

Institutional Design for Development Cooperation that Aptly Reflects Enhanced Strategic Values

(1) Enhanced Alignment of Policy Formulation and Project Implementation

■ Policy Framework on Development Cooperation

Under the Development Cooperation Charter, which sets out Japan's development cooperation principles, the Ministry of Foreign Affairs (MOFA) formulates the Country Assistance Policy ¹⁴ for each recipient country as well as the Sectoral Development Policy ¹⁵ in light of international efforts on development, such as the Sustainable Development Goals (SDGs).

The Country Assistance Policy identifies the priority areas and directions of Japan's development cooperation for a given developing country or region, taking into account its political, economic, and social situations along with its development plans, development challenges, and other relevant factors. As an appendix to the Country Assistance Policy, the Rolling Plan is developed as a compilation list of all ODA projects in the country or region at various stages of implementation, organized by development issue and cooperation program with visualized implementation schedules, in order to increase correlation among and forward planning of development cooperation projects.

To implement Japan's development cooperation more effectively, Japan shares its medium-term development cooperation policies with the governments of recipient countries, while also strengthening policy consultations with them and promoting efforts to achieve mutual recognition and understanding.

■ Implementation Architecture of Development Cooperation

In the implementation of development cooperation in accordance with the relevant policies, the Government of Japan and implementing agencies work together to effectively utilize different modalities such as grants, technical cooperation, and loan aid. With a view to maximizing development impacts, Japan strives to implement development cooperation by combining

bilateral cooperation with cooperation through international organizations and NGOs, and by promoting "co-creation" in partnership with various actors, including local governments, educational and research institutions, and Japanese private companies.

In order to strengthen systems to realize smooth processing from project planning and selection to implementation, the Government of Japan has put in place the country-based ODA Task Force* in each ODA-recipient country, comprised mainly of the Embassy of Japan and the JICA overseas office, who have first-hand knowledge of local development needs and operational realities in consideration of the bilateral relations with developing countries and the political, economic, and social situations of any given country. In addition, the ODA Task Force identifies development cooperation needs in its area of responsibility, participates in the process of drafting the Country Assistance Policy and the Rolling Plan, formulates and shortlists project candidates, collaborates with other donors and international organizations operating in the region, as well as Japanese private companies and NGOs with active local presence, and makes recommendations on the coordination and review of development cooperation modalities.

Japan also provides follow-up support even after project completion to ensure that each project is widely recognized by the government and people of the recipient country for many years to come and delivers effects properly.

■ Improving Management and Ensuring Accountability of ODA

From the perspective of improving the effectiveness and efficiency of development cooperation and ensuring accountability to the Japanese public, it is important to conduct proper evaluations and incorporate the results of evaluations in the improvement of policies and projects. In order to improve management and fulfill the accountability of ODA, Japan has taken the following measures: (i) enhancing the PDCA cycle (policy planning and project formation (Plan), implementation (Do), evaluation (Check), improvement (Act)), (ii) strengthening program approaches, and (iii) reinforcing "visualization." With these measures,

¹⁴ Country Assistance Policy and Rolling Plan for Respective Countries https://www.mofa.go.jp/mofaj/gaiko/oda/seisaku/kuni_enjyo_kakkoku.html

¹⁵ Sectoral Development Policy <https://www.mofa.go.jp/mofaj/gaiko/oda/bunyabetsu/index.html>

Japan is striving to ensure strategic consistency in the PDCA cycle of its development cooperation.

The ongoing efforts toward the enhanced PDCA cycle include: (i) formulating Country Assistance Policies for all ODA recipient countries, (ii) convening the Development Project Accountability Committee, (iii) setting impact indicators for each project, and (iv) strengthening the evaluation mechanism.

For more effective and efficient ODA operation, it is essential to strengthen the PDCA cycle not only at the project level but also at the policy level. To this end, the Government of Japan conducts evaluations of economic cooperation policies in line with the “Government Policy Evaluations Act (GPEA),”¹⁶ and evaluations by third parties are carried out in order to ensure objectivity and fairness. The recommendations and lessons learned from these evaluations are fed back to development cooperation policy for further improving ODA management.¹⁷

The ODA evaluations by third parties are implemented both from the “development viewpoints,” which concern how well ODA is contributing to the recipient country’s development, and from the “diplomatic viewpoints,” which examine what desired impacts ODA has brought to Japan’s national interests.

Evaluations from the “development viewpoints” are conducted under three evaluation criteria; how the development cooperation policy is aligned with Japan’s high-level policies, global priorities, and local needs of the recipient country (Relevance of Policies); how much impact ODA has delivered (Effectiveness of Results); and what processes have been taken to ensure ODA’s Relevance of Policies and Effectiveness of Results (Appropriateness of Processes). Evaluations from the “diplomatic viewpoints” are conducted under two criteria: how ODA is expected to contribute to Japan’s national interest (Diplomatic Importance) and how ODA has contributed to the realization of Japan’s national interest (Diplomatic Impact).

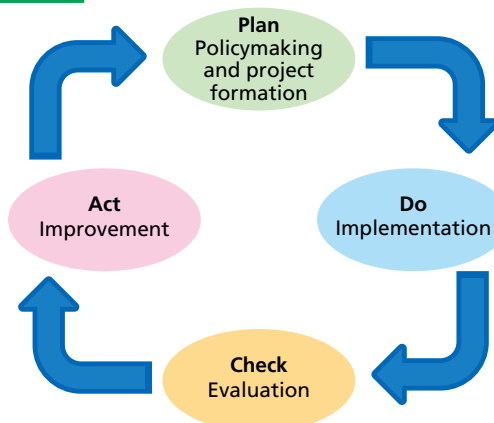
In addition, following the recommendations from the “Review of Japan’s ODA Evaluations from FY2015 to FY2021,” conducted in FY2022, MOFA is strengthening ODA evaluations in line with the priority policies, approaches, and implementation principles of the Development Cooperation Charter.

MOFA publishes the evaluation results on its website¹⁸ to ensure accountability to the Japanese public while promoting public understanding and support for ODA through higher levels of transparency.

At the project level, JICA mainly conducts evaluation by modality—grants, loan aid, and technical cooperation—as well as thematic evaluations. JICA conducts evaluations and monitoring for each project from the ex-ante, mid-term, and ex-post stages, and has established an evaluation mechanism suited to each cooperation modality. As for projects above a certain scale, JICA commissions third-party ex-post evaluations. JICA also strengthens impact evaluations¹⁹ in order to rigorously verify the effectiveness of projects.

MOFA and JICA conduct ODA evaluations primarily based on the Evaluation Criteria of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD).²⁰

Chart V-2 PDCA Cycle



Glossary

Country-Based ODA Task Force

The ODA Task Force was introduced in FY2003 to ensure the effective and efficient implementation of Japan’s development cooperation in developing countries or regions. With the Embassy of Japan of the country or region and the JICA overseas office at its core, the ODA Task Force convenes, where applicable, representatives of the Japan External Trade Organization (JETRO), the Japan Bank for International Cooperation (JBIC), and other organizations.

¹⁶ 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 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, etc. “Incomplete projects” are projects for which loan disbursements have not been completed after 10 years have elapsed following the decision to implement the project, etc.)

¹⁷ Since FY2017, in addition to policy-level ODA evaluations, grant projects in which the amount of aid offered through an E/N is ¥1 billion or more are subject to third party evaluations while the project in which the aid amount falls between ¥200 million and ¥1 billion are internally evaluated. Japan strives to ensure that the results of these ex-post evaluations are utilized to improve the formation of ODA projects in the future.

¹⁸ ODA Evaluation <https://www.mofa.go.jp/policy/oda/evaluation/index.html>

¹⁹ Evaluation method verifying the effects of development projects by using methods from statistics and econometrics.

²⁰ In December 2019, coherence was added to the criteria of relevance, effectiveness, efficiency, impact, and sustainability that had been in use since 1991.



Stories from the Field

Dissemination of Mushroom Cultivation Technology and Industry Promotion by a Japan Overseas Cooperation Volunteer



Bhutan, nestled at the foot of the Himalayas and known for its unique philosophy of “Gross National Happiness,” has little flatland, making it difficult to secure extensive agricultural land; the country depends on imports for most of its agricultural produce, including its staple food of rice. In this context, mushrooms that can be cultivated in mountainous areas have attracted attention as a source of income for farmers. The National Mushroom Centre (NMC) in the capital, Thimphu, provides farmers with support in mushroom cultivation and breeding. Shiitake and oyster mushrooms have traditionally been the main species, but yields for both have stagnated due to price competition with other countries and restrictions on forest use under the constitution, prompting a search for new mushroom species to cultivate.

The species that attracted attention was nameko, a mushroom well known to Japanese people. One of the key contributors to this new initiative in Bhutan, where there had previously been no tradition of cultivating or eating nameko, is Dr. KUMATA Atsushi, a JICA Overseas Cooperation Volunteer. Dr. Kumata had spent many years working as an official in the Fukushima Prefecture Agriculture, Forestry and Fisheries Department, where he was engaged in research and dissemination activities related to mushrooms. Upon retiring, he applied to the JICA Overseas Cooperation Volunteer program in pursuit of a dream he had been unable to fulfill during his working years: “to give back to society by applying my specialized knowledge on the ground in international cooperation.” He explains why he requested a posting to Bhutan: “It seemed like the place where I could make the most of my expertise. It is a mountainous country with some of the world’s richest biodiversity, abundant in mushroom species, and I expected there would be many discoveries to be made.”

Shortly after arriving, Dr. Kumata discovered nameko growing wild in the mountains. Joint research with Fukushima University, including morphological and genetic analysis, confirmed that it was the same species as the nameko native to Japan, marking the first step toward spreading nameko cultivation in Bhutan. Based at the NMC, his host institution, Dr. Kumata launched a project to provide guidance on nameko cultivation to local farmers. In June 2024, the project was formally adopted as a support initiative of the Food and Agriculture Organization of the United Nations (FAO), and today approximately 40 producers across three dzongkhags in Bhutan are engaged in nameko cultivation.

In order to encourage local farmers to engage actively with



Dr. Kumata (second from left) presenting prototype nameko products to Minister of Agriculture and Livestock Younten Phuntsho (Photo: NMC)

this new initiative, Dr. Kumata traveled to the mountain areas where cultivation would actually take place to provide technical guidance, and outside of these guidance activities, he deepened his interactions with local people and built relationships of trust. Mr. Karma Thinley, an NMC staff member, recalls the impression this made: “In the harsh conditions of mountain villages, from food to sanitation, conditions that even we Bhutanese would hesitate to endure, Dr. Kumata, a Japanese national, fit in with the local people more naturally than anyone.”

Another advantage is that log cultivation is possible in Bhutan. Log-cultivated nameko, prized for its excellent flavor and high quality, is increasingly attracting interest as an export product. Dr. Chenchu Dukpa, Programme Director of the NMC, casts an enthusiastic eye toward overseas markets: “With a view to exporting to countries where there is a niche demand for rare, high-quality log-cultivated nameko, we have been working with processors and exporters, and prospects for sales channels are beginning to take shape. Our production volumes are still small, but I would love for people in Japan to have the chance to taste Bhutan’s nameko, a species with a flavor all its own.”

New international exchanges centered on nameko are also taking shape. Motivated by a desire to deepen the bonds between Bhutan, which provided support to Japan at the time of the Great East Japan Earthquake, and Fukushima Prefecture, well known as a nameko-producing region, Dr. Kumata arranged for NMC staff and FAO Bhutan Country Office staff to visit Japan in April 2025, where they undertook approximately two weeks of training at production sites and universities in Fukushima Prefecture. Through visits to private companies as well, participants deepened their knowledge of the latest cultivation technologies and distribution processes, giving new momentum to the expansion of cultivation going forward. Dr. Kumata reflects on the potential to bring what he has learned in Bhutan back to Japan: “If we can produce high value-added crops, it can bring income to communities even in mountainous areas, and lead to the revitalization of those communities. I wonder whether these insights could also be applied to regional development in Japan.” Each nameko mushroom may be small, but together they are forging a powerful bond between Japan and Bhutan, opening new possibilities for the revitalization of local communities.



Dr. Kumata (first from left) introducing nameko cultivation in an isolated village (Photo: NMC)

(2) Institutional Design for Development Cooperation that Enables Qualified Response with Japan's Strengths – Development Cooperation Toward “Co-Creation” –

The human resources, knowledge, high-level of technical competency, and institutions that Japan has developed in the course of its democratic economic development, while valuing its own traditions, have served as one of the keys for developing countries to solve various challenges and achieve development, while also contributing to the building of trust between Japan and its partner countries. The network of people who have acquired Japanese customs, culture, and technologies through various opportunities such as studying in Japan and training programs also support the overseas expansion of Japanese companies. In this way, Japan strives to promote development cooperation toward “co-creation,” in which both Japan and developing countries solve their respective challenges and achieve development through development cooperation built up over time.

■ Investment in People

Since Japan began providing ODA in 1954, it has consistently emphasized “investment in people” to transfer its technologies and expertise through acceptance of trainees and dispatch of experts and strove to develop human resources with careful programming. For the purpose of contributing to solving problems in developing countries, Japan has hosted trainees from developing countries in a wide range of fields, including public administration, agriculture, forestry, fisheries, mining and manufacturing, energy, education, health, medicine, transport, and communications. In FY2024, 8,648 new trainees from 139 countries and regions came to Japan to participate in training programs, while a total of 1,460 new trainees from seven countries participated in the In-Country Training Program, conducted in the home countries and regions of the trainees, and 2,000 new trainees from 118 countries and regions participated in the Third-Country Training Program. Furthermore, through the Dispatch of Technical Cooperation Experts, Japan aims to develop the human resources of developing countries by providing advanced policy recommendations to governments tackling development challenges and by developing technologies tailored to local conditions, in pursuit of enhanced development outcomes. As of FY2024, based on a total of 1,951 new and ongoing contracts, JICA experts were dispatched to 108 countries

and regions (for a combined dispatch of 10,055 experts and survey personnel).

■ Japan Overseas Cooperation Volunteers (JICA Volunteer Program)

Started in 1965, the Japan Overseas Cooperation Volunteers (JOCVs) has dispatched more than 58,000 volunteers in total to 99 developing countries and regions, and as of December 2025, 1,658 volunteers are in service in 74 countries. Marking its 60th anniversary in 2025, it is an ODA program that invites public participation in the true sense of the word and has contributed to developing countries and regions while embodying the “visibility of Japanese development cooperation.” The program not only contributes to the socio-economic development in developing countries and regions but also to the promotion of mutual understanding and friendship between Japan and these countries and regions by conveying Japan's experience, knowledge, and technologies through building close personal relationships and trust, and by cultivating people's affinity for Japan, and, as a result, it is highly acclaimed both domestically and internationally.

In 2012, the JICA Volunteer Program to dispatch personnel in partnership with private companies and organizations (hereinafter referred to as “private entities”), local governments, and universities, became officially institutionalized.²¹ In partnerships with private entities, the program actively supports the overseas outreach of these companies through the dispatch of their staff as volunteers, tapping their professional experience from Japan for activities in developing countries and, upon return to Japan, by incorporating their knowledge of country-specific business practices and market needs from volunteering days in their corporate activities. By December 2024, 141 volunteers from private companies and other organizations had been dispatched from private entities to 40 countries (see “Stories from the Field” on page 158 for activities of volunteers in Bhutan). In partnership with local governments, the Program enables the community-building know-how of Japanese municipality offices to be utilized for community development in developing countries through the dispatch of their staff as volunteers. Those returned volunteers are expected to incorporate the community-building experiences from their volunteering days in their work back in local government offices in Japan for community development and nation-building. By December 2025, 86 volunteers had been dispatched from local government offices to 14 countries. The Program also supports university students being dispatched in partnership with universities, with the hope that the volunteering experiences in developing countries will enhance their

²¹ In April 2023, the “Private Sector Partnership,” “Local Government Partnership,” and “University Partnership” dispatch programs were reorganized and integrated into the “Partnership Program.”

personal growth and lead to effective human resource development in both Japan and developing countries. By December 2025, 1,231 volunteers had been dispatched from universities to 46 countries.

It is worth noting that the JICA Volunteer Program returns its advantages to the Japanese society in the form of former volunteers' contribution to regional revitalization and the business expansion of Japanese corporations to developing countries on the back of the global perspectives they newly obtained through the volunteering activities. Since 2022, to enhance such effects, JICA has been implementing the "GLOCAL Program (Pre-departure Type)," which provides opportunities for prospective JOCVs undergoing pre-dispatch training that intend to address challenges faced by regional communities in Japan after their volunteering service abroad to participate in activities for regional revitalization and multicultural coexistence implemented by local governments. In FY2024, 101 pre-dispatch volunteers participated in the program in 19 areas across 12 prefectures. Those who participated in the program regarded it as beneficial for acquiring firsthand experiences of fostering social relationships in a new place, gaining personal connections with communities that last beyond the end of the program, and broadening their career options after volunteer service abroad. Host local governments give highly positive feedback on the program, noting that insights from outsiders' perspectives helped residents rediscover the value of their own communities. In this way, to promote these initiatives, Japan strives to make it easier for more people to join the JICA Volunteer Program through supporting former volunteers' pursuit of career advancement as well as disseminating information on how to participate in the Volunteer Program while retaining one's job (see Part I on page 2 for the 60-year history of JICA).



A JOCV coaching the national table tennis team in Vanuatu (Photo: JICA)

■ Co-creation for Common Agenda Initiative

Japan's advanced technologies and science are major advantages. At the same time, as emerging and developing countries advance their technological base

and present diversified needs, it is becoming important to provide value-added development cooperation in a way that couples the cooperation on quality hardware components, including the provision of equipment and facility development, with the cooperation on software components, including engagement in operation and maintenance, institutional development, and human resource development. In light of the current situation, Japan has launched in the revised Development Cooperation Charter of June 2023 the strengthening of the Co-creation for common agenda initiative, which proactively proposes attractive cooperation menus that leverage Japan's strengths, including Official Development Assistance (ODA), Other Official Flows (OOF), and private finance in strategically important fields for Japan's foreign policy. In addition, in September 2023, Japan formulated the strategy document, "Co-creation for common agenda initiative" ²² and identified (i) Climate Change Response and Green Transformation (GX), (ii) Economic resilience, and (iii) Promotion of digitalization and Digital Transformation (DX) as areas for strategic engagement. Furthermore, in August 2025, taking into account the increasing frequency and intensification of natural disasters worldwide, as well as the growing importance of efforts for sustainable global health, Japan revised the Strategy Document, adding "Disaster Risk Reduction (DRR)" to the first pillar of "Climate Change Response and Green Transformation (GX)" and introducing "Health" as a new strategic area.

Under the framework of the Co-creation for common agenda initiative, based on the aforementioned strategy document, Japan and a partner country work together to formulate sector-specific development cooperation goals, development scenarios, and a menu of possible cooperation through policy dialogue. Through the process of presenting a cooperation menu indicating mid- to long-term inputs from Japan—indicative figures of financial and human resource contributions, overviews of cooperation projects combining different modalities, etc.—and discussing policy initiatives to be undertaken by developing countries, Japan and the developing country would gain a consensus on the overall framework of cooperation, as necessary. Japan also emphasizes establishing a platform for dialogue for each partner country with relevant stakeholders from both Japan and developing countries. Through these efforts, Japan will aim to realize development cooperation goals and address the challenges of developing countries, and at the same time, to "co-create" with various stakeholders to lead to solutions for the challenges and economic growth of Japan.

A specific example of the Co-creation for common agenda initiative is the ongoing effort to strengthen disaster prevention and early warning systems in Fiji and the Pacific region. This is a part of the "Pacific Climate

²² Strategic fields and approaches to cooperation through the Co-creation for common agenda initiative: "Co-creation for Common Agenda Initiative with Partners" <https://www.mofa.go.jp/mofaj/files/100553362.pdf>

Resilience Initiative” announced at the 10th Pacific Islands Leaders Meeting (PALM10), which took place during the same period. Utilizing a variety of modalities, including grants and technical cooperation, the initiative aims to strengthen disaster risk reduction and response capabilities across the Pacific region, thereby promoting the development of a sustainable and resilient society against climate change and natural disasters (see Part IV, Section 3 on page 105 for specific activities under the Co-creation for common agenda initiative in Fiji).

In Brazil, cooperation is being advanced under the “Japan-Brazil Green Partnership Initiative (GPI)” launched in 2024, centered on the recovery of degraded pasture and countermeasures against illegal deforestation in the Amazon. Furthermore, in August 2025, Japan announced the launch of the region-wide Co-creation for common agenda initiative for Mozambique, Malawi, and Zambia, titled, “Strengthening the Global Supply Chain through Nacala Corridor Development,” as well as the launch of an initiative for Nigeria titled “Solution of social challenges and building economic resilience by supporting startups,” on the occasion of the Ninth Tokyo International Conference on African Development (TICAD 9). The region-wide Co-creation for common agenda initiative for the Nacala Corridor aims to improve and strengthen transportation infrastructure and promote industrial development in the Nacala Corridor region. This is expected to strengthen connectivity within the region and enhance the value of the corridor as a transportation route for mineral resources and other goods, thereby achieving sustainable development through promoting investment and creating employment in the region. The initiative is also expected to strengthen Japan's global supply chains related to various resources. The Co-creation for common agenda initiative for Nigeria aims to increase its economic resilience by providing funding to Nigerian startups involved in manufacturing and addressing social challenges to promote the solution of social challenges through innovation and industrial diversification through the creation of new industries, thereby generating mutual benefits for Japan and Nigeria (see also Part IV, Section 4 on page 108 for the Co-creation for common agenda initiative in Brazil, and Part IV, Section 8 on page 126 for the initiative in Africa).

■ Grant for Grass-Roots Human Security Projects

Espousing the philosophy of human security, Japan's Grant for Grass-Roots Human Security Projects, which traces its origin to the “Small-Scale Grant” initiated in FY1989, directly and agilely implements relatively small-scale development projects,²³ targeted at populations in localities of developing countries and regions where

access to public service is limited. These projects address basic human needs (BHN) and encompass education, health and medical care, water and sanitation, landmine clearance, and disaster prevention. Within this framework, Japan also undertakes specific projects in which Japanese companies and local governments collaborate in project implementation, providing complementary services such as technical training free of charge. This approach leverages Japan's expertise and technological capabilities to effectively address social challenges in developing countries and regions. In FY2024, a total of 422 projects were executed across 113 countries and regions.



Demonstration at the handover ceremony of fire trucks to the Pindal City Fire Department in Ecuador (Grant for Grass-Roots Human Security Project)

■ Loan Aid

Japan, once a recipient of development aid, borrowed substantial funds from the World Bank and other sources across a wide range of sectors necessary for postwar reconstruction, laying the foundation for its rapid postwar economic growth. Based on this experience of achieving development through the responsible repayment of loans, Japan places emphasis on supporting self-help efforts of developing countries and promoting their self-reliant development. As a result, a consistently high proportion of Japan's ODA takes the form of loan-based assistance with repayment obligations, based on the belief that such an approach contributes to more effective development cooperation. In line with this approach, in order to enhance the “visibility of Japanese development cooperation” through utilizing and transferring Japan's advanced technologies and knowhow to developing countries, the Government of Japan continuously improves its systems, including the introduction of the Special Terms for Economic Partnership (STEP). Through these efforts, the ratio of orders received by Japanese companies has remained at a level exceeding 60% in loan projects, which supports their business expansion overseas.

²³ The general limit for each project is ¥20 million, with a maximum of up to ¥100 million.