

3 Efforts to Ensure Appropriate Development Cooperation

Japan's development cooperation centered on ODA has not only contributed greatly to the development and growth of developing countries, but also to establishing firm bonds of friendship and trusting relations between Japan and developing countries. It has also made a large contribution toward enhancing Japan's standing in the international community as well as ensuring the peace and prosperity of Japan. On the other hand, there have been cases of fraud committed in ODA projects, failures in delivering expected outcomes and delays due to unforeseen circumstances.

In order to take lessons from these experiences for the future, the Government of Japan has continued making various efforts to improve evaluation systems, enhance transparency, improve project management processes, and hold dialogues with a wide range of stakeholders, including recipient countries and civil society. The Government of Japan will continue to make tireless efforts to implement more effective and appropriate development cooperation.

The Ministry of Finance's Fiscal System Council raised questions on October 20, 2021 about the funds for the ODA grant aid projects, which JICA keeps from delivery to JICA until their payment to the recipient governments, in accordance with the Act of the Incorporated Administrative Agency-Japan International Cooperation Agency. On November 25 of the same year, the Ministry of Foreign Affairs (MOFA) announced measures for improvement to reduce and optimize the funds.

Following the measures for improvement, the situations of ODA grant aid projects for which a certain amount of time has passed since the decision of implementation will be examined. After the examination, the options of the termination of the projects that do not have a prospect for progress and the return of their funds to the national treasury will be considered. The relevant organizations will further strive for appropriate and efficient execution of grant aid budgets, such as through discussions with recipient governments.

JICA has introduced its Guidelines for Environmental and Social Consideration as a part of its efforts to ensure the appropriateness of its development cooperation and it is striving to implement ODA projects with due consideration for human rights, the environment and social impacts.

(1) Prevention of Fraudulent Practices

Fraudulent practices related to ODA projects not only disturb their appropriate and effective implementation, but also undermine trust in ODA projects that are funded by the public's taxes. Therefore, fraudulent practices are absolutely unacceptable.

Based on lessons learned from past fraudulent practices, efforts to prevent those practices have been strengthened. These include enhancing monitoring systems (such as "strengthening the function of the Consultation Desk on Anti-Corruption" and "expanding third-party checks"), reinforcing penalties (such as "increasing the maximum period for suspension measures," "raising the amount of penalty charges for breaching contracts" and "introducing a point-deduction system on corporations that repeatedly commit serious fraudulent practices") and expanding the scope for suspension measures (such as "including the groups of the corporations on which the measures have been imposed, as well as entities who have received business transfers from the corporations for which the measures have not yet been lifted, in the scope").

Japan will make continuous efforts to prevent fraudulent practices, under the strong determination that fraudulent practices related to ODA projects are absolutely unacceptable.

(2) Securing the Safety Measures for People Involved in International Cooperation Projects

Ensuring the safety of not only JICA-related workers but also all people involved in international cooperation projects, such as companies and NGOs, is a prerequisite for the implementation of development cooperation centered on ODA projects. In 2021, as a response to the global spread of COVID-19, MOFA and JICA continued to support the travel of people involved in international cooperation projects, including Japan Overseas Cooperation Volunteers (JOCVs) who work on development cooperation on the ground in countries around the world.



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Furthermore, following the terrorist attack in Dhaka, Bangladesh in July 2016, the “Final Report”²³ was released as the outcome of the review by the Council on Safety Measures for International Cooperation Projects, in which the relevant ministries, agencies, government-related organizations and experts participated. MOFA and JICA have made efforts to implement the safety measures²⁴ mentioned in the Final Report, and also continue and enhance actions to ensure the effectiveness of safety measures for people involved in international cooperation projects. The Council has become permanent after the Final Report and the Council in 2021 discussed the safety risks of the people involved in international cooperation projects as well as the implementation of the projects amid the COVID-19 pandemic in the context of terrorism, political instability and COVID-19.

The risk of terrorism remains serious even amid the COVID-19 pandemic. In March 2021, MOFA released an expanded edition of “Golgo 13’s Security Guidelines for Japanese SMEs Abroad (in Japanese only),” which has been utilized to strengthen safety measures of Japanese nationals, including those involved in international cooperation projects, with an additional episode and commentary on how to tackle “multiple risks” such as terrorism amid an infectious disease pandemic. MOFA has posted the episodes on its website and printed additional copies of the expanded edition of the Guidelines.

After the fall of Kabul in August 2021, the Government of Japan has provided support, including issuing visas and helping arrange flight tickets, to Japanese nationals in Afghanistan, local staff of the Embassy of Japan in Afghanistan and of the JICA Afghanistan office, and others under the recognition that the safe evacuation of all people who wish to leave the country was an urgent issue. As a result of these efforts, a total of over 500 Afghan people with ties to Japan had arrived safely in Japan by the end of January 2022. The Government of Japan will continue to exert all efforts to ensure the safety and provide necessary assistance in leaving Afghanistan for Japanese nationals, local staff members, and others who remain in Afghanistan, while closely cooperating with relevant countries including the United States and Qatar.

(3) Enhancing Management and Ensuring Accountability of ODA

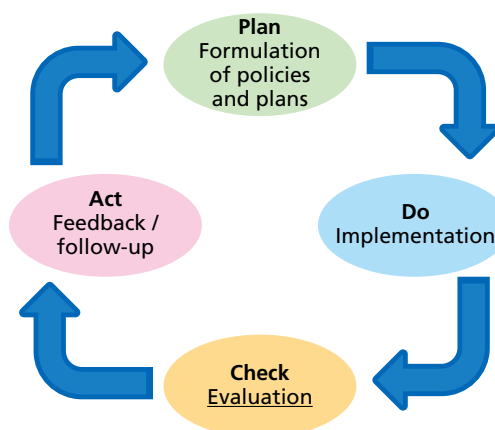
In order to enhance management and ensure the accountability of ODA, Japan has worked on thorough implementation of the following measures: (i) enhancing the PDCA cycle (project formation (Plan), implementation (Do), evaluation (Check), follow-up activities (Act)), (ii) strengthening the Program Approach, and (iii) reinforcing “visualization.”

With regard to enhancing the PDCA cycle, the ongoing efforts include: (i) formulating Country Development Cooperation Policies for all recipient countries of Japan’s ODA, (ii) convening the Development Project Accountability Committee, (iii) setting indicators for each project, and (iv) strengthening the evaluation mechanism.

In order to implement ODA projects more effectively and efficiently, strengthening of the PDCA cycle not only at the project level but also at the policy level is required. To this end, MOFA conducts policy evaluations of economic cooperation policies based on the “Government Policy Evaluations Act (GPEA)”²⁵ as well as ODA evaluations by third parties in order to ensure objectivity and fairness. The recommendations and lessons obtained from these evaluations are reflected in ODA policy to further improve ODA management.²⁶

Chart IV-3

PDCA Cycle



In addition to “development viewpoints,” which determine whether ODA is contributing to the partner country’s development, the third-party evaluations are also conducted from “diplomatic viewpoints,” which

²³ https://www.mofa.go.jp/policy/oda/page22_000141.html

²⁴ The following five points are listed as new safety measures: (i) Strengthening the collection, analysis, and sharing of threat information, (ii) Code of conduct of project partners and NGOs, (iii) Physical and non-physical protective measures, and strengthening training and drills, (iv) Post-crisis response, and (v) Heightening crisis management awareness and improving organizational structure of the MOFA and the JICA.

²⁵ Other than at the policy level, ex-ante evaluations are conducted on loan aid projects in which the maximum amount of loan offered through an Exchange of Notes (E/N) is ¥15 billion or more and on grant aid projects in which the maximum amount of aid offered through an E/N is ¥1 billion or more. In addition, ex-post evaluations are conducted on “pending projects” and “incomplete projects.” (“Pending projects” 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. “Incomplete projects” are projects for which loan disbursements have not been completed after 10 years have elapsed following the decision to implement the project.)

²⁶ In addition to policy-level ODA evaluations (third-party evaluations), regarding Grant Aid implemented by MOFA, internal evaluations have been carried out for projects with a limit on Exchange of Notes (E/N) of ¥200 million or more, and third-party evaluations have been carried out for projects of ¥1 billion or more since FY2017. The results of these evaluations have been publicized and utilized to improve the formation of future ODA proposals.

determine what favorable impacts ODA has on Japan's national interests.

Evaluations from "development viewpoints" are conducted based on three evaluation criteria, namely, whether the ODA policies are consistent with Japan's high-level policies, international priority issues, and the needs of the partner countries (Relevance of Policies), what effects Japan's ODA has in practice (Effectiveness of Results), and whether appropriate processes had been taken to ensure the relevance of the policies and effectiveness of the results (Appropriateness of Processes). Evaluations from diplomatic viewpoints are conducted based on two criteria: how ODA is expected to contribute to Japan's national interests (Diplomatic Importance) and how ODA has contributed to the realization of Japan's national interests (Diplomatic Impact).

MOFA publishes the evaluation results on its website ²⁷ to fulfill public accountability and to gain public understanding and support for ODA by enhancing transparency of ODA.

Moreover, JICA also conducts evaluations on respective projects of grant aid, ODA loans, and technical cooperation, as well as thematic evaluations on each project. JICA conducts consistent ex-ante, implementation, and ex-post evaluation for each project and has established a coherent evaluation mechanism for each of these aid modalities. As for projects that exceed a certain amount, JICA conducts ex-post evaluations by third-party evaluators (external evaluations). JICA also strives to enhance impact evaluations, ²⁸ recognizing the importance of quantitative examination of the effects of their projects.

MOFA and JICA conduct the ODA evaluations primarily based on the Evaluation Criteria of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD). ²⁹

(4) Efforts to Address Sexual Exploitation, Abuse, and Harassment in Development Cooperation

International concern regarding sexual exploitation, abuse and harassment (SEAH) in humanitarian and development assistance has been growing in recent

years. In October 2018, the United Kingdom held an international conference on SEAH and major donors including Japan signed commitments to strengthen efforts to tackle it. In July 2019, the OECD Development Assistance Committee (DAC) also adopted the DAC Recommendation on Ending Sexual Exploitation, Abuse, and Harassment in Development Co-operation and Humanitarian Assistance.

In response to such movements, MOFA has conducted awareness raising for its staff through activities including training. It has also put the summaries of Japan's basic position and the DAC Recommendation on the MOFA website to promote understanding among the Japanese public.

JICA has also raised awareness of the importance of SEAH prevention among a wide range of relevant parties involved in JICA projects by posting on its website a message from the president about eradicating SEAH and by adding SEAH prevention measures to its employment regulations and ethics guidelines for JICA personnel. JICA also works to develop a consultation service as well as a response and monitoring system in the event that cases arise.

In 2021, Japan NGO Center for International Cooperation (JANIC) Protection from Sexual Exploitation, Abuse, and Harassment (PSEAH) Working Group, which was the main implementing body of MOFA's NGO Study Group for "PSEAH in International Cooperation: Study of Global Trends, and the Development and Dissemination of Guidelines to Implement in Japan," developed "PSEAH Implementation Quick Reference Handbook" and its study group report. Interests in the issue are also growing in Japan and the eradication of SEAH was on the agenda at the First Partnership Promotion Committee Meeting of the NGO-Ministry of Foreign Affairs Regular Consultation Meetings, which was held in August 2021.

In December 2021, a joint letter to the United Nations Secretary-General was issued, led by the United Kingdom and other like-minded countries, as a call for further efforts by UN agencies to prevent and respond to SEAH, and Japan (Foreign Minister Hayashi) joined in signing the letter.

²⁷ <https://www.mofa.go.jp/policy/oda/evaluation/index.html>

²⁸ Evaluation method verifying the effects of development projects by using methods from statistics and econometrics.

²⁹ DAC evaluation criteria: In December 2019, coherence was added to the criteria of relevance, effectiveness, efficiency, impact, and sustainability that had been in use since 1991.