



## New Approaches to Development Finance Mobilization in the Changing Era

From March to May 2024, under the leadership of then Foreign Minister Kamikawa, the Advisory Panel on New Financing for Development was convened three times and in July, the panel submitted its recommendations to the Minister, entitled "Contributing to a Sustainable Future and Creating a Virtuous Cycle of Growth."<sup>\*1</sup>

In this column, Professor Emeritus OHNO Izumi of the National Graduate Institute for Policy Studies and Chair of the panel, and committee member KANEKO Tadahiro, Executive Officer of Sumitomo Mitsui Banking Corporation, shared their perspectives on the future of ODA, drawing on the panel's discussions and recommendations.

### ■ OHNO Izumi, Professor Emeritus, National Graduate Institute for Policy Studies (GRIPS)



For more than 70 years, Japan has significantly contributed to economic and human resources development in developing countries through ODA. It is particularly worth noting that Japan, having reemerged as a peaceful nation after World War II, has built broad trust in the international community through non-military development cooperation.

Japan, once a non-Western latecomer to development, has the dual experience of being both a "learner" and a "provider" of development knowledge. Based on this experience, Japan's development cooperation respects the uniqueness and ownership of each partner country, takes a human-centered approach, and emphasizes support that is closely aligned with local needs. This approach has been widely appreciated by many governments, organizations, and people in developing countries.

At the same time, the international development landscape is undergoing significant transformation, necessitating a paradigm shift in development cooperation "from aid to co-creation." This shift is driven by several factors: (1) development challenges are becoming more complex, requiring mutual learning and joint problem-solving between developed and developing countries; (2) private investment in developing countries has surpassed ODA in scale, expanding opportunities for public-private partnership to build sustainable societies; (3) collaboration with countries that have graduated from ODA recipients and with emerging countries is becoming increasingly important; and (4) Japan's domestic context—marked by a declining birthrate and aging population—is broadening the scope of international cooperation to include areas such as coexistence with foreign workers within Japan.

Especially in the private sector, sustainable finance with an emphasis on ESG (Environmental, Social, and Governance) factors is growing. The key will be to build an ecosystem in

which ODA acts as a catalyst, enabling diverse actors to collaborate and promote private investment that leads to solving global issues and advancing development in partner countries. We hope that Japan's development cooperation will maintain and strengthen its existing positive aspects, while evolving into a model better suited to the era of "co-creation."

### ■ KANEKO Tadahiro, Executive Officer, Sumitomo Mitsui Banking Corporation

In recent years, as the impact of climate change is becoming serious, contributing to a sustainable society has become a corporate responsibility, and sustainable finance has increased significantly, particularly in developed countries. However, in developing countries, providing private capital is challenging due to political instability, creditworthiness issues, and the lack of entities to implement projects. To address global challenges such as climate change and biodiversity issues, funding and support for developing countries are essential, and ODA plays an important role in this effort.



The Advisory Panel on New Financing for Development discussed the potential for working together in creating a sustainable future by strengthening linkages between ODA and sustainable finance. The Panel made concrete recommendations, such as strengthening risk-taking through ODA, aiming to build an ecosystem in which ODA acts as a catalyst for diverse actors to collaborate and in which investment activities by the private sector and investors lead to development in developing countries.

Sumitomo Mitsui Banking Corporation (SMBC), in collaboration with JICA, established the "SMBC-JICA Sustainable Finance Framework" to strengthen risk-taking through risk diversification. Through this framework, we support projects aimed at improving financial access in the agricultural sector in Cambodia and facilitating the implementation of infrastructure projects such as those of renewable energy in South Africa.

Going forward, it is important to continuously accumulate achievements of tangible projects through collaboration between ODA and sustainable finance. By leveraging frameworks such as the "Asia Zero Emission Community (AZEC)"<sup>\*2</sup> promoted by the Government of Japan, we hope that concrete actions will be promoted through an all-Japan approach in order to contribute towards a sustainable future, create a virtuous cycle of growth in Japan, and realize a sustainable society.

\*1 Recommendation: Contributing to a Sustainable Future and Creating a Virtuous Cycle of Growth <https://www.mofa.go.jp/mofaj/files/100697332.pdf> (in Japanese only)

\*2 See Part III 3 (1) on page 64.



## Summit of the Future

### – “Pact for the Future” for Achieving the 2030 Agenda for Sustainable Development and for Future Generations –

2025 marks the 80th anniversary of the United Nations. Yet, the international community is facing compound crises including poverty, climate change, and infectious diseases. It is necessary to implement efforts to make further progress toward achieving the Sustainable Development Goals (SDGs). Now more than ever, the international community must overcome division and confrontation, and strengthen cooperation to address these pressing global challenges.

In September 2020, in the declaration on the commemoration of the 75th anniversary of the United Nations, UN Member States pledged to strengthen global governance and requested the Secretary-General to report back with recommendations to respond to current and future challenges. In response, in September 2021, the Secretary-General submitted a comprehensive recommendation titled “Our Common Agenda,” which includes a proposal to hold the Summit of the Future. The then Foreign Minister Kamikawa attended the Preparatory Ministerial Meeting for the Summit of the Future convened in September 2023.

On September 22 and 23, 2024, the Summit of the Future was convened on the margins of the 79th session of the UN General Assembly with the aim of restoring trust in UN and addressing the achievement of SDGs and new global challenges through international cooperation. At the summit, an outcome document titled “The Pact for the Future” was adopted, which declared to implement 56 actions across five chapters: “Sustainable development and financing for development,” “International peace and security,” “Science, technology and innovation and digital cooperation,” “Youth and future generations,” and “Transforming global governance” to protect the needs and interests of present and future generations. In particular, in the development

context, the document underscores commitments to take bold, ambitious, accelerated, just, and transformative actions in order to implement the “2030 Agenda for Sustainable Development,”\*1 to achieve the SDGs and to leave no one behind, to invest in people to end poverty and strengthen trust and social cohesion, and to achieve gender equality and the empowerment of all women and girls as a crucial contribution to progress across all the SDGs.

At the Summit of the Future, the then Prime Minister Kishida highlighted the importance of the “rule of law,” “human dignity,” “investing in people,” “nuclear disarmament and non-proliferation,” and “UN Security Council reform” to ensure a future defined by peace, freedom, and prosperity, and called on the international community to share responsibility and unite under multilateralism.

To effectively address global challenges, it is imperative to strengthen the functions of the UN, including the Security Council reform, and to advance global governance reforms. Looking ahead to the coming decades, Japan will promote development cooperation toward achieving “human dignity,” which is the foundation of all international cooperation, and the spirit of “leaving no one behind” in the “2030 Agenda for Sustainable Development.” This will be done while promoting the rule of law and under the concept of human security, taking into account the Humanitarian-Development-Peace nexus (HDP nexus) as an opportunity to strengthen strong and effective multilateralism centered on the UN. Furthermore, Japan will actively contribute to efforts toward the comprehensive achievement of the SDGs and beyond, in cooperation with the international community.

\*1 See the glossary on page 36.



Then Prime Minister Kishida delivering a speech at the Summit of the Future (Photo: Cabinet Public Affairs Office)



Then Foreign Minister Kamikawa delivering a speech at the Preparatory Ministerial Meeting for the Summit of the Future



## The 10th Pacific Islands Leaders Meeting (PALM10) and Japan's Development Cooperation in the Pacific Region

The 10th Pacific Islands Leaders Meeting (PALM10) was held in Tokyo from July 16 to 18, 2024. The Pacific Islands Leaders Meeting is a summit-level meeting that Japan has been hosting every three years since 1997. It aims to contribute to the stability and prosperity of the region through candid exchanges of opinions at the leaders' level on various issues facing Pacific Island countries, while enhancing the partnership between Japan and these countries. PALM10 was co-chaired by the leaders of Japan and the Cook Islands, with the participation from leaders and representatives of 19 countries and regions,\*1 including 16 Pacific Island countries and regions, as well as Australia and New Zealand.

At the PALM10, the leaders reaffirmed the relationship of "striding forward together" toward the future while tackling common challenges, based on the discussions held in light of changes affecting the region. Building on this, the leaders adopted the Leaders' Declaration and endorsed its annex, the "PALM10 Joint Action Plan," which identified seven priority areas of cooperation: (1) Political Leadership and Regionalism, (2) People-Centered Development, (3) Peace and Security, (4) Resources and Economic Development, (5) Climate Change and Disasters, (6) Ocean and Environment, (7) Technology and Connectivity. These areas are consistent with the "2050 Strategy for the Blue Pacific Continent" or "2050 Strategy"\*\*2 developed by the Pacific Islands Forum (PIF).\*3 The Joint Action Plan outlines concrete actions for the next three years in these priority areas for Japan and PIC Members to jointly undertake in order to realize the future vision described in the



Then Prime Minister Kishida, leaders and representatives from the Pacific countries and regions attended the PALM10 Summit (Photo: Cabinet Public Affairs Office)

### "2050 Strategy."

In the area of climate change, Japan announced "the Pacific Climate Resilience Initiative," as an "All Japan" initiative that mobilizes Japan's technology, know-how, and financial resources. Pacific Island countries are frequently exposed to natural disasters such as cyclones and are vulnerable to the effects of climate change. For example, in Fiji, Japan supports the establishment of a seamless disaster management system through "Stand-by Loans for Disaster Recovery and Rehabilitation" and demonstration experiments of disaster risk management notification services using the Quasi-Zenith Satellite System "Michibiki."

In addition to supporting "hard aspect" such as infrastructure and facility development, Japan provides support in "soft aspect" such as dispatching technical experts and Japan Overseas Cooperation Volunteers (JOCVs), to address the specific challenges faced by Pacific Island countries. For example, in Solomon Islands, for enhancing the capacity development of the staff members at the Ministry of Forestry and Research as well as promoting the community-led forest management model, JICA dispatched Sustainable Forest Resource Management Advisor and utilized timber processing equipment provided by grant aid in collaboration with JOCVs.

Through such cooperation, Japan and Pacific Island countries will further strengthen their partnership founded on mutual trust and KIZUNA, which signifies "bonds" in Japanese.



Training session on forest resource management and portable sawmill safety, conducted as part of technical cooperation project, Capacity Development for Sustainable Forest Resource Management in Solomon Islands (Photo: JICA)

\*1 Japan, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, Niue, Palau, Papua New Guinea, Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, Vanuatu, French Polynesia, New Caledonia, Australia, and New Zealand.

\*2 See Part IV, Section 3 on page 98.

\*3 See 14 on page 98.



## Diplomatic Initiative toward Latin America and the Caribbean

### – Japan’s Development Cooperation Efforts during the Year of Latin America and the Caribbean –

In 2024, the world turned its attention to Latin America and the Caribbean as the “Year of Latin America and the Caribbean,” with Brazil presiding over the G20 and Peru over APEC.

Many Latin American and Caribbean countries are key partners that share values and principles such as freedom, democracy, the rule of law, and human rights. As the free and open international order based on the rule of law is coming under serious challenges, collaboration with these countries is becoming all the more critical. With a combined population of approximately 660 million and a regional GDP of around \$7 trillion, the Latin American and Caribbean region not only holds immense economic potential but is also rich in mineral and energy resources essential for decarbonization, as well as food resources. Its importance is growing further in terms of strengthening supply chain resilience and ensuring economic security. Moreover, beyond the trust and friendship cultivated over history between Japan and the region, a unique bond exists through the world’s largest Nikkei community (Japanese immigrants and their descendants) comprising approximately 3.1 million people.

In 2024, the “Year of Latin America and the Caribbean,” Japan deepened its cooperation with the region through high-level visits and other efforts, reflecting the region’s importance.

In February, then Foreign Minister Kamikawa visited Panama and announced the “Diplomatic Initiative toward Latin America and the Caribbean,” building on the principles, achievements, and trust Japan has cultivated through its past diplomatic engagement with the region. It seeks to establish and foster new partnerships with Latin American and Caribbean countries by integrating themes of growing global relevance and Japan’s unique perspectives into existing bilateral and multilateral diplomatic efforts.



Then Foreign Minister Kamikawa paying a courtesy visit to then President Cortizo of Panama



Foreign Minister of Honduras Enrique Reina, IAEA Director General Grossi, and then Director-General of the Latin American and Caribbean Affairs Bureau Noguchi (from left), holding the signed letter of intent on trilateral cooperation in medicine in Honduras

Japan is undertaking various cooperative efforts to concretize the initiative. As part of its development cooperation, in March, then Foreign Minister Kamikawa and visiting International Atomic Energy Agency (IAEA) Director General Grossi agreed to collaborate and cooperate in the field of peaceful uses of nuclear energy under the framework of the initiative. Building on this agreement, in September, the signing procedure of a letter of intent on trilateral cooperation in medicine (radiotherapy) in Honduras, was completed among the three parties, including Honduran Foreign Minister Enrique Reina. Going forward, Japan and the IAEA are expected to contribute to the expansion of radiotherapy in Honduras, a country that is striving to reduce its cancer mortality rate.

Furthermore, the initiative emphasizes cooperation on ocean-related issues as one of the key areas of partnership between Japan and the region. As 2024 was designated the “Japan-CARICOM Friendship Year,” Japan decided in February to provide grant aid for fisheries and marine research vessels to Jamaica. In recent years, Jamaica’s fisheries and marine sector, and more broadly its economy, has been heavily affected by declines in fish catches. Through the provision of these vessels, it is expected to enable Jamaica to grasp the impacts of climate change on its marine ecosystems, thereby leading to sustainable resource management and fisheries and marine development.

Japan will continue to enhance its cooperation with Latin American and Caribbean countries in areas of growing importance to the international community, while also strengthening its historically strong bilateral ties through diplomacy that leverages diverse networks.



## ODA Public Relations

### – Bringing ODA Closer to the Public –

#### ■ Communicating Japan's Development Cooperation

According to a public opinion survey\*1 conducted by Japan's Cabinet Office in 2023, 79.4% of respondents indicated that, regarding the future of development cooperation, it should be either "more actively promoted" or "maintained at the current level," reflecting positive public support. This positive public opinion is driven by a growing awareness of the Sustainable Development Goals (SDGs), as well as a broader understanding—amid the multiple crises facing the international community, including Russia's aggression against Ukraine—that countries must work together to address global challenges such as disasters and infectious diseases. There is also a growing recognition that development cooperation contributes to ensuring the stable supply of energy and other resources, that it is necessary to enhance trust in Japan within the international community, and that it serves as an important tool for strategically advancing Japan's foreign policy.

This column highlights several initiatives of the Ministry of Foreign Affairs of Japan (MOFA) to communicate information and policies regarding the significance of Japan's development cooperation.

#### ■ 70th Anniversary Commemoration of Japan's Official Development Assistance

2024 marks the 70th anniversary since the inception of Japan's Official Development Assistance (ODA). MOFA, in collaboration with JICA and other relevant organizations, designated this milestone year as an opportunity to reflect on the role ODA has played over the past seven decades and to engage the Japanese public in discussions on the future of international cooperation. To commemorate this occasion, various events were held, including the International Cooperation 70th Anniversary Kick-off Event in Kobe in March, the International Cooperation MIRAI Conference in May, Global Festa JAPAN 2024 in September, and the Symposium to Commemorate the 70th Anniversary of Japan's ODA in December.



The Symposium to Commemorate the 70th Anniversary of Japan's ODA, held at the United Nations University on December 17

#### ■ Television Dramas

MOFA also produces public outreach content featuring well-known figures to reach a wider audience.

As one of these initiatives, the Ministry produces and broadcasts the TV drama series "The First Step" with TV personality and author Mr. MATAYOSHI Naoki as the host. The series, set in MOFA's International Cooperation Bureau and the field sites of international cooperation, explores Japan's development efforts. In 2024, the third installment, "The First Step 3: Sekai wo Tsunagu Heiwa e no Negai [A Wish for Peace That Connects the World]," was released. Centered on Japan's support for mine clearance in Cambodia, the drama follows a young man's personal growth through interactions with diverse individuals, driven by his desire for a peaceful, conflict-free world.



The third installment of the TV drama series "The First Step 3: Sekai wo Tsunagu Heiwa e no Negai" (Japanese only), set in MOFA's International Cooperation Bureau and actual cooperation sites

#### ■ Go! ODA-Man

ODA-Man, now in his seventh year as MOFA's ODA PR character (see also Part V, Section 4 (2) on page 150), has continued to raise awareness of Japan's ODA efforts around the world through various video episodes. In 2024, three new episodes were released: "ODA-Man Goes! The 70th Anniversary of International Cooperation Edition," which looks back on 70 years of ODA and highlights its significance, "The 100-Year Journey of Japan and Türkiye;" and "The SATREPS\*2 Edition."



Go, ODA-Man!

#### ■ Global Festa JAPAN 2024



Stage event: "Sekai wo Tsunagu Heiwa e no Negai—Weaving the Future through Mine Clearance Support"

"Global Festa JAPAN 2024," a major international development and cooperation event, took place on September 28-29, 2024. Marking its 33rd edition, the event was held under the theme "70 Years of International Cooperation—Together into the Future." Approximately 200 organizations working in the field of international cooperation—including NGOs, NPOs, international organizations, companies, universities, and foreign embassies in Japan—set up exhibition booths at the event. It also featured live sessions with diverse guests, experiential workshops, and food and merchandise booths offering cuisine and cultural items from various countries. With a combined audience of in-person attendees and online viewers, the event attracted approximately 74,000 participants, a significant increase over the previous year.



Then Parliamentary Vice-Minister for Foreign Affairs Hosaka delivering remarks at the opening ceremony of Global Festa JAPAN 2024

MOFA launched the event with an opening ceremony, followed by various sessions and activities. These included an on-stage presentation by ODA-Man explaining "Co-



The Lobby Gallery, featuring exhibits by foreign embassies in Japan, international organizations, NGOs and others. MOFA also participated with a booth that aimed to clearly explain how Japan's ODA contributes globally.

creation for common agenda initiative"\*\*3 in simple terms, a session on how ODA can support the overseas expansion of small and medium-sized enterprises, a quiz segment introducing how ODA is connected to everyday food ingredients, and a talk featuring individuals working on the front lines of mine clearance and reconstruction support in Cambodia. The Ministry also held the award ceremony for its annual ministerial photo contest.\*4 Under the theme "A World Where Everyone Shines for the First Step!", the contest received many submissions filled with smiling faces, and award-winning works were selected from among 350 entries. Other activities included a career seminar for those interested in working in international organizations hosted by MOFA's Recruitment Center for International Organizations, and a session reporting on NGO activities in international cooperation, attended by officials from MOFA's Non-Governmental Organizations Cooperation Division of the International Cooperation Bureau and NGO representatives. For details, please refer to the event report\*5 on the ODA section of the Ministry's website.

#### ■ ODA Email Newsletter, ODA Public Relations X

MOFA publishes an ODA email newsletter monthly, which is also available on the ministry's website. In addition, it shares information about ODA on the social media platform X. As of December 2024, the newsletter has about 20,000 subscribers, and MOFA's X account has over 13,000 followers.



MOFA's ODA account on X



ODA email newsletter



Key visual for the 70th Anniversary of International Cooperation

\*1 The FY2023 Public Opinion Survey on Diplomacy was conducted from September to October 2023 by a research agency commissioned by the Cabinet Office. The survey was administered by mail to 3,000 Japanese nationals aged 18 and over across the country (Cabinet Office Public Opinion Survey: <https://survey.gov-online.go.jp/r05/05-gaiko/index.html> [in Japanese only]).

\*2 See the glossary on page 43.

\*3 See Part I, Section 2 (2) on page 12 and Part V, Section 2 (2) on page 145.

\*4 Report on the MOFA Photo Contest "A World Where Everyone Shines for the First Step!"

[https://www.mofa.go.jp/mofaj/gaiko/oda/press/event/pagew\\_001313\\_00001.html](https://www.mofa.go.jp/mofaj/gaiko/oda/press/event/pagew_001313_00001.html) (in Japanese only)

See also Special Photograph Collection (1) on page vi for the photographs submitted to the contest.

\*5 Global Festa JAPAN 2024 event report

[https://www.mofa.go.jp/mofaj/gaiko/oda/press/event/pagew\\_000001\\_00233.html](https://www.mofa.go.jp/mofaj/gaiko/oda/press/event/pagew_000001_00233.html) (in Japanese only)