

Japan's Development Cooperation Policy

- Development Cooperation Charter -

The foundation of Japan's development cooperation policy is the Development Cooperation Charter (decided by the Cabinet in February 2015). Japan defines its development cooperation policy as being based on: adhering to the course it has taken to date as a peace-loving nation, while contributing even more proactively to securing the peace, stability and prosperity of the international community from the perspective of "Proactive Contribution to Peace" based on the principle of international cooperation; and securing the national interests of Japan through this approach. The Charter sets forth these basic policies of Japan, and stipulates that Official Development Assistance (ODA) will be utilized ever more strategically and effectively as one of the most important foreign policy tools for realizing those policies. At a time when development issues are becoming more diverse and complex, requiring development cooperation not only by states but also by various actors including private companies and NGOs, ODA must fulfill the role of catalyst for gathering these diverse forces.

1. Basic policies of the development cooperation of Japan

The Charter identifies the following three basic policies of the Japan's development cooperation implemented for the aforementioned objectives.

1) Contributing to peace and prosperity through cooperation for non-military purposes

Cooperation for non-military purposes is one of the most suitable modalities for international contribution for Japan as a peace-loving nation, and is an embodiment of the country's sincere aspirations for the peace and prosperity of the international community. Under this policy, Japan will continue to comply with the principle of avoiding any use of development cooperation for military purposes or for aggravation of international conflicts.

(2) Promoting human security

Human security — a concept that pursues the right of individuals to live happily and in dignity, free from fear and want, through their protection and empowerment — is the guiding principle of Japan's development cooperation. Japan will focus its development cooperation on people — especially those liable to be vulnerable, and provide cooperation for their protection and empowerment so as to realize human security and mainstream the concept even further in the international community.

(3) Cooperation aimed at self-reliant development through assistance for self-help efforts as well as dialogue and collaboration based on Japan's experience and expertise

Supporting the self-help efforts of developing countries and aiming for self-reliant development in the future has been the traditional stance in Japan's development cooperation. Japan attaches importance to building the foundations of self-help efforts and self-reliant development such as human resources, socio-economic infrastructure, regulations and institutions in developing countries, and will also go beyond waiting for requests from partner countries by carrying out development cooperation focusing on dialogue and collaboration, such as development cooperation in which Japan proactively presents proposals.

2. Priority issues

In line with the basic policies described above, Japan will promote development cooperation in accordance with the following priority issues while taking note of the interrelationships between them.

(1) "Quality growth" and poverty eradication through such growth

Realization of economic growth is essential for reducing poverty, especially eradicating absolute poverty, in the world but it is necessary for that growth to be "quality growth" that has the following three features: (i) "inclusiveness," meaning that the fruits of growth are shared within society as a whole, leaving no one behind, (ii) "sustainability," meaning that the growth is sustainable over generations in terms of harmony with the environment, sustained socio-economic growth, and addressing global warming, among other aspects, and (iii) "resilience," meaning being able to withstand and recover from economic crises, natural disasters and other shocks. In pursuing poverty eradication through the realization of this quality growth, Japan also provides assistance, etc. to secure the foundations and the driving force for economic growth and for people-centered development that supports basic human life.

(2) Sharing universal values and realizing a peaceful and secure society

Stable development through "quality growth" will not be achieved unless the rights of individuals are guaranteed, people can engage in economic and social activities with a sense of safety, and the society is managed equitably and stably. With a view to solidifying the foundations for such development, Japan provides assistance so as to share universal values as well as to realize a peaceful, stable and secure society. In particular, working towards sharing universal values, Japan works on assistance for the establishment of the rule of law, the realization of good governance, the promotion and consolidation of democratization, and respect for basic human rights including women's rights. Moreover, working towards realizing a peaceful, stable and secure society, Japan extends assistance for peacebuilding, emergency humanitarian assistance, capacity building of law enforcement authorities, combatting terrorism, and capacity building in relation to seas, outer space and cyberspace.

(3) Building a sustainable and resilient international community through efforts to address global challenges

Transboundary challenges facing humanity include environmental issues, climate change, water related issues, major natural disasters, infectious diseases, food issues, and energy issues. These challenges significantly affect the international community as a whole, with particularly serious impact on the poor and other vulnerable people. These problems require united efforts by the international community to build a sustainable and resilient society through the promotion of the Sustainable Development Goals (SDGs), etc. Japan is truly leading the efforts of the international community towards overcoming these global challenges.

Based on the above priority issues, in addition to development cooperation that caters to the needs and characteristics of each country, Japan is also engaged in greater-area development, strengthening regional connectivity, etc. Furthermore, Japan extends necessary cooperation to countries based on their actual development needs and affordability. These include countries that despite progress in development are laden with a variety of development challenges and countries such as small island countries that are faced with special vulnerabilities despite having attained a certain level of per capita income.

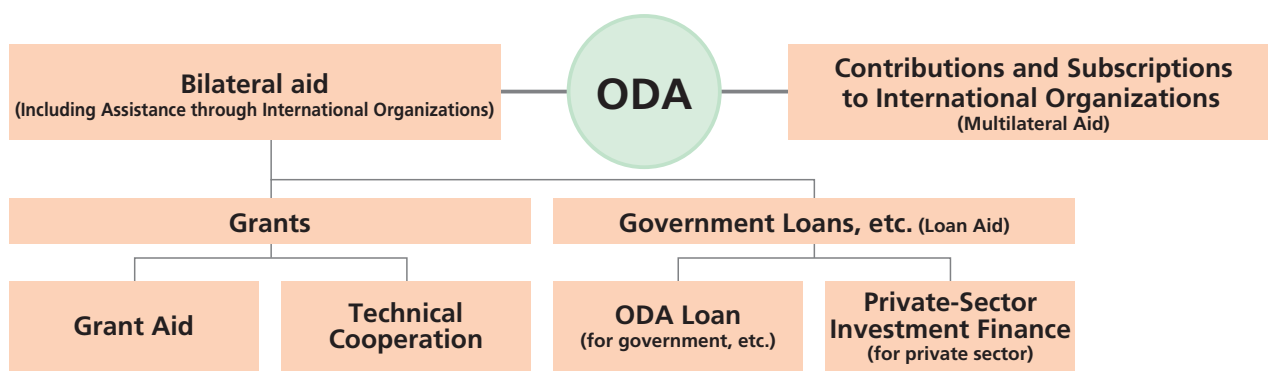
3. Principles and arrangements for the implementation of development cooperation

(1) When promoting development cooperation, Japan (i) constantly establishes policies and sets goals based on its foreign policy, (ii) aims for synergetic effects between ODA and non-ODA financing and activities, and (iii) constantly conducts evaluations at the policy and project level, and reflects the results of the evaluations in the policy decision-making process. Furthermore, the principles for ensuring the appropriateness of the development cooperation are (i) taking into consideration the situation pertaining to the consolidation of democracy, the rule of law and the guarantee of basic human rights (in developing countries), and (ii) avoiding use of development cooperation for military purposes or for aggravation of international conflicts (regarding development cooperation for civilian or non-military purposes involving the military or military personnel, Japan will examine it on a case-by-

case basis focusing on its substantial significance), and Japan also advances development cooperation keeping in mind its impact on the environment and climate change, fairness, consideration for the socially vulnerable, the promotion of women's participation, among other factors.

(2) Japan will continue to improve the structure of the governmental and implementing agencies responsible for development cooperation, including efforts to address global issues and strengthen collaboration with various actors, such as private companies, local governments, universities, research institutions, and civil society including NGOs. Japan will also continue to work with international organizations, NGOs, and peacekeeping operations (PKOs) towards emergency humanitarian assistance and international peace cooperation, and promote collaboration with international organizations, regional organizations, and emerging donors.

Japan's Official Development Assistance (ODA)



● What is ODA?

Official Development Assistance (ODA) refers to grants, loans, etc. with concessional conditions that are given to developing countries and regions, mainly for the purpose of contributing to the improvement of economic development and welfare.

The eligible developing countries and regions are included on the list created by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD).

Japan currently provides funds (grants, loans, etc.) and technologies that are useful for “development,” including peacebuilding, governance, promotion of basic human rights and humanitarian assistance, in the form of ODA to these eligible countries and regions.

● What types of ODA are there?

ODA includes **bilateral aid** to directly assist developing countries and regions, and **multilateral aid**, which consists of contributions to international organizations.

Bilateral aid can be divided into **grants** and **loans including government loans**. Grants are cooperation that is provided to developing countries and regions without requiring repayment, and include **grant aid** which provides the necessary funds for the development of the society and economy of developing countries and regions without imposing an obligation of repayment, and **technical cooperation** which utilizes the know-how, technology, and experience of Japan to develop the human resources that will be the actors in the development of the society and economy of developing countries and regions. Grants also include contributions to specific projects implemented by international organizations.

Loans such as government loans include **ODA loans** for lending the necessary funds to developing countries and regions under concessional loan terms such as a low interest rate and long repayment period, and **Private-Sector Investment Finance** which offers loans and investment to corporations and other entities. In the private sector responsible for implementing projects in developing countries and regions.

Multilateral aid includes contributions to the United Nations Children’s Fund (UNICEF) and the United Nations Development Programme (UNDP), contributions and subscriptions to the World Bank.

☆ An explanation about ODA is also available on the Ministry of Foreign Affairs website (<https://www.mofa.go.jp/policy/oda/index.html>).