

Development Cooperation Charter and Japan's Development Cooperation

Japan's development cooperation is founded on the Development Cooperation Charter (decided by the Cabinet in February 2015). The Development Cooperation Charter describes Japan's basic policies to contribute 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 to secure Japan's national interests through such efforts. The Official Development Assistance (ODA) is expected to be utilized ever more strategically and effectively as one of the most important foreign policy tools. In order to promote development cooperation in keeping with the times, Japan plans to formulate a new Development Cooperation Charter during the first half of 2023 (the Development Cooperation Charter is available on the Ministry of Foreign Affairs website. ¹ See "ODA Topics" on page 23 for the revision of the Development Cooperation Charter).

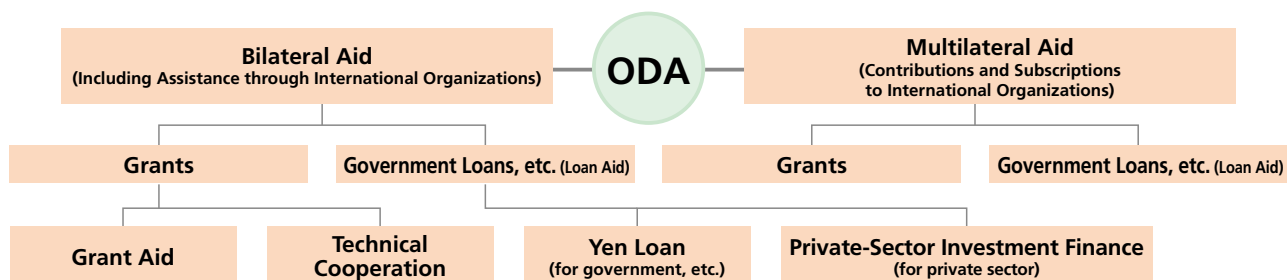
1. Japan's basic policies of the Development Cooperation Charter

The Development Cooperation Charter identifies the following three basic policies for Japan's development cooperation for the aforementioned objectives: "contributing to peace and prosperity through cooperation for non-military purposes," "promoting human security," and "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."

2. Priority issues of the Development Cooperation Charter

In line with the basic policies described above, Japan promotes cooperation in accordance with the following three priority issues: "'quality growth' and poverty eradication through such growth," "sharing universal values and realizing a peaceful and secure society," and "building a sustainable and resilient international community through efforts to address global issues."

Japan's Official Development Assistance (ODA)



● What is ODA?

Development cooperation refers to international cooperation activities that are conducted by the government and its affiliated agencies for the main purpose of development in developing regions (the Development Cooperation Charter), and ODA is the public funding for those activities. The government or its implementing agencies provide financial and technical assistance to developing regions, international organizations, or the private sector through ODA for "development," including peacebuilding, governance, promotion of basic human rights, and humanitarian assistance.

The ODA recipients are designated in the list (see Chart I-10 on page 22) developed by the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD).

● What types of ODA are there?

ODA can be divided into **grants** and **government loans, etc.** ODA can also be broken down into **bilateral aid**, which directly assists developing regions, and **multilateral aid**, which is contributions and subscriptions to international organizations, etc.

Grants in **bilateral aid** are cooperation provided to developing regions without repayment obligation. The assistance scheme implemented by Japan is comprised of **grant aid**, which provides funds needed for the socio-economic development of developing regions without repayment obligation, and **technical cooperation**, which develops human resources that will be responsible for the socio-economic development of developing regions by utilizing Japanese expertise, technology, and experience. Among contributions and subscriptions to international organizations, contributions earmarked for specific countries and projects are accounted for as bilateral aid in statistics (see Chart I-1 on page 13).

Additionally, Japan's **government loans, etc. (loan aid)** in bilateral aid include **yen loans** for lending the funds needed for the socio-economic development of developing regions on concessional terms, such as low interest rates and long repayment periods, and **private-sector investment finance**, which offers loans and investment to corporations and other private entities responsible for implementing projects in developing regions.

Multilateral aid includes contributions and subscriptions to the UN organizations, such as the United Nations Development Programme (UNDP) and the United Nations Children's Fund (UNICEF), international organizations, as well as multilateral financial institutions including the World Bank. Most of the contributions are provided as grants, but in recent years, **government loans, etc. (loan aid)** have also been used for multilateral financial institutions.

(Various information about ODA is available on the Ministry of Foreign Affairs website. ²)

¹ https://www.mofa.go.jp/policy/oda/page_000138.html It can also be accessed via the QR code on page xv.

² <https://www.mofa.go.jp/policy/oda/index.html> It can also be accessed via the QR code on page xv.