

Introduction: Significance of Japan's International Cooperation

The total amount of Japan's Official Development Assistance (ODA) gross disbursements in 2019 was approximately \$18,919.77 million (¥2,063.1 billion). There are various issues to address, such as the low birth rate, aging population, and disaster recovery and disaster risk reduction, and on top of this, the spread of COVID-19 has had a significant impact on Japan's public finances and the economic lives of its citizens since 2020. Under such circumstances, why does Japan support developing countries through ODA?

After World War II, Japan came back from the ruins and rebuilt itself. In the course of reconstruction and economic growth to join the ranks of developed countries, Japan received support from the United States and other developed countries as well as international organizations such as the World Bank. Basic infrastructures, which were essential for the reconstruction and development of Japan including the Tokaido Shinkansen, the Tomei Expressway, the Kurobe Dam, and the Aichi Canal Project, were built using such support. Japan, which has already achieved economic development, has now been supporting the economic development of developing countries by utilizing ODA. There are high expectations for Japan from various countries around the world in this regard.

When we turn our eyes to global issues, climate change, natural disasters, environmental problems, infectious diseases, and refugees among others are getting more serious, and their impacts are spreading all over the world. In 2015, the United Nations adopted the Sustainable Development Goals (SDGs), and the international community has been promoting initiatives to build a society where "no one will be left behind" by 2030. Under this situation, contributing to the stability and development of developing countries through ODA not only creates a peaceful, stable, and prosperous international community, but also helps protect the lives of Japan's citizens and realize prosperity. For example, as a result of industrialization supported by Japan, octopus and salmon from developing countries are exported to Japan and served in our daily meals. Cooperating for a certain country to reduce greenhouse gas emissions or marine plastic litter will lead to improving the environment surrounding Japan. Engaging in cooperation with various stakeholders around the world in dealing with the COVID-19 pandemic will also contribute to preventing its global spread, support Japanese people and companies abroad in resuming activities, and lead to the prevention of the spread of disease in Japan as well.

Over 65 years have passed since Japan started to provide ODA. The support and human resources development in various fields that Japan has provided to developing countries through ODA have led to their current trust in Japan. Since ODA is implemented using precious tax funds, it should be appropriately utilized and put to use for developing countries. Japan will continue to provide development cooperation to address global issues so that such effort will enhance Japan's peace, security, and prosperity.

Japan's activities are connected to the world,
so helping prevent the spread of COVID-19 around
the world is important for Japan too!



Development Cooperation of Japan

The foundation of Japan's development cooperation policy is the Development Cooperation Charter (decided by the Cabinet in February 2015). The Development Cooperation Charter defines Japan's basic policies as 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 these efforts. The ever more strategic and effective use of Official Development Assistance (ODA) is required as one of the most important foreign policy tools (the Development Cooperation Charter is published on page 182 and the Ministry of Foreign Affairs website) ¹.

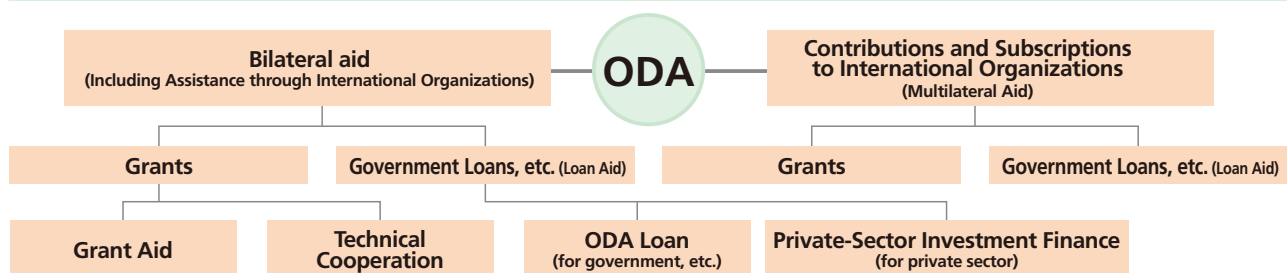
1. Japan's basic policies of the Development Cooperation Charter

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 will promote 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 challenges.

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," and ODA is public funding for those activities. The government or governmental implementing agencies provide funds (grants, loans, etc.) and technical assistance to developing countries or international organizations through ODA for the "development" of the developing countries, including peacebuilding, governance, promotion of basic human rights, and humanitarian assistance.

The eligible developing countries and regions are included in the list (see page 25, Chart I-10) 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 **loan aid**. There is also **bilateral aid** which directly assists developing countries and regions and **multilateral aid** which is contributions to international organizations.

Grants in **bilateral aid** are cooperation that is provided to developing countries and regions. They consist of **grant aid** which provides 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 develops human resources that will be the actors in the development of the society and economy of developing countries and regions by utilizing the know-how, technology, and experience of Japan. **Grants** also include contributions to international organizations for specific projects and target countries.

Additionally, **loan aid** in bilateral aid includes **ODA loans** for lending the necessary funds to developing countries and regions under 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 entities in the private sector responsible for implementing projects in developing countries and regions.

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

² <https://www.mofa.go.jp/policy/oda/index.html>