

3. Efforts for Strengthening Partnerships

Japan's development cooperation is carried out in partnership with diverse actors, and a variety of institutional reforms and other improvements are made to maximize its effects. For development cooperation implemented by the government and its associated agencies, the government strives to strengthen collaboration between JICA and other agencies responsible for official funds such as the Japan Bank for International Cooperation (JBIC), Nippon

Export and Investment Insurance (NEXI), Japan Overseas Infrastructure Investment Corporation for Transport and Urban Development (JOIN), and the Fund Corporation for the Overseas Development of Japan's ICT and Postal Services (JICT). In addition, the government also endeavors to enhance mutually beneficial partnerships with various actors so as to serve as a catalyst for mobilizing a wide range of resources, including the private sector.

(1) Public-Private Partnership (PPP)

With the globalization of the economy, the inflow of private finance into developing countries is currently about 2.5 times larger than that of ODA. Therefore, it is increasingly important to promote the contribution of private finance to development to address the financing needs of developing countries. In response to such a situation, the Government of Japan promotes quality infrastructure investment by way of Public-Private Partnerships (PPP) as mentioned earlier (see pages 39 and 42), and, in other sectors, encourages private investments through the following PPP measures.

Various operations conducted by Japanese private companies in developing countries can yield a range of benefits to these countries by creating local employment opportunities, augmenting tax revenue, expanding trade and investment, contributing to the acquisition of foreign currency, and transferring Japan's high-standard technology. Aiming to facilitate activities by these private companies in developing countries, in April 2008, the government announced the Public-Private Partnership for Growth in Developing Countries, a new policy to strengthen partnerships between official funds, such as ODA, and Japanese companies. Accordingly, the government accepts consultation and proposals from private companies regarding their activities, which are conducive to economic growth and poverty reduction in developing countries, and regarding PPP projects coordinated with ODA. For example, Japan utilized technical cooperation to invite a team of Mexican physicians to Japan to provide training on specialized medical technology (cardiac catheterization techniques) developed by a Japanese company.

Meanwhile, Corporate Social Responsibility (CSR) activities are drawing increasing attention in recent years, which are conducted by private companies with the aim of proactively contributing to resolving the issues facing the communities in which they operate, and BOP business.* These activities target the low-income population, and they are expected to contribute to their higher living standards and to solving social issues. In order to promote cooperation between the CSR activities

and/or 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 the non-public sectors and authorized 18 such projects in FY2014. In addition, Japan carries out PPP* that aims to implement highly public nature projects more efficiently and effectively through public-private cooperation. Japan provides assistance from the planning stage to the implementation of a project, such as institutional development and human resources development through technical cooperation, as well as utilizing Private-Sector Investment Finance and ODA Loans.

Furthermore, at the 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 businesses and social contribution activities in developing countries by Japanese companies. Japan has promoted their activities which contribute to the achievement of the MDGs, for example, by providing the companies with: information on the development needs of developing countries; assistance for networking through introducing domestic and overseas NGOs, international organizations, and universities; and workshops on different themes such as health and the post-MDGs.

In addition, international organizations, such as the United Nations Development Programme (UNDP) and the United Nations Children's Fund (UNICEF), promote inclusive businesses* by Japanese companies on the basis of the organizations' extensive experience and expertise in developing countries. For example, through the Japan-UNDP Partnership Fund, UNDP experts gave advice to Japanese companies whose business is to promote the cultivation of organic cotton in India. As a result, their project that supports 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.

A. Preparatory surveys for PPP infrastructure projects and BOP business promotion

JICA implements two types of preparatory survey based on proposals from private companies to encourage Japanese companies with advanced technologies, knowledge and experience and have an interest in overseas expansion to participate in the field of development. In particular, this is a survey scheme based on proposals from private companies to assist the formulation of their project plans. JICA calls for a wide range of proposals from private companies for a feasibility survey on PPP infrastructure projects and BOP business promotion, respectively, and entrusts feasibility surveys* to the companies that have submitted such proposals. So far, JICA has selected 75

PPP infrastructure project proposals such as motorway and water and sewerage system projects, and 99 BOP business promotion proposals in the areas of health and medical care and agriculture. Following the preparatory surveys for PPP infrastructure projects, some of these projects were authorized as Private-Sector Investment Finance projects or ODA Loan projects. Through this scheme, JICA will utilize the expertise, funds, and technologies of private companies for the socio-economic development of developing countries as well as support the overseas expansion of private companies.

B. Partnership with Japanese small and medium-sized enterprises (SMEs) and other entities

Incorporating the rapid economic growth of emerging and developing countries is of crucial importance for the future growth of the Japanese economy. In particular, although Japanese SMEs possess numerous world-class products and technologies, etc., many businesses have been unable to take steps for overseas business expansion due to insufficient human resources, knowledge, and experience. 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 business expansion of Japanese SMEs and other entities using ODA. Specific examples include: a survey that takes into account the establishment of development assistance projects that make use of a product, technology, etc. of an SME or other entities (Needs Survey); a survey for collecting basic information and formulating project plans necessary for the overseas business of an SME, etc. (business undertaken by direct entry into the country) that contributes to resolving the issues of developing countries (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 Survey with the Private Sector for Utilizing Japanese Technologies in ODA Projects); and surveys to verify ways to enhance 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 vitalization of the Japanese economy by utilizing Japanese SMEs and other entities' excellent products and technologies. From FY2012 to FY2014, MOFA and JICA supported 270 SMEs' surveys and Verification Surveys. As a result, out of the 108 projects for which Promotion Surveys, Product Feasibility Surveys,

and Verification Surveys have been completed by the end of September 2014, over 80% (87 projects) have ongoing overseas activities in the relevant countries.

As participating companies and business organizations have expressed many requests for further expansion of such efforts, Japan continues to proactively support the overseas business expansion of SMEs and other entities through ODA.

Furthermore, Japan provides grant aid (provision of equipment using SMEs' products) for this purpose. By providing Japanese SMEs' products based on the requests and development needs of developing country governments, Japan not only supports the socio-economic development of developing countries, but also strongly supports the overseas business expansion of Japanese SMEs by raising the profile of the SMEs' products and creating sustained demand for them.

In addition, in order to assist the development of global human resources required by SMEs and other entities, the "Private-Sector Partnership Volunteer System"* in which employees from companies are dispatched to developing countries as Japan Overseas Cooperation Volunteers (JOCV) or Senior Volunteers (SV) while keeping their affiliation with their companies was established in 2012. Through this system, Japan proactively supports companies to expand their businesses overseas.

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 carrying out 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.

C. Grant aid for business/management rights

In FY2014, Japan introduced grant aid for business/management rights. By extending grant aid for public works projects that comprehensively implement the continuum of activities from facility construction to operation, maintenance and management with the involvement of private companies, this grant aid aims

to facilitate the acquisition of business and management rights by Japanese companies and utilize Japan's advanced technologies and know-how for the development of developing countries. In FY2014, this grant aid was provided for a project to address water leakages in Myanmar and a project to address medical waste in Kenya.

D. Improving Japan's ODA Loans

ODA Loans are expected to provide Japan's advanced technologies and know-how to developing countries, and thereby improve people's living standards. At the same time, Japan seeks to use ODA Loans to tap into the growth of emerging economies, including those in Asia, which have a particularly close relationship with Japan, and contribute to the vitalization of the Japanese economy. In this regard, Japan will carry out further improvement of Japan's ODA Loans to make them even more attractive to both developing countries and Japanese private companies.

Japan announced "Improvement Measures for the Strategic Use of ODA Loans" and other institutional improvements in April and October 2013. First, in April, former priority areas were sorted as either "environment" or "human resources development," and "disaster risk reduction" and "health and medical care" were added to form the 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 that 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 "Visible Japanese Assistance" by utilizing Japan's advanced technologies and know-how as well as transferring technologies to developing countries. These improvements include expanding the scope of application of STEP and lowering interest rates. At the same time, Japan established the Stand-by Emergency Credit for Urgent Recovery (SECURE)⁴ and took additional measures. In October, Japan introduced the Equity Back Finance (EBF) loan⁵ and the Viability Gap Funding (VGF) loan⁶ to meet the huge infrastructure demand particularly in Asia. 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.

In June 2014, Japan decided to utilize the "Sector Project Loan" that provides comprehensive Japan's ODA Loans for multiple projects of the same sector, etc. in a full-fledged manner. Japan also decided to further accelerate the implementation of Japan's ODA Loans by integrating the pre-qualification and project tender processes for Japan's ODA Loan projects when Japanese companies' engagement is expected. In November 2014, Japan newly introduced Contingent Credit Enhancement Facility for PPP Infrastructure Development (CCEF-PPP).⁷

In November 2015, Japan announced follow-up measures of the Partnership for Quality Infrastructure that would improve Japan's ODA Loans and Private-Sector Investment Finance by accelerating Japan's ODA Loan procedures, creating new Japan's loans, among other measures. Specifically, the following measures are included: the government will reduce the period necessary for government-related procedures for Japan's ODA Loans that normally require three years to approximately one and a half years at most for important projects and to approximately two years at most for other projects; on the condition that JICA's financial grounds are ensured, the government would introduce ODA Loans with currency conversion option to countries whose GNI per capita level is the same as or higher than that of upper-middle-income countries as well as establish dollar-denominated forms of Japan's ODA Loans, high-spec loans, and Japan's ODA Loans for business/management rights; the government would add "special contingency reserves" in the amount to be committed in Exchange of Notes (E/N); and in providing Japan's ODA Loans directly to sub-sovereign entities such as local governments and public corporations, etc. of developing countries, the government decided to exempt the Government of Japan guarantee as an exception on a case-by-case basis at a ministerial conference if

Note 4: Under this scheme, Japan concludes international agreements for Japan's ODA Loans in advance with developing countries that are prone to natural disasters, enabling a swift lending of funds for recovery in the event of a disaster.

Note 5: If a Japanese company is among the implementers of a PPP infrastructure project in which the government of a developing country, state enterprise, or other parties have a stake, then an EBF loan is provided for the equity investment made by the government of a developing country in the Special Purpose Company (SPC), the entity responsible for the public work project in the developing country.

Note 6: As a rule, if a Japanese company has a stake in a PPP infrastructure project implemented by the government of a developing country, then a VGF loan is provided to help finance the VGF that the developing country provides to the SPC, in order to secure the profitability expected by the SPC.

Note 7: CCEF-PPP refers to loans that are provided based on requests from SPCs to perform guarantee obligations, etc., in order to encourage the government of a developing country to develop and utilize schemes that ensure the execution of off-take agreements, and thereby, promote PPP infrastructure development pursuant to appropriate risk sharing between the public and private sectors.

various conditions, including economic stability of recipient countries and sufficient commitment by recipient governments, are met. In addition, the measures set forth

E. 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's 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 PSIF 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 projects through private sector engagement, JICA resumed the provision of PSIF to private companies on a pilot basis. For example, PSIF has been provided for an industrial human resources development project in Viet Nam and a microfinance project for the poor in Pakistan since March 2011.

JICA fully resumed PSIF in October 2012. As of September 2015, a total of eight investment and loan agreements have been signed, including the Thilawa Special Economic Zone (Class A Area) Development

that pilot/test-marketing projects would be conducted through grant aid and technical assistance financed under JICA's Finance and Investment Account, etc.

Project in Myanmar. In order to reduce the exchange rate risk of Japanese companies participating in overseas infrastructure projects, JICA announced in succession the introduction of local currency-denominated loans (June 2014) and U.S. dollar-denominated loans (June 2015) for the PSIF scheme to supplement the existing yen-denominated loans.

In November 2015, Japan announced follow-up measures of the Partnership for Quality Infrastructure that included acceleration of PSIF, expansion of the coverage of PSIF, and strengthening of the collaboration between JICA and other organizations. The measures set out that JICA would start its appraisal process, in principle, within one month after an application was filed by private companies, etc., that the standard period for JBIC to respond to inquiries on projects was to be two weeks, that the government was to enable JICA to co-finance with private financial institutions, and that the government would review the requirement of the "no-precedent policy" and allow loans to be provided in cases where non-concessional loans by existing Japanese private financial institutions were not possible.

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

This private sector proposal-type program aims to deepen the understanding of excellent products, technologies, and systems of Japanese companies, as well as to examine the feasibility of their application to the development of developing countries, through training and locally-held seminars aimed primarily at government officials from developing countries. JICA calls for proposals from private companies, and the implementation of selected projects is entrusted to the companies that make the proposals. As a result, the projects and the private companies' subsequent execution of the projects contribute to resolving the challenges of developing countries. At the same time, private companies can expect positive effects such as increased awareness of their company's technologies, products, and systems in the relevant country, detailed execution of businesses of

a highly public nature, and networking with government officials in developing countries.

In FY2014, 12 proposals were selected in the first call for proposals, and 17 proposals were selected in the second call for proposals (of which seven were selected for the "health and medical care special category" of the FY2014 supplementary budget). The proposals covered a wide range of sectors including health and medical care, urban transportation, energy, and disaster risk reduction that make use of Japan's technologies and know-how, as well as new sectors such as space development that utilize infrastructure technologies. The proposals targeted mainly Southeast Asia but also extended over a broad geographical area including South Asia, Central Asia, Middle East, Latin America and the Caribbean, and Africa.

BOP (Base of the 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 approximately 5 billion people, low-income groups are attracting attention as a market with potential for growth. It is expected that incorporating low-income groups into consumption, production, sales, and other value chains will 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, water purification systems, 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 (PPP) using ODA

PPP is a 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 covered 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 sewerage 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 way to achieve inclusive market growth and development. It includes sustainable BOP businesses that resolve social challenges.

Feasibility survey

Feasibility survey verifies whether a proposed project is viable for execution (realization), and plans and formulates a project that is most appropriate for implementation. The survey investigates a project's potential, its appropriateness, and its investment effects.

Private-Sector Partnership Volunteer System

The Private-Sector Partnership Volunteer System is a system in which employees of SMEs and other entities 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 other entities and their overseas business expansion. The country, occupation type, and duration of dispatch are determined through consultation based on the requests from companies and other entities. Volunteers are dispatched to countries in which their companies are considering business expansion. It is expected that the volunteers gain an understanding of the culture, commercial practices, and the technical level of their respective destination countries through their volunteering activities, and that they acquire not only language skills but also communication skills, problem solving skills and negotiation skills, which will be brought back into corporate activities upon their return.

Fast-Pass System for Overseas Expansion

Fast-Pass System for Overseas Expansion refers to 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 and Japanese overseas diplomatic missions and/or JETRO, which have know-how on overseas expansion. The system is intended to provide seamless support, both domestically and internationally.

Private-Sector Investment Finance (PSIF)

PSIF refers to one of JICA's loan aid schemes, which provides necessary investment and financing to private sector corporations and other entities, which are responsible for implementing projects in developing countries. The projects of private companies and other entities in developing countries create employment and lead to the revitalization of the economy, but it is difficult to obtain sufficient financing from existing financial institutions, in some cases due to a variety of risks involved and the unlikelihood of high gains. PSIF supports the development of developing countries by providing investment and financing for businesses which are difficult to sustain by financing from private financial institutions alone and which are highly effective for development. The fields eligible for this assistance are: (i) infrastructure development and growth acceleration; (ii) SDGs and poverty reduction; and (iii) measures against climate change.

(2) Partnership with universities and local governments

Japan utilizes the practical experience and expertise accumulated by universities as well as local governments to implement more effective ODA. The Government of Japan carries out technical cooperation and Japan's ODA Loans jointly with various universities, with the aim of utilizing the specialized knowledge accumulated in universities to comprehensively address the issues that developing countries face. In addition, Japan proactively promotes the overseas activities of Japanese local governments utilizing ODA, recognizing the contribution of local governments to the development of developing countries as their accumulated expertise in such fields as water, energy, waste treatment, and disaster risk reduction, meet the needs of developing countries where there are rapidly rising needs for tackling urban issues.

In November 2014, the government held a seminar for local governments to share know-how regarding the overseas activities of the same local governments that are engaged in progressive efforts in fields that contribute to the development of developing countries, such as water, waste, and disaster risk reduction.

Since February 2015, the government has extended support to developing countries and sought to revitalize

Japan's regions through overseas activities of local governments by utilizing the JICA Partnership Program framework (local government type).

In July 2015, the government has decided to establish a framework by which JICA would accept proposals for grant aid programs from local governments as necessary, and by which such governments would take part in grant aid projects.



A seminar for enhancement of cooperation with local governments in order to promote their overseas activities.

(3) Partnership with civil society

In today's international community, a range of actors, including private companies, local governments and non-governmental organizations (NGOs) are playing a bigger role in finding solutions to development challenges and achieving quality growth in developing countries. In this

regard, collaboration with civil society centered around NGOs is essential from the perspectives of deepening public understanding and participation in development cooperation, and further expanding and strengthening social foundations underpinning such cooperation.

A. Direct participation in assistance to developing countries through the Japan Overseas Cooperation Volunteers (JOCV) and Senior Volunteers (SV)

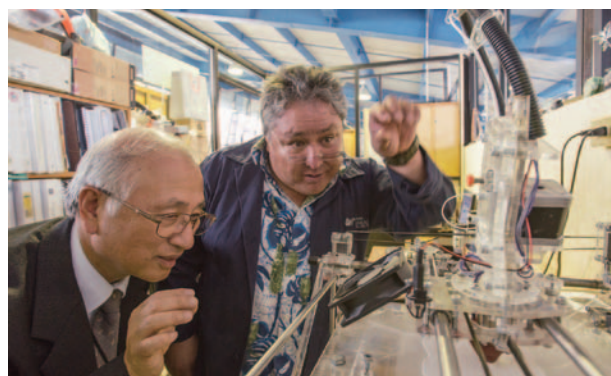
Founded in 1965 and marking its 50th anniversary in 2015, the Japan Overseas Cooperation Volunteers (JOCV) program has dispatched approximately 40,000 people to 88 countries in total, contributing to the development of developing countries as an example of “Visible Japanese Assistance.” The JOCV program is a participatory program in which young and skilled Japanese people aged 20 to 39 are dispatched to developing countries in principle for a two-year-term to assist socio-economic development in those countries, while living and working as volunteers with local residents.

The SV program is also a participatory program in which Japanese men and women between the ages of 40 and 69 who have a wide range of skills and abundant experience engage in development activities for developing countries. The SV program is considered as the senior version of the JOCV program.

These volunteer programs contribute not only to the socio-economic development of the relevant countries, but also to deepening their people's affinity for Japan, and

thereby increasing mutual understanding and friendships between Japan and these countries. Additionally, in recent years, the programs have drawn attention in the aspect that volunteers' experience is given back to society. For example, upon returning to Japan, volunteers contribute their services to Japanese private companies for the expansion of their businesses in developing countries.

In order to promote these initiatives, the Japanese government is making it easier for people to take up positions in these volunteer programs, including offering career support to those who have returned to Japan, along with enhancing public communication work to inform people of such possibilities as taking advantage of career breaks.*



A Senior Volunteer, Mr. Hiroshi Shimizu is in charge of mechanical engineering at the Technology University of San Juan Del Río in Mexico. (Photo: JICA)

Glossary

Volunteer system taking advantage of career breaks

Professionals working at companies, national or local governments, or schools are participating in the JOCV program and 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.

B. Assistance to NGOs and participation in NGO activities

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 sites affected by conflict or natural disasters such as earthquake and typhoon. 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 address through

assistance by governments and international organizations. Furthermore, MOFA regards Japanese NGOs that embody “Visible Japanese Assistance” as indispensable players in development cooperation, and therefore, attaches importance to collaborating with NGOs. Specifically, MOFA implements: (i) financial support for the development cooperation activities of NGOs; (ii) support for the capacity building of NGOs; and (iii) dialogues with NGOs.

In addition, based on the Development Cooperation Charter, MOFA and NGOs jointly developed a plan outlining the direction of their collaboration over the next five years and announced the plan in June 2015.

C. Financial cooperation for NGO projects

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

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

JOCA Malawi Project - Project for Farmers' Self-Reliance towards Community Empowerment in Mzimba

Grant Assistance for Japanese NGO Projects (March 2014 – Ongoing)

Like other African countries, the Government of Malawi is promoting commercial agriculture among small-scale farmers. The goal is to improve productivity, secure a stable food supply and reduce poverty. Against this backdrop, the Japan Overseas Cooperative Association (JOCA) provided assistance in Mzimba District in 2005, in order to develop agricultural leaders, enhance groups, diversify agriculture, and increase income. The overall goal is to build a self-reliant farming community that can think and act on its own.

JOCA held an additional three-year program from 2009, and has subsequently begun a new three-year program utilizing grant assistance for Japanese NGOs from 2014. The final goal is to establish a self-reliant and sustainable farming community through this project.

As a result, the yield of garlic, Mzimba's main crop, tripled to about 75 tons in September 2015 compared to the previous year. In addition, many farmers are making new investments. Poultry farmers have purchased more than 1,000 chickens, and seven local beekeepers have set up 15 individual nest boxes. Even rabbit farming has been started. Two groups and two farmers have started manufacturing and marketing bread, while another farmer began a sundries store. It is clear that these commercial approaches are steadily taking root in the community.

These results were achieved because of the existence of individual farmers who can think and act on their own, as well as groups and committees of these farmers. A total of 26 voluntary workshops were held by farmers over a six-month period, starting from March 2015. The workshop's themes included group enhancement (14 times), vegetable cultivation (11 times) and beekeeping (1 time).

One of the most symbolic events was the introduction of a small-scale hydroelectric power facility in a small village, to supply electricity to all 15 houses there. Later, the facility has begun distributing power to nearby communities.

A reserve fund has also been set aside for the village to defray repair costs. With the help of a Japanese NGO, Mzimba has achieved results that far exceeded initial expectations. It is expected that even more benefits will be seen in future. (As of September 2015)



A beekeeping workshop for farmers. (Photo: Japan Overseas Cooperative Association)

■ Grant Assistance for Japanese NGO Projects

MOFA provides financing for the socio-economic development projects that Japanese NGOs implement in developing countries through the Grant Assistance for Japanese NGO Project scheme. In FY2014, 57 organizations utilized this framework to implement 108 projects amounting to ¥4.1 billion in total in 36 countries and region in such fields as medical care and health, education and human resources development, vocational training, rural development, water resource development, and landmine and unexploded ordnance (UXO) clearance. In addition, as of July 2015, 47 NGOs are members of Japan Platform (JPF), an emergency humanitarian aid organization established in 2000 through a partnership among NGOs, the government, and the business

community. 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 natural disaster occurs or a vast number of refugees flee due to conflict. In FY2014, ¥4 billion in ODA funds was utilized for 81 projects of 11 programs implemented by JPF member NGOs, including assistance for refugees and displaced persons in Iraq and Syria, emergency assistance in South Sudan, humanitarian assistance in Afghanistan and Pakistan, assistance for the repatriation of ethnic minorities in Myanmar, and the 2014 Gaza Humanitarian Aid Program.

■ NGO Project Subsidies

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

ceiling of ¥2 million and also up to half of the total project cost. In 2014, 16 organizations utilized these subsidies to implement activities, such as project formulation studies, ex-post evaluations, and seminars and workshops both in 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, so as to make use of the expertise and experience of NGOs, universities, and a variety of other organizations. Furthermore, as part of its ODA activities, JICA conducts the JICA Partnership Program (JPP)* in which JICA co-implements projects that are proposed by various partners such as Japanese NGOs, universities, and local governments with an aim to bring positive impact to the lives of the people in developing countries. In FY2014, JICA and partner organizations worked together on a total of 244 projects, which were implemented in 50 countries. (Note: Disbursements for projects implemented in FY2014 for all assistance schemes.)



Employment Support Program for the Social Independence of Persons with Disabilities in Northern Rural Areas of Lao P.D.R. (Photo: NPO Asian Development with the Disabled Persons)

D. Establishing a better environment for NGO activities

Further measures to support Japanese NGO activities other than financial assistance include programs for establishing a better environment 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

Under this scheme, MOFA commissions highly experienced NGOs in Japan (17 organizations were commissioned in FY2014) to address inquiries and respond to requests for consultation from the public and NGO workers, regarding topics such as international cooperation activities, ways of NGO organizational management,

and methods for providing development education. NGO consultants also make themselves available for free lectures and seminars of international cooperation events and other educational events providing opportunities for many people to deepen their understanding of NGOs and international cooperation activities.

■ NGO Intern Program

The NGO Intern Program aims at opening up the door for young people seeking employment with international cooperation NGOs in Japan and to train young people who will contribute to Japan's ODA in the future. Through this program, MOFA seeks to expand the international cooperation efforts of Japanese NGOs and further strengthen the collaborative relations between ODA and NGOs. To this end, MOFA commissions international

cooperation NGOs in Japan to accept and train interns and pays for a certain amount of the training costs.

The NGOs that accept interns may apply to extend the length of the internship of "new interns" hired for 10 months by another 12 months as "continuing interns" for a maximum of 22 months of intern training. In FY2014, 18 interns were newly accepted into NGOs through this program.

■ NGO Overseas Study Program

The NGO Overseas Study Program covers the costs of the overseas training of mid-career personnel from Japan's international cooperation NGOs for a period of one to around six months, aimed at strengthening their organization through developing human resources. The training is divided into two types: Practical Training, through which participants will gain working experience at overseas NGOs or international organizations that have an excellent track record in implementing international development programs and giving relevant policy recommendations, in order to build up the personnel's

practical capabilities; and Training Enrollment, through which participants will take fee-based programs offered by overseas training institutions, in order to deepen the personnel's expertise. Trainees can establish training themes flexibly based on the issues that their organizations are facing. Upon returning to Japan, trainees are expected to return the fruits of their training to their organizations by contributing to their activities, as well as to a wide range of other Japanese NGOs, by sharing information and enhancing the capabilities of Japanese NGOs as a whole. In FY2014, 12 people received training through this program.

■ NGO Study Group

MOFA supports Japanese NGOs in organizing study group meetings to build up the capabilities and expertise of NGOs. Specifically, NGOs which are commissioned to implement the program conduct studies, seminars, workshops, and symposiums in cooperation with other NGOs as appropriate. This program is designed so that NGOs themselves strengthen their organizations and capacities by accumulating experience through the above activities. In FY2014, study groups were organized on five themes: “Universal Health Coverage (UHC) and NGO”; “Role of International Corporation NGOs in Education for Sustainable Development (ESD)”; “Strengthening NGOs’ Public Relations Capabilities”; “International Comparative Survey on NGO Safety Measures”; and “Role of International Cooperation NGOs in Disaster Risk Reduction.” Activity reports and outcomes are available on the ODA website.

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

include the following:

- (i) Basic seminar for Project Cycle Management (PCM)*
Equips NGO personnel with approaches for planning, designing, and evaluating projects in developing countries using PCM.
- (ii) Training for organizational strengthening of NGOs by regional NGOs
- (iii) Dispatching advisors to domestic offices for organizational strengthening of NGOs
Dispatches advisors with knowledge and experience relevant to domestic public relations activities, funds procurement, and accounting in order to strengthen NGOs’ abilities in these fields.
- (iv) Dispatching advisors for strengthening NGOs’ projects in overseas sites
Dispatches advisors to give guidance on strengthening the necessary capabilities for effective implementation of overseas projects.

E. Dialogue with NGOs

■ NGO-Ministry of Foreign Affairs Regular Consultation Meetings

To promote a stronger partnership and dialogue between NGOs and MOFA, the 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 a year, respectively. 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. In FY2014, the Extraordinary Meeting of the ODA Policy Council on ODA Charter Revisions was also held in addition to the regular meetings.

■ 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 are held to exchange views on the efficient and effective implementation of ODA among NGOs and other actors.

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

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

cooperation. JICA has also established NGO-JICA Japan Desks in 20 countries outside of Japan in order 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 the 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 has three types of schemes depending on the type as well as the size of the organization: (i) Partner Type (Main target: Project amount not exceeding ¥100 million and to be implemented within five years); (ii) Support Type (Project amount not exceeding ¥10 million and to be implemented within three years); and (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 the operation of the 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 international organizations at the site of development cooperation.

(4) Partnership with international and regional organizations

A. The need for partnership with international organizations

The global challenges of recent years that transcend national borders and that cannot be dealt with by a single country alone, such as poverty, climate change, disaster risk reduction, and health, require the unified effort of the international community as a whole. In this regard, collaborating with international organizations that have expertise, broad networks, and universality is critically important for realizing Japan's policy goals based on the principle of Proactive Contribution to Peace.

The year of 2015, which saw the deadline of the MDGs, the adoption of the 2030 Agenda for Sustainable

Development, the establishment of a post-2020 framework on climate change, and the holding of the Third UN World Conference on Disaster Risk Reduction in Sendai, was a pivotal year for UN diplomacy. Against this backdrop, it is an important endeavor to further strengthen collaboration with international organizations, in order for Japan to steer international rulemaking efforts.

Japan also collaborates with a variety of other Japanese actors, including Japanese companies and NGOs, to implement assistance through international organizations.

■ Concrete collaborative projects with international organizations

In 2014, Japan proactively contributed to addressing global issues in cooperation with international organizations, including the United Nations Development Programme (UNDP) and the United Nations Children's Fund (UNICEF).

For example, Japan provided ¥1.448 billion in grant aid for the "Project for Infectious Diseases Prevention for Children" in Afghanistan through UNICEF. The project provided vaccines for polio, tuberculosis, and measles as well as refrigerators and other equipment necessary for their preservation, and promoted awareness of the importance of vaccination.

In addition, Japan has been collaborating with UNDP to implement a grant aid project in the field of environment and climate change amounting to ¥1.526 billion in eight Caribbean countries.⁸ These small island countries are susceptible to natural disasters, such as hurricanes and floods, and are facing various challenges, including coastal erosion, loss of land, and water shortage from saltwater intrusion through rising sea levels due to global warming.

This project to be implemented by UNDP aims to assist eight countries with particularly high assistance needs in developing climate change policies and promoting the transfers of adaption and mitigation technologies through various pilot projects. Furthermore, this cooperation builds and strengthens a regional platform for information sharing that would be useful also for other Caribbean countries.

Additionally, in response to the Ebola virus disease outbreak in West Africa in 2014, Japan provided emergency relief goods, such as personal protective equipment to prevent infection, as well as blankets and tents to the affected countries, including Guinea, Liberia, and Sierra Leone. Japan also proactively collaborated with international organizations to extend assistance, including emergency grant aid to the UN World Food Programme (WFP) and the International Federation of Red Cross and Red Crescent Societies (IFRC) and the dispatch of Japanese experts through the World Health Organization (WHO).

■ Examples of policy coordination with international organizations

In the process of establishing the 2030 Agenda for Sustainable Development, Japan worked closely with the international community including UNDP, which served as the coordinator within the UN, to lead the discussions towards the establishment of the new international development goals. In July 2014, Japan hosted the global launch of the Human Development Report 2014 published

by UNDP. At the launch event, Prime Minister Shinzo Abe stated that Japan would collaborate with UNDP and the rest of the international community to promote disaster risk reduction, human security, and women's empowerment, in order to build resilience, as expressed by the theme of the report.

B. Examples of partnership with regional organizations

The Association of Southeast Asian Nations (ASEAN) has identified enhancing intra-regional connectivity as an absolute priority and has been aiming to establish the ASEAN Community consisting of the Political-Security Community, Economic Community and Socio-Cultural Community by late 2015. Japan has supported ASEAN's

efforts to strengthen connectivity by making use of Japan's experience with infrastructure development and improving the investment environment, with the viewpoint that turning a more integrated ASEAN into a hub for regional cooperation is essential for the region's stability and prosperity.

Note 8: Belize, Dominica, Grenada, Guyana, Jamaica, Saint Lucia, Saint Vincent, and Suriname.

Establishing the ASEAN Community and the subsequent integration efforts require even greater efforts to be devoted to resolving the remaining issues, including strengthening intra-regional connectivity and narrowing development

C. Partnership with other donors

Japan coordinates its development cooperation with that of other donors. From 2014 to the first half of 2015, Japan held dialogues on development cooperation with the United States, the United Kingdom, France, Australia, the Republic of Korea, and the EU. Amid the decreasing trend of the overall ODA budget of major donors, it is becoming increasingly important to cooperate and collaborate with international organizations and other donors to effectively utilize the limited ODA budget of each country for the development of developing countries and to address development issues by the international community as a whole.

In recent years, Japan and the United States have further strengthened their cooperation and collaboration. The “Fact Sheet on United States-Japan Global Cooperation,” which was unveiled during U.S. Vice President Joseph Biden’s visit to Japan in December 2013, highlighted development assistance and contributions to global security. The Fact Sheet announced the launch of a new, regular, and senior-level Japan-U.S. Development Dialogue focusing on Southeast Asia and Africa. The two countries held the Japan-U.S. Development Dialogue in February 2014 and February 2015 and discussed bilateral cooperation on a wide range of development issues. When President Barack Obama visited Japan in April 2014, the two countries released the “Fact Sheet: U.S.-Japan Global and Regional Cooperation,” outlining concrete forms of bilateral collaboration in Southeast Asia, Africa, and other regions.

In April 2015, the “Fact Sheet: U.S.-Japan Cooperation for a More Prosperous and Stable World” was issued when Prime Minister Abe visited the United States. This Fact Sheet lays out bilateral collaboration in various fields, such as development cooperation, environment and climate change, empowerment of women and girls, as well as

gaps. Japan will continue to extend proactive cooperation towards the integration of ASEAN, while deepening the trust and bonds of friendship between Japan and ASEAN.

global health.

In this context, Japan and the United States have collaborated on an array of efforts, including assistance for African women entrepreneurs, a UN Women project for realizing safe cities for women and girls in India, financial cooperation for unexploded ordnance (UXO) clearance operations in Laos and for a group supporting women in Papua New Guinea, and seminars for women entrepreneurs and others who play active roles in Cambodia. Japan considers that strengthening such Japan-U.S. development cooperation would widen the scope of bilateral relations, and contribute to the further development of the Japan-U.S. Alliance.

Members of the Development Assistance Committee (DAC) of the OECD, the so-called donor countries, have been taking a leading role in carrying out development cooperation in the international community. In recent years, however, countries other than the traditional donors and emerging countries, such as China, India, Saudi Arabia, Brazil, and Turkey, also have had a significant influence on the development issues of developing countries.

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 assist the alignment of their development cooperation with other international efforts.

Japan, with a history and experience in transitioning from an aid recipient to a leading donor, works with countries including emerging countries to promote trilateral cooperation that incorporates South-South cooperation.*

D. Proactive contribution to international discussions

Advances in globalization have rapidly increased the extent to which countries in the world influence and depend on one another. There are many threats and issues that are not problems of a single country alone but concern the whole international community and require concerted efforts, such as poverty, conflict, infectious diseases, and environmental problems.

In particular, 2015 was a year in which important international meetings were held, notably, the UN Summit that adopted the international development goals through 2030, i.e., the 2030 Agenda for Sustainable Development (September, New York), as well as COP 21 that adopted the new international framework on climate change for

2020 and beyond, i.e., the Paris Agreement (November-December, Paris). As such, 2015 was a key milestone year for the international community’s response to global issues.

Even before the international community’s discussions went into full swing, Japan played a leading role in establishing a truly effective new agenda by hosting the MDGs Follow-up Meeting, organizing informal policy dialogues, holding UN General Assembly side events, proactively participating in the intergovernmental negotiations since January 2015, and hosting the Third UN World Conference on Disaster Risk Reduction in March 2015. Japan has contributed to the efforts of a sustainable and resilient international community through these

initiatives to address global issues.

Meanwhile, the OECD-DAC seeks to increase the quantity of assistance for developing countries and to improve its efficiency, through strengthening collaboration with emerging countries and diverse actors engaged in development, such as the private sector, and through more effective mobilization and utilization of official and private finances. Specifically, discussions are under way to revise measurement methods to ensure the proper assessment of each country's ODA disbursements, and on ways to statistically capture a range of non-ODA development finance, including private sector investment and financing from emerging donor countries.

In addition, to achieve international development goals such as the Sustainable Development Goals (SDGs), the Global Partnership for Effective Development Co-operation (GPEDC) carries out efforts aimed at not only increasing the “quantity” of assistance but also development cooperation effectiveness (“quality”). GPEDC was created to build upon the Fourth High-Level Forum on Aid Effectiveness held in Busan, the Republic of Korea in 2011.

At the First High-Level Meeting of GPEDC held in Mexico in April 2014, the participants shared the view that addressing the development issues of developing

countries requires inclusive efforts involving not only the governments of developed and developing countries, but also civil society organizations (CSOs), the private sector, parliaments, and so on. The participants also discussed the effective use of not only ODA but also developing countries' domestic resources to finance development, for example, by improving their taxation systems. Furthermore, the participants discussed the contribution of South-South cooperation and triangular cooperation to development, and the importance of making effective use of private financing 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). Japan became a member of the GPEDC Steering Committee in August 2015, and in this capacity, contributes to strengthening international efforts to improve the effectiveness of development cooperation based on the experience of Japan.

Similarly, the Fifth Asian Development Forum* was held in Hanoi in September 2014 where in-depth discussions took place on the future implementation of development cooperation based on the Asian experience, under the theme of “Challenges and Strategies towards Sustained Growth of Asia.”

Glossary

South-South cooperation

Cooperation provided by relatively advanced developing countries to other developing countries, utilizing their experiences in development and their own human resources. In many cases the cooperation, primarily technical cooperation, is conducted in countries that have similar natural environments and cultural and economic circumstances, and are facing similar development challenges. Support by donors or international organizations for cooperation between developing countries is referred to as “triangular cooperation.”

Asian Development Forum

This forum aims 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.