residents. Since its establishment in 1965, the JOCV program has spanned nearly 50 years, and is an example of the “Visibility of Japanese Aid” that has been highly appreciated overseas. The SV program is also a participatory program where Japanese citizens between the ages of 40 and 69 engage in development activities for developing countries, utilizing a wide range of skills and abundant experience. The SV program is considered the senior version of the JOCV.

These volunteer programs, where Japanese people engage in development work in cooperation with local people in developing countries, also deepen local people's affinity for Japan and create grassroots connections between Japan and these countries. In addition, in recent



A Japan Overseas Cooperation Volunteer, Ms. Mayumi Yoda (audio-visual education), who is working in a village in Northern Senegal with the local children. (Photo: Yosuke Kotsuji)

years, attention has also been given to the aspect that people with volunteer experience can contribute to private companies in the expansion of their businesses in developing countries.

To promote these initiatives, and make it easier for people to take positions in these volunteer programs, the Japanese government is engaging in public communication work to inform people of such possibilities as taking advantage of career breaks*, while offering career support to alumni who have returned to Japan.

Glossary

Volunteer system taking advantage of career breaks

Professionals working at companies, national or local governments, or schools are participating in the JOCV program or SV program by taking advantage of such arrangements as career breaks with a waiver of duty of devotion to service, thereby remaining affiliated with their organizations.

(3) Assistance to NGOs and Participation in Activities

The most familiar examples of citizen participation in international development cooperation are providing support for NGOs engaging in international cooperation and participating in the activities of these NGOs. The number of Japan-based NGOs has expanded greatly since the enactment of the “Act on the Promotion of Specified Nonprofit Activities” (NPO Act) in 1998 and the progress in legal arrangement following this. The number of NGOs actually engaged in international cooperation activities is said to be over 400. As described earlier (see “Partnership with NGOs,” on pages 149-152), MOFA has been strengthening collaboration with NGOs, as essential partners in promoting the “Visibility of Japanese Aid.”

More specifically, MOFA provides financial support to projects implemented overseas by Japanese NGOs (such as Grant Assistance for Japanese NGO Projects), and implements projects aimed to enhance the capabilities of NGOs. As Japanese NGOs enter communities in developing countries directly, they supplement intergovernmental cooperation and can broaden the breadth of ODA. NGOs are expected to develop excellent human resources in the area of international cooperation and become promoters of the “Visibility of Japanese Aid.” In addition, Japan’s NGOs are active in the area of emergency humanitarian assistance by taking advantage of their mobility and swiftness.

(4) On-site ODA Experience

Providing as many people as possible with opportunities to experience development cooperation by visiting project sites to see the actual condition of ODA is one of the most effective ways to deepen public understanding of ODA. In this respect, Japan also places an emphasis on support for on-site ODA observation through study tours (e.g. university seminars), and support for sending teachers and officials from local governments to ODA project sites. In addition, partnerships with travel agencies to implement experience tours and observation tours are being strengthened. A new program, “International Cooperation Reporters” (implemented by JICA), was also launched in 2011, in which the general public observe ODA project sites in person and report at various events after returning home. Reporters were sent to Kenya and Viet Nam in August 2011, to Uganda and Sri Lanka in



“International Cooperation Reporters” implemented in 2014. On-site observation at the Dili Port in Timor-Leste. (Photo: JOCA)

August 2012, to Rwanda and Jordan in August 2013, and to Ethiopia and Timor-Leste in 2014 to observe Japan’s ODA projects (10 people were sent to each country).

(5) Promotion of Discussion and Dialogue

MOFA and JICA have held briefing sessions throughout Japan regarding initiatives related to ODA such as supporting SMEs utilizing ODA. Likewise, lectures and symposiums to introduce trends in international cooperation and Japan’s efforts are also held to have a dialogue, as necessary, with citizens interested in foreign policy and ODA.

Furthermore, JICA organizes roundtables and lectures with representatives from local industries, governments, experts, local universities, and school officials, utilizing its domestic offices such as regional centers and branch offices. By doing this, JICA aims to promote international cooperation coming from the different localities of Japan, and thereby, to promote the revitalization of regional economies.

(6) Human Resources Development and Research in the Area of Development

In order to train highly skilled professionals in the area of development, from FY2011, MOFA launched the “International Development Professional Training Program.” The program is expected to produce immediate practical

results by training experts capable of taking leadership roles in the development field, and is expected to supplement the existing development studies offered by universities. More specifically, the program consists of six courses:

(i) course on Japan's contribution to development in Asia and the practical aspect of applying the Asian economic development model to other regions (South-South Cooperation), (ii) course for acquiring international public law, (iii) workshop on negotiation role-playing, (iv) media training to improve interview and presentation skills, (v) exchange projects such as special lectures and talks given by distinguished experts from overseas who have global influence in the area of development, and (vi) internships at development-related international organization, etc.

In 2003, JICA established the International Cooperation Expert Center to recruit human resources who possess specialized knowledge and diverse experience, and to offer them opportunities to use their talents. JICA also provides recruitment information regarding international cooperation at various ministries, JICA, NGOs,

international organizations, and other groups through the website called "PARTNER (Participatory Network for Expert Recruitment)" (<http://partner.jica.go.jp/>), as well as registering human resources, offering information on training and seminars, and career counseling, etc.

Furthermore, the Senior Advisor System is allowing JICA to be staffed by experts with highly specialized capabilities and abundant work experience in developing countries. The JICA Research Institute, established in October 2008, conducts policy research based on the actual experiences of development cooperation using internationally recognized methodologies, while communicating with the governments of developing countries and the recipient communities of international development cooperation.

(7) Development Education

MOFA sends its own staff to junior-high and high schools, universities, local governments, and NGOs to give lectures on ODA ("ODA Demae Koza") in order to provide information and explanations about Japan's international development cooperation and ODA. JICA also annually holds the "Global Education Contest"⁵ (JICA has been the main sponsor since FY2011), in which participants can showcase photos and field reports on global education, which can be utilized for development education in order to promote development education. Similarly to assist development education, in response to requests from school education on the ground and local governments that promote internationalization, JICA sends former JOCVs to schools as lecturers. The JOCVs then engage in several types of activities, including the following: "International Cooperation Lecture" in which they speak about life in developing countries and stories of personal experiences, aiming to promote cross-cultural and international understanding; the "International Cooperation Experience Program" which focuses on high school and university students; "JICA Essay Contest on International Cooperation for Junior and High School Students" for junior and high



A staff of the Ministry of Foreign Affairs explaining the significance of Japan's ODA at an ODA Delivery Lecture held at Makinohara City Sagara Junior-High School in Sizuoka Prefecture.

school students. Furthermore, for teachers, there are various training programs such as the "Training Program for Development Education Leaders" and the "Study Tour Program for Teachers" in which teachers are dispatched to developing countries with the aim to utilize such experiences in their lessons.

(8) Strengthening Public Relations, Information Disclosure and Information Dissemination

Both MOFA and JICA have launched websites related to ODA⁶, which are linked to each other, in an effort to release and disseminate accurate information to the wider public. In October 2010, the "ODA mieru-ka site" (a website for the visualization of ODA) was launched within the JICA website to provide an easy-to-understand explanation of the current status of ODA projects and other aspects of the

overall flow. In addition, MOFA publishes an ODA email magazine, which introduces actual stories of experiences and episodes about development cooperation in the field from the staff of overseas diplomatic missions and JICA-related personnel.

Since FY1993, MOFA has been making efforts to increase Japanese people's interest in international

Note 5: Formerly the Development Education/International Understanding Education Contest (changed in FY2009)

Note 6: MOFA ODA website: <http://www.mofa.go.jp/policy/oda/>

JICA: <http://www.jica.go.jp> ODA mieru-ka site: <http://www.jica.go.jp/oda>

development cooperation and enhance their understanding by broadcasting relevant TV programs. In FY2014, MOFA produced a TV program, “MOFA Presents on What We Can Do to Better the World” (simultaneously broadcast on Tokyo MX TV and NicoNico Nama Housou livestreaming service), which was a special program commemorating the 60th anniversary of Japan’s international development cooperation. These programs introduced Japan’s international cooperation and ODA to the public in an easy-to-understand manner, by including site coverage in developing countries and specific episodes. Aside from TV program, information on international cooperation was disseminated to the public, particularly aimed at younger generations, through various media, including magazines and specially established websites.

Global Festa JAPAN is held annually around the time of the “International Cooperation Day” (6th of October)* as one of the largest international development cooperation events in Japan. This event, which is co-hosted by MOFA, JICA, and the Japan NGO Center for International Cooperation (JANIC) for two days on Saturday and Sunday at Hibiya Park in Tokyo, had participation from NGOs,



Global Festa JAPAN 2014

international organizations, private corporations and related ministries. The 2014 event attracted approximately 78,000 visitors.⁷



The special broadcasting program to mark the 60th anniversary of Japan's international cooperation, “The Ministry of Foreign Affairs presents: What we can do for the world”

In addition, Japan conducts public relations activities overseas to promote a better understanding of Japan’s proactive international contribution through ODA. For example, Japan cooperates with local news coverage by providing press releases when signings and handover ceremonies related to development cooperation occur. In addition, Japanese overseas diplomatic missions plan site-visit tours to Japan’s development cooperation projects for the local media to provide opportunities for them to address Japan’s cooperation. Furthermore, Japanese embassies host various lectures, and create websites and PR pamphlets both in English and local languages.

● Glossary

International Cooperation Day

On October 6, 1954, Japan made a decision to join the Colombo Plan (the earliest international organization established after World War II in 1951 to provide assistance to developing countries) at the Cabinet meeting and commenced economic cooperation. In conjunction with this, October 6 was designated as “International Cooperation Day” in accordance with the cabinet approval in 1987.

Note 7: On the second day, the event was terminated in the morning due to poor weather.

3. Requirements for Implementation of Strategic and Effective Assistance

Japan has been (i) enhancing the PDCA cycle (project formation (Plan), implementation (Do), evaluation and monitoring (Check), and follow-up (Act)), (ii) strengthening the Program Approach, and (iii) reinforcing “visualization,” in order to increase the transparency of ODA projects and improve accountability.

In April 2013, Japan released the “Implementation of Strategic and Effective Assistance (Third Edition),” a report with the purpose of enhancing the transparency of ODA projects and making continuous improvements in implementing the projects. In this document, the following initiatives were announced in order to strengthen the PDCA cycle: introduction of systematic numerical targets for grant aid projects (which would enable reasonable targets to be

set for each project); introduction of the PDCA cycle for Grant Aid for Poverty Reduction Strategy; introduction of a four-grade evaluation system for project evaluations. At the 11th meeting of the Administrative Reform Promotion Council in June 2014, experts commended the introduction of systematic numerical targets as an example of an improved measure that strengthened the PDCA cycle.

In addition, based on the points raised at the “Autumn Administrative Program Review” conducted in November 2013, Japan formulated guidelines regarding the effective use of grant aid in countries with relatively high income levels, following the discussions by external experts at the Development Project Accountability Committee.

(1) Strategic Aid Implementation

● Program Approach

The Program Approach refers to an approach in which goals for resolving specific development issues (program objectives) are established through consultation with recipient countries, and then concrete ODA projects needed to achieve these goals are drawn based on the objectives.

For example, to achieve the “objective” of reducing

the mortality rate of pregnant women in a specific region, “concrete projects,” such as hospital construction using grant aid and midwives training through technical cooperation may be drawn out. At present, the Program Approach is undertaken in the pilot phase, and the experiences and results will be drawn upon to strengthen this approach.

● Country Assistance Policy

A Country Assistance Policy is Japan’s country-specific aid policy formulated on the basis of a comprehensive assessment of the development plans and challenges of each ODA recipient country, taking its political, economic and social situations into consideration. The Policy concisely outlines the significance, basic policy, and priorities of the

assistance to each recipient country, and thereby intends to show a clear vision of the development cooperation implemented through “selection and concentration.” In principle, the Policy is to be formulated for all countries eligible for ODA, and as of October 2014, Country Assistance Policies for 106 countries have been formulated.

(2) Effective Aid Implementation

● Website for visualization of ODA

The “ODA mieru-ka site” (a website for the visualization of ODA) was launched on the JICA website in April 2011 to enhance transparency of ODA projects in order to further increase public understanding and support for ODA. Photographs, ex-ante/ex-post evaluations, and other information are being posted to enrich information, in order to offer the public a clearer picture of the ODA projects around the world in an easy-to-understand manner with a focus on loan aid, grant aid, and technical cooperation projects, and by providing an overview of each project as well as the process from project formation to completion. Likewise, lists summarizing the status of specific achievements and lessons learned from past projects, including projects which proved to be effective as well as those which proved to be inadequate, have already been publicized three times on the MOFA website to promote



ODA mieru-ka site (website for the visualization of ODA):
<http://www.jica.go.jp/oda>

more effective implementation of ODA. Since FY2014, the information in these lists has been incorporated into each

● PDCA Cycle

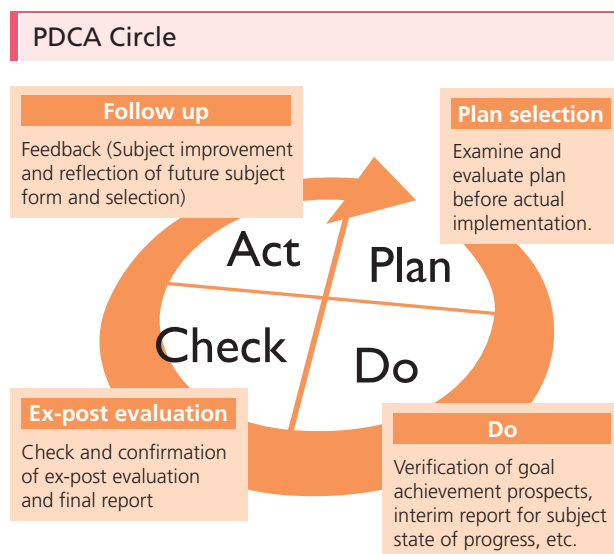
With regard to strengthening the PDCA cycle, on-going efforts include: (i) formulating Country Assistance Policies for all recipient countries of Japan's ODA, (ii) convening the Development Project Accountability Committee, (iii) setting indicators for individual projects, and (iv) strengthening the evaluation implementation structure. In particular, the Development Project Accountability Committee, which has held meetings since 2011, plays a central role in the PDCA cycle. The Committee aims to implement ODA projects with increased effectiveness and enhance their transparency. To this end, prior to the implementation of research for formulating new projects of grant aid, loan aid, and technical cooperation, the Committee conducts opinion exchanges regarding the content of research between external experts in ODA-related areas and relevant departments of MOFA and JICA, as well as reflecting the past experiences and perspectives of external experts in new projects.

● Enhancement of Evaluation

For the implementation of ODA with increased effectiveness and efficiency, it is necessary to accurately grasp the implementation status of development cooperation and its effect, and to reflect this understanding into the effort to improve this field. To this end, MOFA, other related ministries, and JICA conduct ODA evaluations as part of the PDCA cycle. The lessons and recommendations obtained from the results of ODA evaluations are conveyed to the relevant departments of MOFA and JICA as well as the governments of recipient countries in order to utilize them in future planning and implementation processes. In addition, the wide publications of the results of ODA evaluations, for example on websites, also play a role in fulfilling the government's accountability regarding the ways in which ODA are used and the effects generated by the ODA projects.

Currently, MOFA conducts the ODA evaluations, which are mainly evaluations at the policy-level (e.g., country assistance evaluations and priority issue evaluations). Taking into consideration of the five evaluation criteria of the DAC Criteria for Evaluating Development Assistance (Relevance, Effectiveness, Efficiency, Impact (long-term effect), and Sustainability), MOFA conducts evaluations from development viewpoints based on three evaluation criteria, namely, relevance of policies, effectiveness of results, and appropriateness of processes. The evaluation is conducted by third parties to ensure the objectivity and transparency of the MOFA's evaluations.

project's page on JICA's "ODA mieru-ka site" in an effort to further increase convenience.



ODA evaluations since 2011 have included diplomatic viewpoints in addition to development viewpoints.

Meanwhile, JICA implements evaluations of technical cooperation, ODA loan, and grant aid projects individually as well as evaluations on different themes. Consistent monitoring and evaluations from the pre-implementation stage, through the implementation stage, and to the post-implementation stage are conducted, and at the same time, an evaluation mechanism consistent to these three forms of assistance has been established. These evaluations are conducted in accordance with the DAC Criteria for Evaluating Development Assistance, and ex-post evaluations conducted by third-party evaluators (external evaluation) for projects involving monetary amounts which exceed a certain amount.

Response to the recommendations and lessons obtained from the results of these ODA evaluations are discussed and reflected in the policy formulation and the implementation of ODA.

MOFA also conducts policy evaluations on development cooperation policies in general, ex-ante evaluations on projects involving monetary amounts which exceed a certain amount, and ex-post evaluations on pending projects that have not proceeded for five years, and incomplete projects* that have not concluded within ten years. These evaluations are carried out pursuant to the Government Policy Evaluations Act (GPEA).

Pending projects/incomplete projects

"Projects that have not begun after five years" are projects for which the loan agreement has not been signed or loan disbursement has not begun after five years have elapsed following the decision to implement the project. "Projects that have not been completed after ten years" are projects for which loan disbursements have not been completed after ten years have elapsed following the decision to implement the project.

● Preventing Fraudulent Practices

Given that Japan's ODA is funded by taxpayers' money, fraudulent practices associated with ODA projects not only interfere with the proper and effective implementation of assistance, but also undermine public trust in ODA projects, which must never be allowed. Accordingly, the Government of Japan and JICA make efforts, taking past incidents of fraudulent practices into consideration, to prevent fraudulent practices by ensuring the transparency of procurement and other procedures.

At the procurement stage of ODA projects, developing countries conduct tendering procedures in accordance with JICA's guidelines for procurement, followed by the verification of the results by JICA, which takes responses to increase transparency of the procedure by disclosing not only the name of the contractee but also the contract amount. In case frauds are discovered relating to procurement or other stages of ODA project implementation, measures are to be taken to exclude companies engaged in fraud from bidding or receiving contracts for projects for a certain period.

With regard to external audits, JICA implements such audits conducted by accounting auditors. In addition, external audits, in principle, have been made obligatory and are being implemented for Grant Assistance for Grass-Roots Human Security Projects worth ¥3 million or more.

Regarding internal audits, JICA employs a system in which audits of loan aid projects agreed upon between governments can be conducted as needed. For technical cooperation, JICA conducts internal audits via sampling. JICA also carries out technical audits of grant aid.

Japan, as a country which has ratified the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, takes strict and fair actions, including the application of the Unfair Competition Prevention Act, against fraudulent business with foreign government-related parties in order to ensure trust in ODA projects.

In response to the improprieties of ODA loan projects

that took place in Viet Nam in 2008, MOFA and JICA reviewed their guidelines for measures against companies engaged in fraudulent practices, which stipulate that such companies may not participate in tenders for a certain period of time. In addition, a support system was established for the overseas arms of Japanese companies through the Embassies of Japan and overseas JICA offices, thereby urging related industries to comply with laws. Specifically, MOFA and JICA conducted, hosting seminars concerning international contract terms and conditions for Japanese companies in cooperation with industry associations, enhancing the involvement of JICA during the selection of consultants by partner countries, and holding discussions with other donor countries to prevent fraud and corruption.

Notwithstanding these efforts, in 2014, a Japanese company entered into a plea agreement with U.S. judicial authorities for fraudulent practices associated with an ODA loan project in Indonesia and was found guilty in the United States. Furthermore, members of a Japanese company were indicted on fraud charges with respect to ODA loan and other projects in Indonesia, Uzbekistan, and Viet Nam. Although MOFA and JICA had taken the aforementioned measures to prevent fraudulent practices, in light of the occurrence of incidents which have undermined the credibility of ODA, further steps are being taken to prevent a recurrence. These steps include improving the function of the Consultation Desk on Fraud and Corruption, barring companies engaged in fraud from bidding on Japan's ODA projects, and encouraging companies to establish compliance systems. Efforts on the Japanese side as well as the efforts and cooperation of partner countries are essential to prevent such situations from occurring. From this perspective, Japan is also consulting with governments of partner countries.

In FY2013, the Government of Japan barred a company from bidding on ODA projects for certain periods.

(3) Ensuring Appropriate Procedures

When implementing development cooperation, it must be ensured that appropriate consideration has been taken by the counterpart governments and relevant organizations implementing the project in relation to the impact on the environment and local communities, such as the resettlement of residents and the violation of the rights of indigenous people and women. In accordance with the Guidelines for Environmental and Social Considerations* established in 2010, JICA has been providing support to ensure appropriate environmental and social considerations undertaken by partner countries to avoid or minimize the potential undesirable impacts

of development cooperation projects on the environment and local communities. These efforts lead to ensuring transparency, predictability, and accountability related to environmental and social considerations.

In addition, meetings of the Development Project Accountability Committee, which offers an opportunity to exchange views with knowledgeable and experienced external experts prior to the implementation of project research, are held and open to the general public to further improve the effectiveness and increase transparency of ODA projects.

(4) Securing the Safety of Personnel Engaged in Development Assistance

Security situations in developing countries in which ODA personnel are involved are complex and change constantly. In addition, since the terrorist attacks in the United States on September 11, 2001, tensions in the Middle East and South Asia regions have increased, and terrorist activities have been occurring frequently worldwide. In peacebuilding activities, the ways in which the safety of development cooperation personnel can be ensured has become a considerably critical issue.

The Government of Japan assesses the domestic security situation in each country mainly through the Embassies of Japan, provides travel information, and shares information among people engaging in development cooperation. JICA takes measures such as providing particular training and seminars before they leave Japan, ensuring means of communication in emergency situations in the destination, deploying security advisors*, and installing security equipment in the living quarters of development

cooperation personnel. In addition, JICA implements other appropriate and timely security measures, for example, by preparing security manuals tailored to the specific security conditions of the various countries and regions through exchanging information with Japanese Embassies and local offices of international organizations. Furthermore, JICA strives to enhance safety management, and for this purpose it holds joint training for emergency and risk management in cooperation with the United Nations High Commissioner for Refugees (UNHCR) Regional Centre for Emergency Preparedness (eCentre) as well as conducting other initiatives. In terms of grant aid, JICA provides information for consultants and construction contractors, while also improving the system for communication during emergencies. As for loan aid, efforts are being made to ensure the safety of people related to Japanese corporations that take on projects by providing information to these companies.

● Glossary

Guidelines for Environmental and Social Considerations

“Environmental and social considerations” refers to an attitude towards considering the adverse impacts that a project could have on environmental and social aspects, such as impacts on air, water, and soil, impacts on nature including ecosystem, flora, and fauna, as well as the involuntary resettlement of people. The Guidelines for Environmental and Social Considerations are guidelines for JICA to conduct necessary studies and avoid or minimize adverse impacts in ODA projects involving JICA when the aforementioned adverse impacts are anticipated in these projects. The Guideline is also for JICA to support and ensure that ODA recipient countries can undertake appropriate environmental and social considerations in order to prevent the occurrence of unacceptable adverse impacts on these countries.
http://www.jica.go.jp/english/our_work/social_environmental/guideline/

Security advisor

In order to strengthen safety measures in the field, JICA employs people on a commission basis who are well versed in the security and safety measures of the country concerned to serve as security management advisors, through which JICA collects and transmits daily security information. This system enables JICA to take around-the-clock responses to a wide range of tasks from housing security to traffic accidents.