Part III

Measures for Each Priority Issue

A Japan Overseas Cooperation Volunteer (JOCV) conducting technical cooperation in Zambia identifying fault locations with a vehicle diagnostic device and explaining maintenance methods (Photo: JICA)

Part III

Measures for Each Priority Issue

1 "Quality Growth" in the New Era and Poverty Eradication through such Growth

(1) Strengthening Socio-Economic Autonomy and Resilience

Japan has sought to eradicate poverty, the most fundamental development challenge, by achieving economic growth and ensuring that it is "quality growth."* In order to achieve "quality growth," it is important to improve the socio-economic infrastructure that serves as the foundation for development. Moreover, it is crucial that the private sector plays a key role, and it is indispensable to boost private sector activities, such as the development of industries and the expansion of trade and investment. However, as the global economy faces soaring energy and food prices and disruptions to supply chains, impacted by COVID-19 and Russia's aggression against Ukraine,[1] it can sometimes be difficult to develop capacities or set in place an environment for promoting trade and attracting private investment, particularly in developing countries. Thus, support from the international community is required to strengthen the socio-economic autonomy and resilience of developing countries.

Japan's Efforts

■ **Enhancing Resilience and Diversification of Supply Chains and Economic Diversification**

Japan provides cooperation to develop the trade and investment environment and economic infrastructure of developing countries on both structural and non-structural aspects in order to enhance their export capabilities and competitiveness. On structural aspects, Japan provides cooperation such as the development of transportation networks, including ports, roads, and bridges, which are important for developing countries to engage in trade, and the development of industrial infrastructure, including power plants and power grids. Japan also provides assistance on non-structural aspects including technical cooperation in trade-related areas, such as providing training to customs officials and intellectual property rights experts, to facilitate administrative procedures related to trade control and customs.

Strengthening the economic resilience and economic security of developing countries through such cooperation is an urgent issue in securing a virtuous cycle of growth that ensures quality growth of developing countries as well as the benefits for the Japanese economy. With this perspective in mind, at the G7 Hiroshima Summit in May 2023, Japan led discussions on strengthening economic resilience and economic security, including enhancing resilience of supply chain and critical infrastructure. Based on the discussions, the G7 leaders confirmed that they would closely coordinate in a holistic manner through the G7 framework, and as a comprehensive and concrete message on this agenda, issued the "G7 Leaders' Statement on Economic Resilience and Economic Security." In the Statement, the G7 leaders reaffirmed their strong will to "support particularly developing countries in building their resilience." In addition, the G7 leaders announced the "G7 Clean Energy Economy Action Plan" regarding enhancing the resilience of the supply chain of critical minerals that is necessary for clean energy transition and renewable energy devices manufacturing, and concurred to "seek to deepen their cooperation with and support for partners around the world."

As an example of infrastructure support contributing to enhancing supply chain resilience, port development and access toll road construction have been underway since 2018 at Patimban Port in West Java Province in Indonesia, under the cooperation of Japanese companies utilizing yen loans and technical cooperation. In December 2021, a local company invested in by a Japanese company began the full operation of an automobile terminal, and in April 2022, port expansion construction commenced and the construction of an access toll road also began. In this way, cooperation between the public and private sector has advanced to improve logistics and other

Bang Sue (currently Krung Thep Aphiwat) station, where a roof is being constructed under the "Mass Transit System Project in Bangkok (Red Line) (III)" in Thailand (Photo: JICA)

1 This refers to the entire process, from procuring raw materials to production, processing, distribution, and sales to providing the product to consumers.

matters (see "Featured Project" on page 40 for Japan's infrastructure assistance in India, and Part III, Section 1 (3) on page 38 for Japan's infrastructure assistance in other countries).

Japan conducts training for supply chain resilience, development of the sustainable and reliable logistics systems, and strengthening food value chains[2] in Cambodia, Indonesia, Laos, the Philippines, Thailand, and Viet Nam, and a total of 246 government officials and others participated in the training in FY2022. In Indonesia, since 2022, on six remote islands near the border, Japan has been providing technical cooperation to develop high-value-added marine products and off-island distribution to revitalize the economies of the remote islands, in addition to developing fishing facilities.

With regard to the assistance to promote trade with developing counties, Japan has implemented the Generalized System of Preferences (GSP), which applies lower tariff rates than the most-favored nation applied tariff rates to promote imports of developing countries into Japanese markets. Furthermore, for the Least Developed Countries (LDCs),* Japan applies duty-free, quota-free access* by introducing a special preferential treatment. Moreover, Japan actively promotes Economic Partnership Agreements (EPAs)* and investment agreements. It is expected that these agreements will promote the facilitation of the business environment through trade and investment liberalization (reduction and elimination of tariffs and barriers to trade in services, etc.) and the protection of companies investing overseas and their investment, thereby encouraging Japanese companies to enter the markets in developing countries, and consequently, will contribute to economic growth in developing countries.

Discussions regarding "Aid for Trade (AfT)"* have intensified in various international organizations such as the World Trade Organization (WTO) and the Organisation for Economic Co-operation and Development (OECD), as a means of further promoting support from developed countries, including Japan. Japan has contributed to organizations such as the International Trade Centre (ITC), which implements AfT, with the aim of strengthening the capacity of developing countries to engage in trade negotiations and participate in the global market, and raising their ability to implement the WTO agreements. In 2023, through the ITC, Japan provided a range of cooperation, including: support for African female entrepreneurs to utilize e-commerce in their businesses; technical assistance to expand vaccine production and distribution in Nigeria; capacity building support for governments, business support organizations (trade promotion organizations, chambers of commerce, etc.), and micro-, small, and medium-sized enterprises (MSMEs) in Nigeria and other West African countries; and support for employment and business start-ups for displaced persons in Ukraine.

Regarding support for customs, Japan actively provides support mainly in ASEAN member states aimed at improving the capacity of customs through sharing Japan's expertise and skills in the area. In Thailand, Japan has implemented the "Project for Enhancing the Human Resource Development Capacity of Customs Administration" since July 2021. With contributions to the World Customs Organization (WCO), Japan supports capacity building activities that help to facilitate international trade while securing safety through promoting the introduction of international standards adopted by WCO as well as of best practices by various different countries. Japan dispatches its customs officials as JICA long-term experts to six ASEAN countries[3] to provide support tailored to their needs. In Africa, as a JICA-WCO joint project, Japan implements a program (the Master Trainer Programme) to train instructors who will play leading roles in customs administrations in various countries. The program has been expanded to Pacific Island countries since 2021.

Assisting the applicants of the SME support program in Mozambique under the One Village, One Product Campaign (Photo: JICA)

Japan also provides assistance to small scale production groups and small companies in developing countries over the "One Village, One Product Campaign."* In addition, to attract private sector investment in developing countries, Japan advances support by identifying unique challenges in those countries and by offering recommendations or advice to local governments.

Technical Assistance for the Improvement of Financial and Capital Market Systems

A sound and stable financial system, coupled with smooth financial and capital markets, forms an essential foundation for the sustainable economic development of developing countries. As financial globalization advances, it is pivotal that financial systems in emerging countries

2 See the glossary "Establishment of Food Value Chain" on page 32.

3 The six countries are: Cambodia, Laos, Malaysia, Myanmar, the Philippines, and Thailand.

are properly established and that assistance is provided for the development of sound financial markets. Based on this concept, the Financial Services Agency of Japan conducted training programs on financial administration for emerging countries concerning regulatory and supervisory systems and initiatives in Japan's financial and capital markets. Specifically, in March 2023, "Seminars on Securities Supervision" and "Seminars on Insurance Supervision" were held in face-to-face and online formats, respectively, with a total of 10 participants from seven countries.

Support for Mobilization of Domestic Resources

In order to enable developing countries to achieve quality growth by resolving various development issues under their ownership, it is critical that developing countries secure the necessary development funds in the form of tax revenue collection or others with their own capacities. This is known as "domestic resource mobilization," and its importance has been pointed out in light of insufficient development funding for achieving the Sustainable Development Goals (SDGs).* Japan, together with the international organizations and other entities concerned, contributes to discussions regarding domestic resource mobilization and provides relevant support to developing countries. For example, Japan proactively provides technical cooperation to developing countries for improving their tax administration. In 2023, National Tax Agency (NTA) personnel served as JICA long-term experts in Laos, the Philippines, and Viet Nam, in areas including taxpayer management, international taxation, and tax collection. In addition, NTA conducts the International Seminar on Taxation (ISTAX) and training on international taxation for tax officials and others from developing countries. Moreover, the "Project for Enhancement of Property Valuation Capacity" has been underway in Thailand since November 2022. Japan also cooperates with IMF and ADBs in their technical assistance on taxation, including domestic resource mobilization, and provides support in terms of human resources, expertise, and financing, thereby contributing to strengthening capabilities in the field of taxation in developing countries in Asia, and beyond.

In order to support the sustainable development of developing countries, it is also important to implement the OECD/G20 BEPS Project,* which works to prevent excessive tax planning measures by multinational enterprises. Implementing this project in a coordinated manner with various countries would enable developing countries to address the tax avoidance of multinational enterprises appropriately and to impose and collect tax properly in each country. At the same time, their tax systems and tax administration could be in line with international standards by their implementation of the BEPS Project, which will lead to a stable, highly predictable, and attractive investment environment for companies and investors. At present, more than 140 jurisdictions, including developing countries, are participating in the framework that implements measures recommended under the BEPS Project. Under this framework, the Two-Pillar solution [4] was agreed upon in October 2021 to address the tax challenges arising from economic globalization and digitalization. Work is underway to formulate a multilateral convention and change domestic laws to quickly implement the agreement.

Support for Industrial Human Resources Development and Employment Including Job Creation

In order to achieve quality growth, it is important to develop industrial human resources who will support industrial development. In developing countries where opportunities to receive education and training tend to be limited, Japan supports polytechnic and vocational training schools, that serve as core centers in each country to develop industrial human resources with diverse technologies and skills. In implementing this assistance, Japan utilizes its insight and know-how in cooperation with the private sector. Japan supports the capacity building of teachers and trainers, the reinforcement of the operational capacity of training schools, and the development and revision of curriculums and teaching materials, in order to further strengthen the linkages between education and employment (see "Featured Project" on page 98 for efforts in Pakistan).

Between 2016 and 2023, Japan, in collaboration with the industrial sector, provided comprehensive assistance including facility and equipment improvement to 19 Technical and Vocational Education and Training (TVET) institutions through 13 projects in nine countries. In 2023, Japan contributed to skill development for women to improve their livelihoods through 13 projects in 20 countries and regions. In the same year, Japan also contributed to the provision of agricultural and entrepreneurship training to 500 people as well as agricultural inputs and startup capital to 500 households in Zambia.

Regarding the Asian region, the Japan-ASEAN Comprehensive Connectivity Initiative was released in September 2023. Japan announced in the Initiative that it would provide capacity building projects for 5,000 individuals over the next three years. Japan will cooperate in developing human resources who will play a key role in ASEAN countries through various projects, such as group and region-focused training and the Project for Human Resource Development Scholarship (JDS).

4 Pillar One is a revision of international taxation principles to allow the taxation of multinational enterprises with large scale and high profit levels in market countries regardless of their physical presence. Pillar Two is the introduction of a global minimum tax from the perspective of limiting the possibility of a race to the bottom on corporate income tax rates.

MASTER TECHNIQUES from Japan to the World

Public nomination 1

A Company from Gifu, the Birthplace of Japanese Modern Beekeeping, Contributing to Increasing Honey Yields in Tanzania

Tanzania in East Africa is an agricultural country where approximately 70% of the population is engaged in agriculture. However, the growth rate of the agricultural sector remains low compared with other sectors, and the disparity between urban and rural areas as well as employment among the younger generation are challenges. The beekeeping industry produces approximately 30,000 tons of honey annually, making the country the second-largest producer in Africa, although the actual yield is reportedly much lower than its potential when considering the climate and abundance of nectar sources (plants from which bees collect nectar to make honey). One of the reasons for this is the use of traditional beekeeping technology by smallholder farmers.

Therefore, Nissin Honey Co., Ltd., which is based in Gifu Prefecture, known as the birthplace of Japanese modern beekeeping, and is engaged in manufacturing and importing honey products, utilizes JICA's SDGs Business Supporting Survey to introduce modern beekeeping in Tanzania.

Japan depends on imports for most of its honey consumption. Nissin Honey, which imports honey mainly from South America, Eastern Europe, and Southeast Asia, began considering Tanzania as an option for diversifying the company's import sources. Mr. KISHINO Hayato, CEO and President of Nissin Honey explains the reason for their choice: "We estimated that, by introducing Japanese modern beekeeping technology, we would be able to increase the honey yield in Tanzania, where honey is collected using traditional methods."

"This project was a new attempt for our company, as it was about not only importing honey, but also developing local human resources and improving production capacity. The issues we addressed first were the introduction of Japanese-style beehive boxes and the aggressive nature of the local bees," says Mr. Kishino, looking back on the early days of the project.

Traditional beekeeping in Tanzania uses beehive boxes that are nearly four times the size of those in Japan and waits for bees to arrive at a fixed location. With this method, it is difficult to move the hives to areas with flowers, and it takes several months to collect enough honey, which reduces its quality. To tackle this issue, Nissin Honey starts this project by introducing compact and mobile Japanese-style beehive boxes. In order to ensure a stable supply of beehive boxes, Nissin Honey plans to set up a system to manufacture and distribute beehive boxes using local wood, in cooperation with a company in Miyazaki Prefecture in Japan. Mr. Kishino says, "The introduction of compact beehive boxes enables the local people to move the hives to areas with flowers and collect honey efficiently. In addition, smaller beehive boxes are easier for women to handle, which encourages women's participation," as the explanation of the benefits of Japanese-style beehives.

A staff member of Nissin Honey Co., Ltd. (on the right) discussing with local beekeeping stakeholders (Photo: Nissin Honey Co., Ltd.)

Checking that the bees have adapted themselves to the beekeeping equipment brought in from Japan (Photo: Nissin Honey Co., Ltd.)

Regarding another challenge of the aggressive nature of African honeybees, it poses a high risk of beekeepers being stung while working. Therefore, Nissin Honey, with the cooperation of JICA, works with local universities and research institutes to increase the number of bees suitable for beekeeping by placing honeybees in an environment where they do not need to be aggressive, repeating crossbreeding for three generations, and selecting less aggressive bees.

According to Nissin Honey, it has been confirmed that the yield can be increased to nearly four times that of traditional beekeeping by incorporating modern beekeeping technology. Local beekeepers, who were initially skeptical about the introduction of new technology, have come to have high expectations for the introduction of Japanese beekeeping technology. Regarding the company's future prospects in Tanzania, Mr. Kishino says, "Our goal is to further increase production and stabilize the business by 2026, and we have to work not only on human resources development of beekeepers for increasing the production, but also on quality issues, including taste and color. We aim to resolve these issues and deliver honey from Tanzania to Japanese dining tables while increasing and stabilizing the income of Tanzanian beekeepers."

An international conference in the field of electrical and electronic engineering held in Bangkok, Thailand, under "ASEAN University Network/Southeast Asia Engineering Education Development Network (AUN/SEED-Net) Project Phase 4" (Photo: JICA)

The "Innovative Asia" Initiative, which has been implemented since FY2017, also provides excellent science and technology students from developing countries in Asia with opportunities to study abroad and intern at companies in Japan to promote the circulation of highly-skilled human resources between Japan and other Asian countries.

The Ministry of Health, Labour and Welfare (MHLW) conducts training both in Japan and in targeted countries of Cambodia, Indonesia, and Viet Nam. The training [5] is designed to transfer the know-how of Japan's skills evaluation system accumulated in the government and the private sector (Japan's National Trade Skill Test and Certification and skills competitions) to those in targeted countries in order to develop and secure a quality workforce. In FY2022, a total of 87 people from three countries participated in these training programs. The training is expected to develop and improve skills evaluation systems in these countries, which in turn will promote the development of their skilled workers and elevate their social standing through increased employment opportunities.

In the African region, Japan supports the development of industrial human resources for the sustainable growth of each individual, through the ABE Initiative (African Business Education Initiative for Youth) [6] and the Kaizen [7] Initiative, which are driven by industry-academia-government collaboration, as well as technical assistance in partnership with international organizations (see Part V, Section 1 (6) on page 139 and Part V, Section 2 (2) A on page 143 for the ABE Initiative).

Japan also provides assistance in the area of labor issues. Deterioration in the socio-economic situation usually has the greatest impact on socially vulnerable people, including youth and women. In order to create stable employment, each country needs to prepare for risks by building social safety nets. Moreover, there is a strong international need for support and response to realize decent work for all workers (set out in Goal 8 of the SDGs). Japan provides development cooperation mainly in the Asian region to improve standards of occupational safety and health and social insurance systems, through contributions to the ILO, among others. Japan also contributes to employment support for youth in Africa [8] as efforts to realize decent work.

Local company staff collecting data to be used in a proof-of-concept for credit evaluation scoring system to improve access to financial institutions for smallholder farmers in Doma, Nasarawa State, Nigeria (Photo: Zowasel)

■ Securing Access to Resources and Energy

The number of people without access to electricity is estimated at approximately 675 million in the world as of 2021. [9] The lack of electricity, gas, and other energy supplies also leads to many issues, such as delays in industrial development, loss of employment opportunities, and a further increase in the poverty rate. The global energy demand is expected to increase further in Asia and other parts of emerging and developing countries. At the same time, climate action is an urgent task. Under such circumstances, it is important to ensure energy security, while enhancing decarbonization to achieve the goal of net zero emissions by 2050, through diversification of energy suppliers and energy sources.

Japan works on the provision of support that enables modern energy supply and stable supply of electricity for industrial development, in order to promote sustainable development in developing countries. Japan also provides support for the establishment of environmentally friendly infrastructure, such as energy-saving equipment and power generation facilities

5 The types of training include "Training for people in charge of writing test standards and test questions, etc.," and "Training for people in charge of testing and grading, etc." The number of participants above is the total for all types of training.

6 See the glossary on page 145.

7 An approach in which each worker at a production site comes up with and implements their own ideas on how to eliminate inefficiency in the production process and improve quality and productivity. In Japan, in the period of rapid growth after WWII, this approach was cultivated on the job by the manufacturing industry to increase quality and productivity, and is based on 5S: "Sort, Set, Shine, Standardize, and Sustain."

8 Ethiopia, Gambia, Madagascar, Mauritania, Mozambique, and Sudan.

9 IEA "Tracking SDG7: The Energy Progress Report, 2023" https://www.iea.org/reports/tracking-sdg7-the-energy-progress-report-2023

Demonstrating the installation of equipment (protective pipes) provided under the "Project for Capacity Development of Power Distribution" in Nigeria (Photo: SUEZAWA Ruriko)

Management training being conducted as part of the "Project for Capacity Strengthening for Geothermal Steam Supply and Management" in Kenya (Photo: JICA)

that utilize renewable energies (hydropower, solar photovoltaics, solar thermal, wind power, geothermal power, etc.) (see Part III, Section 3 (1) on page 61 for Japan's efforts to address climate change).

In the Pacific Islands region, located across expansive ocean areas with vulnerability to the impacts of climate change, Japan assists in mainstreaming grid-connected type renewable energy from the perspective of energy security and the realization of low-carbon or decarbonized societies. In the Dominican Republic, which highly relies on imported fossil fuels for its electricity supply, Japan supports LED light use for streetlights on public roads across the country through yen loans in order to help improve the energy efficiency of the country. These efforts are expected to contribute to promoting energy conservation and reducing greenhouse gas emissions in the public sector of the country.

At the Eighth Tokyo International Conference on African Development (TICAD 8),[10] held in August 2022, the "Green Growth Initiative with Africa (GGA)" was launched with the aim of maximizing Japan's cooperation through three concepts, namely ownership and co-creation, flexible finance mobilization, and collaboration with diverse partners. As part of the contribution based on GGA, Japan announced its support for private investment in renewable energy projects, expansion of geothermal power generation, and cooperation in the field of mineral resources such as copper and rare metals that are indispensable for realizing a decarbonized society. As support for African countries to appropriately preserve and utilize natural resources and ecosystems, and to realize sustainable growth (green growth), Japan helps in the operation and maintenance of the Africa Power Pool (interconnected power grid among several countries), power distribution networks, and grid stabilization, among other efforts.

In Kenya, through the assistance to develop the Olkaria Geothermal Power Plants, Japan contributes to increasing and stabilizing power supply, and Japanese companies are responsible for part of the project implementation. In 2022, the ceremony for the official commissioning of the Olkaria I Additional Unit 6 and V Geothermal Power Plant was held. With the inauguration of the plants, Kenya has become sixth in the world in terms of installed capacity of geothermal power.

Initiatives toward Food Security and Nutrition

According to the report of "the State of Food Security and Nutrition in the World 2023,"[11] between 691 and 783 million people were estimated to be in hunger in 2022. This number increased by approximately 122 million compared to 2019, before the global spread of COVID-19. The report also predicts that approximately 600 million people will still face hunger in 2030. The report also states that "We have no option but to redouble our efforts to transform agrifood systems and leverage them towards reaching the Sustainable Development Goal 2 (SDG 2) 'Good Health and Well-Being' targets," recommending that overcoming the challenges will require policy interventions, actions, and investments. Japan provides food assistance[12] based on requests from developing countries facing food shortages. In FY2023, Japan contributed a total of ¥6.15 billion to 21 countries/regions as a grant mainly with the provision of Japan's Government-Owned Rice.

In addition to bilateral support, Japan is engaged in efforts to provide food assistance in cooperation with international organizations. For example, through the World Food Programme (WFP), Japan supports school meal programs to improve access to education, as well as initiatives to encourage people to participate in the

10 See the glossary "Tokyo International Conference on African Development (TICAD)" on page 121.

11 A report jointly prepared and published by FAO, IFAD, UNICEF, WFP, and WHO.
https://www.wfp.org/publications/state-food-security-and-nutrition-world-sofi-report-2023

12 Grant aid that provides funds for the procurement of necessary products and services to developing countries making efforts for socio-economic development, including poverty reduction, in order to implement food aid provided in accordance with the Food Assistance Convention.

A JOCV engaging in cooperation activities in Benin, communicating daily with smallholder farmers in the local community to help them increase their income (Photo: JICA)

Smallholder farmers in Tursunzoda, Tajikistan, produce and harvest strawberries as a marketable crop to increase their income as part of the Smallholder Horticulture Empowerment & Promotion (SHEP) project (Photo: JICA)

development of agricultural land and social infrastructure through the distribution of food. In August 2023, Japan decided to provide grant aid of ¥300 million through WFP to Guinea, which has been affected by Russia's aggression against Ukraine and had experienced food supply strains and sharp price increases, to provide Japan's Government-Owned Rice. In 2022, WFP conducted activities including the distribution of approximately 4.8 million tons of food, and food assistance based on cash transfers to approximately 160 million people in more than 120 countries and regions around the world. Japan contributed a total of approximately $265.12 million to the WFP projects in 2022.

Japan supports the improvement of nutrition in developing countries through contributions to the multilateral development banks (MDBs).* In 2021, Japan announced additional contributions totaling $70 million to the World Bank's Global Financing Facility (GFF)* and the Japan Trust Fund for Scaling Up Nutrition.* From the perspective of mainstreaming nutrition in development policy, Japan hosted the 20th replenishment final meeting of the International Development Association (IDA) of the World Bank Group in December 2021, and included in its agenda the strengthening of human capital, including improving nutrition status, as a priority area. In December 2021, Japan hosted the "Tokyo Nutrition for Growth Summit 2021," during which Prime Minister Kishida announced more than ¥300 billion in nutrition-related financial contributions over three years. In 2022, Japan contributed ¥160.682 billion (provisional).

In order to achieve food security and improved nutrition, Japan is proactively addressing food issues as a global challenge emphasizing cooperation for the promotion of agriculture, forestry, and fisheries, including the establishment of food value chains,* in addition to food assistance.

In developing countries, low purchase prices for agricultural products are one of the factors that prevent many farmers from escaping poverty. Japan promotes the establishment of food value chains for developing countries in cooperation with private companies, such as by formulating the "Plan to Promote the Establishment of Global Food Value Chain," which defines priority initiatives to establish a food value chain in each country and region. In 2023, Japan organized bilateral policy dialogues with Thailand.

Japan places emphasis on agriculture as an essential industry that plays an important role in Africa's economic growth, and actively contributes to its development. Specifically, under the Coalition for African Rice Development (CARD)* Phase 2, Japan proceeds with efforts to improve the quantity and quality of rice production applying the RICE approach.* The approach includes support for the development of irrigation facilities, research on superior rice varieties including New Rice for Africa (NERICA),* a hybrid of Asian and African rice varieties, and dissemination of production technology. CARD targets have expanded to 32 countries.

In TICAD 8 held in August 2022, Japan set the goal to provide human resources development for 150,000 people and to realize a doubling of rice production (56 million tons) by 2030 through CARD.

In order to transform agriculture from self-sufficient to "income generating" activities, Japan provides assistance through the Smallholder Horticulture Empowerment & Promotion (SHEP) approach.* The SHEP approach refers to an effort to assist smallholder farmers producing fruits and vegetables, aimed at increasing their income by causing a mindset shift to "growing to sell" and through improvements to farm management and cultivation skills. Japan has so far provided training and dispatched experts to 29 countries in Africa to support the transformation from the existing subsistence agricultural model. Japan expressed at TICAD 8 that it would support 66,000 people's shift to agriculture for "earning" through the SHEP approach. Japan also stated that it would provide $300 million through co-financing to support the strengthening of food production in coordination with the African Development Bank's African Emergency Food Production Facility.

In order to contribute to the improvement of food security through the enhancement of transparency in international agricultural markets, Japan has supported

the "Agricultural Market Information System (AMIS)" [13] through providing data and financial resources. At the G7 Hiroshima Summit in May 2023, it was confirmed that the efforts for AMIS would be strengthened.

Japan provides assistance in the agricultural sector through international organizations such as FAO, IFAD, the Consultative Group on International Agricultural Research (CGIAR), and WFP in order to strengthen developing countries' own foundations for food production. For example, Japan, in partnership with FAO, provides assistance in technical cooperation for the agricultural and rural development of developing countries, the establishment of international standards and norms in the food and agriculture fields, and the development of statistics. Japan also supports research and development aimed at both increasing productivity and sustainability, including variety development, the introduction of digital agricultural technologies, and other efforts conducted by CGIAR, which is comprised of 15 international agricultural research institutions. In March 2023, Japan decided to provide food-related assistance totaling $50 million to Asia, the Middle East, and Africa as a response to the deterioration of global food security, which has been exacerbated by Russia's aggression against Ukraine. Additionally, in April 2023, Japan launched the "Enhanced Linkages between Private Sector and Small-scale Producers (ELPS)" initiative to promote developed countries' support for development of sustainable and resilient food systems in developing countries. This initiative was also welcomed by the G7 countries at the G7 Agriculture Ministers' Meeting in Miyazaki.

In addition to the above-mentioned assistance in the agricultural sector, Japan contributes to improving animal health through the World Organisation for Animal Health (WOAH) and FAO. For example, Japan participates in the "Global Framework for the Progressive Control of Transboundary Animal Diseases (GF-TADs)," established by WOAH and FAO in response to transboundary animal diseases such as Avian Influenza, Foot-and-Mouth Disease (FMD), and African Swine Fever (ASF), supporting the initiatives of international organizations in the field of animal health mainly for the Asia-Pacific region.

Glossary

Quality growth

Growth that is "inclusive" in that the fruits of growth are shared across society as a whole, leaving no one behind, "sustainable" in that the economy, society, and environment are in harmony for generations, and "resilient" in that it is able to withstand and recover from various shocks, including natural disasters and economic crises (Development Cooperation Charter).

Least Developed Countries (LDCs)

According to the classification by the UN, LDCs are countries particularly behind in development compared to other developing countries based on their income levels. LDCs meet certain criteria, including gross national income (GNI) per capita of $1,018 or less on average between 2017 and 2019. As of 2022, there are 46 eligible countries: 9 in Asia, 33 in Africa, 1 in Latin America and the Caribbean, and 3 in Oceania.

Duty-free, quota-free access

A measure to make products imported from LDCs tariff free and without any import quotas. Japan has been expanding the number of applicable products under this measure, and approximately 98% of all products can be imported under such conditions.

Economic Partnership Agreement (EPA)

EPAs are agreements for strengthening a wide range of economic relations, incorporating not only elements of Free Trade Agreements (FTAs) that are aimed at reducing and eliminating tariffs on goods and barriers to trade in services between specific countries and regions, but also elements of cooperation in various sectors such as investment, movement of persons, protection of intellectual property, and rulemaking on competition policy. These agreements are expected to further vitalize trade and investment between countries and accelerate economic growth.

Aid for Trade (AfT)

AfT is an assistance provided to developing countries to improve trade-related capabilities and to develop infrastructure for the purpose of achieving economic growth and poverty reduction through trade in developing countries under the WTO's multilateral trading system. The WTO emphasizes the significance of promoting the development of developing countries through their participation in the multilateral free trading system.

One Village, One Product Campaign

The One Village, One Product Campaign is a globally prevailing initiative launched in Oita Prefecture, Japan in 1979. The initiative aims to create jobs and to revitalize local communities through promoting unique products that take advantage of local resources and traditional techniques. In Asia and Africa, this Campaign facilitates expanding exports of developing countries' products by discovering attractive goods, such as handcrafts, textiles, and toys that represent the unique ethnic characteristics of those countries and by reaching out to a wider range of people.

13 A system launched in 2011 by the G20 as a measure to counter the wild fluctuations of food prices. Various countries, corporations, and international organizations utilize the system to share information on the agricultural and food market (such as production volumes and prices) in a timely, accurate, and transparent manner.

2030 Agenda for Sustainable Development (2030 Agenda)/Sustainable Development Goals (SDGs)

International goals aimed at a sustainable and better world by 2030, as described in "the 2030 Agenda for Sustainable Development" adopted by all UN member states at the UN Summit in September 2015 as the successor to the Millennium Development Goals (MDGs, 2001). The SDGs consist of 17 goals and 169 targets.

OECD/G20 BEPS Project

Base Erosion and Profit Shifting (BEPS) refers to the problem where multinational enterprises exploit gaps and loopholes in international tax systems, including tax treaties, and undertake excessive tax planning measures to intentionally reduce their tax burden in spite of their taxable economic activities. In order to address this problem, the BEPS Project was launched in June 2012 by the OECD's Committee on Fiscal Affairs, with the aim of ensuring fair competition, bringing international taxation rules in line with the realities of the global economy and enterprise behavior, and reviewing international taxation rules as a whole in order to strengthen transparency of governments and multinational enterprises.

Multilateral Development Banks (MDBs)

A general term for international organizations that provide comprehensive support for poverty reduction and sustainable economic and social development in developing countries through financial assistance, technical assistance, and intellectual contributions. The term MDBs generally refers to the World Bank Group, which provides assistance worldwide, and four regional development financial institutions that provide support to their respective regions, namely, the Asian Development Bank (ADB), the Inter-American Development Bank (IDB), the African Development Bank (AfDB), and the European Bank for Reconstruction and Development (EBRD).

Global Financing Facility (GFF)

An initiative launched in 2015 by the World Bank, the UN, and others to expand financial resources for the maternal and child health field. The GFF provides technical assistance for the formulation of maternal and child health policies, including those to improve the nutritional status of women and children, and for the enhancement of implementation capacity. The GFF aims to mobilize funds effectively by providing support to formulate plans with the pre-condition that low-interest loans from the World Bank and other sources are used to implement said plans.

Japan Trust Fund for Scaling Up Nutrition

A trust fund established in 2009 to scale up nutrition investments in high undernutrition-burden countries and to strengthen in-country capacity to implement nutrition programs. It provides technical assistance to high undernutrition-burden countries to formulate policies for improving nutrition and to improve their implementation capabilities, thereby boosting nutrition investments by the countries concerned and the World Bank.

Establishment of Food Value Chain

An activity in which various stakeholders cooperate, including the farmers, suppliers of farming materials and implements, such as seeds, fertilizers, and farming machinery, processing companies of agricultural produce, transportation and distribution companies, and retailers, aiming at creating a chain that can enhance the added value of agricultural products from the stages of production, to manufacturing and processing, distribution, and consumption. For example, it includes improving the quality of agricultural produce, developing attractive new products, reducing transportation costs, increasing sales opportunities by expanding the sales network, and other activities.

Coalition for African Rice Development (CARD)

An initiative to support self-help efforts to expand rice production in Africa, as well as a donor advisory group to work in partnership with interested rice-producing countries. It was launched by Japan in collaboration with an international NGO, Alliance for a Green Revolution in Africa (AGRA), at TICAD IV in 2008, and Japan also launched the CARD Phase 2 at TICAD 7 in 2019.

Resilience, Industrialization, Competitiveness, Empowerment (RICE) approach

An initiative adopted under CARD Phase 2 to realize the goal of doubling rice production in Sub-Saharan Africa. Specific efforts include stabilizing production through adaption to climate change and population growth, industrial formation in local areas in cooperation with the private sector, enhancing the quality of home-grown rice so that it can compete with imported rice, and establishing agricultural management systems to improve the household incomes and livelihoods of farmers.

New Rice for Africa (NERICA)

A general term for rice developed by the CGIAR Africa Rice Center through the hybridization of high-yield Asian rice with weed, disease, and insect pest resistant African rice. Compared to conventional rice, NERICA are characterized by (1) a higher yield, (2) a shorter growing period, which means that they can grow in the short rainy season and avoid the risk of drought, (3) higher resistance to dryness (drought) and disease, and can withstand the hot, dry climate unique to Africa. Since 1996, Japan has been supporting the development and dissemination of varieties of NERICA by dispatching researchers and experts from the Japan International Research Center for Agricultural Sciences (JIRCAS) and JICA.

Smallholder Horticulture Empowerment & Promotion (SHEP) approach

An approach started by Japan in Kenya in 2006 to assist smallholder farmers producing fruits, vegetables, and other produce. It aims to increase their income through converting farmers' mindset from "grow and sell" to "grow to sell" and by improving farm management and cultivation skills. Japan promotes the activities integrating the SHEP approach around the world with a focus on Africa.

(2) Digital, Information and Communications Technology, and Science and Technology

Developing countries' growth and the international community's development cannot proceed properly without responding to the digitalization of economic and social activities. Digital technology has become more pervasive in people's lives and industrial activities, and the benefits of cyberspace, which is an important foundation for daily life and socio-economic activities, are expanding. On the other hand, the threat of cyber-attacks is becoming more serious, including damage caused by leaks of personal and corporate information and risks to national security from attacks on critical infrastructure. Therefore, it is becoming increasingly important to help developing countries reap the benefits of digitalization while mitigating its risks. Furthermore, since the impact of events in cyberspace can easily cross borders and cyber incidents occurring in other countries can also affect Japan, it is important to implement multi-layered cooperation and collaboration at various levels, including among governments and the private sector.

Japan's Efforts

■ Promotion of Digital Transformation (DX)

The spread of COVID-19 has led to a period of disruption in the movement of people and goods, resulting in the digitalization and onlineization of socio-economic activities. Digital transformation (DX)[14] is directly linked to all development challenges and is the key to achieving "quality growth."

In order to realize an inclusive and prosperous society in which developing countries and their people can benefit from digitalization in a safe, fair, and stable manner, Japan has identified the promotion of digitalization and DX as one of the areas in which Japan will strategically implement ODA through the "Co-creation for common agenda initiative" (see Part I, Section 1, page 4 and Part V, Section 2 (2) C. on page 145 for details on the "Co-creation for common agenda initiative"). Furthermore, through collaboration with various actors, including international organizations and private companies, Japan supports the development of legal and judicial systems, human resources development, and the development of information and communication environments as part of the establishment of foundations for promoting digitalization based on the concept of "Data Free Flow with Trust (DFFT),"[15] which Japan advocates. In doing so, Japan promotes cooperation aimed at solving issues through the promotion of digitalization and enhancing development outcomes.

Test driving autonomous agricultural machinery as part of an agricultural pilot project in cooperation with Yanmar Agribusiness Co., Ltd. that utilizes high-precision positioning data in Sara Buri Province, Thailand (Photo: JICA)

Areas where development benefits are expected to increase through DX include smart agriculture, remote medical care, smart cities, mobile banking, and the digitalization of government administration. As an example of Japan's new cooperation initiative, since 2021, Japan has provided remote advice and training on medical technologies and expertise needed in developing countries by connecting medical professionals from Japan and those in developing countries via a communication system in approximately 10 countries in order to improve the medical systems in developing countries steadily. In addition, as part of cooperation to promote DX in the agricultural sector, a training course on Smart Food Chains (SFC)[16] entitled "Human Resource Development on Private-Public-Academia for Agricultural and Rural DX/Smart Food Chain Co-Creation" was held in Hokkaido for approximately two months from June 2023, in which 12 people from 11 Latin American and the Caribbean countries participated. With the cooperation of universities and private companies, the training included practical training and demonstrations on agricultural machinery that utilizes digital technology, such as robotic tractors for field farming, as well as tours of factories.

In order to concretely advance DX, the JICA DXLab was launched in 2022 as an initiative that enables rapid and timely demonstration experiments with digital partners with excellent technology. JICA opens up its assets, such as the sites of its ODA projects in 150 countries and the networks it has cultivated, as a place for co-creation in the digital domain to support the resolution of issues in developing countries and the

14 Making people's lives more convenient and enriching them through the introduction of new information technologies, and generating new value by recreating existing business structures with the introduction of new digital technologies, etc.

15 The concept of DFFT aims to promote the free international flow of data, where data that is useful for solving business and social issues can flow freely without regard for borders, while ensuring trust in terms of privacy, security, and intellectual property rights. DFFT was proposed by then Prime Minister Abe at the World Economic Forum Annual Meeting (Davos Conference) held in Geneva, Switzerland, in January 2019 and was included in the G20 Osaka Leaders' Declaration at the G20 Osaka Summit in June 2019 with the support of the leaders of participating countries.

16 SFC refers to a platform that connects and accumulates information from entrance (production) to exit (consumption), enabling the sophistication of production, the improvement of added value in sales, and the optimization of distribution.

Confirming the effectiveness of the Smart Eye Camera (SEC), a device that uses a smartphone camera to enable ophthalmic exams in order to improve eye treatment in rural areas of Malawi (Photo: OUI. Inc.)

A discussion on disaster prevention equipment operation guidelines under the "Digital Terrestrial Television Broadcasting Network Operational Capacity Improvement Project" in the Maldives (Photo: Yachiyo Engineering Co., Ltd.)

business expansion of its digital partners. By December 2023, a total of four projects had been implemented in Ethiopia, India, and Indonesia.

■ Information and Communications Technology (ICT)

The dissemination of Information and Communications Technology (ICT)[17] contributes to the upgrading of industry and improvement of productivity as the establishment of a foundation for DX. It also contributes to solving social issues of medical care, education, energy, environment, disaster risk reduction and other areas, and helps promote democratization by encouraging information disclosure and establishing broadcasting media.

Japan promotes "quality infrastructure investment" in the ICT field in developing countries.[18] It actively supports the establishment of telecommunications and broadcasting equipment and facilities, the introduction of the technology and systems they require, and relevant human resources development. Specifically, Japan actively works to support the overseas promotion and the introduction of the Integrated Services Digital Broadcasting-Terrestrial (ISDB-T),[19] which has been adopted in a total of 20 countries[20] in Latin America and the Caribbean, Asia, Africa, and other regions as of April 2023. Japan also conducts training programs through JICA every year for countries adopting or considering ISDB-T. The Ministry of Internal Affairs and Communications (MIC) also promotes assistance that offers ICT solutions to resolve social issues through dialogues and joint projects with partner governments.

Japan works with the International Telecommunication Union (ITU)[21] to provide a variety of development assistance in the fields of telecommunications and ICT to developing countries. Since October 2020, under the COVID-19 pandemic, Japan has cooperated with the ITU to launch Connect2Recover (C2R), which supports developing countries and regions mainly in Africa to draft national strategies for strengthening digital infrastructure and improving their usage environments. Among the pilot projects in the "Giga" initiative[22] jointly implemented by ITU and the United Nations Children's Fund (UNICEF), Japan has provided support for introducing internet connectivity to schools in Rwanda. Starting in 2022, Japan has supported Zimbabwe and Mauritania in evaluating the resilience of their network infrastructure, developing maps that show the connection status of telecommunications networks before and after natural disasters, and formulating national strategies for the dissemination of ICT. Additionally, as a result of reaching out to various countries to expand the C2R project, the Governments of Australia, Czech Republic, and Lithuania have decided to provide funding, and the area of activities expanded to countries in Asia, the Caribbean, and the Commonwealth of Independent States (CIS).

In the Asia-Pacific region, the Asia-Pacific

17 ICT is a technology that integrates computers and other information technology with digital communication technology, as represented by the Internet and mobile phones.

18 In 2017, Japan formulated the Playbook for Investment in "Quality ICT Infrastructure" for ICT policymakers and procurement managers of the respective countries and regions.

19 A terrestrial digital broadcasting system that was developed in Japan. Its functions, such as an emergency alert broadcast system, TV broadcasting reception on mobile terminals, etc., and data broadcasting, give the system advantages in disaster response and the provision of diverse services.

20 The 20 countries are Japan, Angola, Argentina, Bolivia, Botswana, Brazil, Chile, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Maldives, Nicaragua, Paraguay, Peru, the Philippines, Sri Lanka, Uruguay, and Venezuela.

21 A UN specialized agency that covers the fields of telecommunications and broadcasting. To ensure that people around the world are able to make use of telecommunications technologies, ITU organizes the following: (i) international allocation of radio frequencies used in mobile phones, satellite broadcasting, and other technologies, (ii) international standardization of telecommunications technologies, and (iii) support for development in the field of telecommunications in developing countries.

22 An initiative launched by UNICEF and ITU in 2019 with the aim of enabling internet access in schools around the world, focusing on developing countries.

Telecommunity (APT)[23] contributes to the balanced development of the telecommunication services and information infrastructure in the region. In order to promote human resources development related to telecommunications, Japan finances a number of training programs conducted by APT every year. In FY2022, 10 training programs including on broadband networks and cybersecurity were implemented and attended by approximately 150 people from the APT member states. The trainees utilize Japanese technology for the development of their own countries' ICT, and Japanese companies' expansion into the Asia-Pacific region is also expected through introducing Japanese technology systems.

In the Asia-Pacific region, over 2 billion people do not have internet access due to factors including the fragile infrastructure and the inability to afford it. In the Association of Southeast Asian Nations (ASEAN) region and Pacific Island countries, Japan develops an environment to make low-cost, high-speed internet available even in remote islands and areas.

Providing certified white hat hacker training as part of the "Project on Capacity Building for Cyber Security" in Viet Nam (Photo: JICA)

■ Cybersecurity

In recent years, it has become a pressing task to take measures against threats to a free, fair, and secure cyberspace. It is thus necessary for diverse entities in each country to work together in order to respond to this issue. The lack of security-related awareness and response capacity in some countries, including developing countries, poses a significant risk to the entire world, including Japan. Therefore, strengthening cooperation for ensuring the security in cyberspace of countries around the world and providing capacity building support to developing countries not only contribute to the recipient countries, but also benefit the entire world including Japan.

Japan has strengthened cooperation with ASEAN through the ASEAN-Japan Cybercrime Dialogue and the Japan-ASEAN Information Security Policy Meeting. Japan continued to conduct tabletop exercises and other exercises with ASEAN member states in 2023, while also conducting the International Conference on ASEAN-JAPAN Cybersecurity Community (IC-AJCC) commemorating the 50th Year of ASEAN-Japan Friendship and Cooperation. In addition, through the International Criminal Police Organization (INTERPOL), Japan supported the strengthening of the investigative capacity of officials at law enforcement related agencies to deal with crimes committed in cyberspace, which increased under the COVID-19 pandemic.

Japan and ASEAN have concurred to further strengthen their cooperation on the issues related to cyber-attacks. As a specific initiative, Japan conducts cybersecurity exercises and other programs at the "ASEAN-Japan Cybersecurity Capacity Building Centre (AJCCBC)," which was established in Bangkok, Thailand, through the Japan-ASEAN Integration Fund (JAIF).[24] By February 2023, 1,480 people had participated in the training and other programs. In addition, in March 2023, support for the operation of the AJCCBC began as technical cooperation through JICA under the "Project for Enhancing ASEAN-Japan Capacity Building Program for Cybersecurity and Trusted Digital Services."

At the AJCCBC, Japan provides the Cyber Defense Exercise with Recurrence (CYDER), a practical exercise targeted at cybersecurity personnel of government agencies and critical infrastructure operators in ASEAN countries, and promotes cooperation in capacity building in the area of cybersecurity in ASEAN. Since March 2023, Japan has been working to further enhance the content by adding new training for exercise trainers and exercises based on needs surveys in ASEAN countries. In November, the Cyber SEA Game was held and young engineers and students selected from ASEAN countries competed using their cybersecurity skills.

Japan also contributed to the World Bank's Cybersecurity Multi-Donor Trust Fund and works on capacity building assistance in the field of cybersecurity for low and middle-income countries.

The National Police Agency (NPA) has conducted training for staff engaged in combatting cybercrimes at the People's Public Security of Viet Nam since 2017, with the aim of helping them acquire the knowledge and skills for dealing with cybercrimes, as well as strengthening cooperative relations between the security agencies of Japan and Viet Nam.

23 An international telecommunication organization established in the Asia-Pacific region. Aiming for a balanced development of telecommunication services and information infrastructure in the Asia-Pacific region, it implements human resources development through training courses and seminars, and coordinates regional policies on standardization, wireless communications, and other telecommunication issues.

24 See 4 on page 91.

Stories from the Field

1

An ABE Initiative Graduate Connecting Rwanda to a Japanese Company's Lightning Protection Technology

Rwanda, a landlocked country in East Africa, experiences many lightning strikes. Out of a population of about 13 million people, nearly 100 people are killed or injured each year, and electrical and communication infrastructure and equipment failures occur frequently, due to lightning strikes. Thus, lightning protection is one of the urgent issues for Rwanda, which focuses on science and technology education, including ICT, and promotes the ICT industry.

Otowa Electric Co., Ltd, headquartered in Hyogo Prefecture, operates businesses specializing in lightning protection solutions, including the development, manufacturing, and sale of lightning arresters and devices, as well as lightning countermeasure consulting, both in Japan and overseas. The company accepted trainees from Rwanda, who were studying at Kobe Institute of Computing, as interns under the ABE Initiative (African Business Education Initiative for Youth).*1 This led them to learn about lightning damage in Rwanda and start considering whether their technology could be utilized there.

Looking back on the situation at the time, Vice President Mr. YOSHIDA Atsushi says, "I heard from one of the trainees, Mr. Mugarura Amiri, about the situation of lightning damage in Rwanda, and together we began conducting field research. As a result, we found that there were lightning protection products made overseas available locally, but that sufficient countermeasures were not taken. Also, standardization for lightning protection solutions, which are usually based on international standards, had not been developed."

In 2016, Otowa Electric worked with local engineers in Rwanda on lightning protection solutions at Tumba College of Technology, a local engineer training school that Japan has supported for a long time, and provided the Rwanda Utilities Regulatory Authority (RURA) with the know-how to protect equipment from lightning through the proper installation and management of lightning arresters. After Otowa Electric conducted its own field research, the company applied for the SDGs Business Supporting Survey.*2 The reason was that the company considered the cooperation of JICA, with its local information and networks, essential in order to continue carrying out research, consultations, and construction on lightning protection solutions in Rwanda as a business, and to spread the countermeasures. Following the acceptance of the SDGs Business Model Formulation Survey with the Private Sector in 2017, the "SDGs Business Verification Survey with the Private Sector for Lightening Protection Solution on Key Infrastructure of the ICT Industry in Rwanda" was approved in 2019. The company also set up an Africa business office within the company and works on lightning protection solutions in Rwanda. Local cooperating staff acquire skills and knowledge in Japan and receive training in areas such as lightning arrester installation, maintenance, and consulting. At the same time, staff of Otowa Electric visit Rwanda from Japan two to three times a year for approximately one month to support local staff in conducting field research and construction work. Mr. Amiri, the first intern who inspired Otowa Electric to launch this project and who currently runs his own software company after returning to Rwanda, plays a central role as a partner of Otowa Electric's local activities through technical consulting services for lightning protection. Director Mr. YOSHIDA Syutaro, who is in charge of overseas business, explains, "When officials from RURA visited Japan, we gave them an in-house tour so they could actually see our technology and lightning protection solutions. Once they understood that lightning damage could be prevented through advanced technology, the Government of Rwanda began to promote enhanced countermeasures on its own."

Discussion with local cooperating staff about lightning protection solutions at a clinic (Photo: Otowa Electric Co., Ltd.)

Mr. Amiri (on the right) learning about Japanese technology as an intern at the company's headquarters in Hyogo Prefecture (Photo: Otowa Electric Co., Ltd.)

Vice President Yoshida also feels the need for education on the mechanism of lightning and on how to protect oneself from lightning strikes. Otowa Electric, in cooperation with Kyoto University and with the help of some Japanese elementary school students, devised "Kaminari Onigokko (Lightning Tag)," a game through which you can learn evacuation behavior while playing, and promotes lightning protection education to children in Rwanda with Mr. Amiri's assistance. Vice President Yoshida expresses his hopes that, "Even if you introduce good technology, its true value will not be demonstrated unless people understand its necessity. By educating children about lightning protection, we would like them to create a future in which people can take appropriate actions to prevent damage by lightning."

Regarding future prospects, Director Yoshida says, "My top priority is to increase the number of people who understand the importance of lightning protection, and to continue to support Rwanda's efforts to solve problems, even if it takes time. Together with our local partner Mr. Amiri and trained local engineers, our goal is to create a new industry and enrich the lives of local people, and hopefully we would like to develop our business along the way."

*1 See the glossary on page 145.
*2 See the glossary on page 130.

Promoting Science, Technology and Innovation, and Research and Development

In the world today, social changes occur and information and communication technology (ICT), artificial intelligence (AI), and robotics are utilized in diverse industries, including not only the manufacturing industry and the service industry but also agriculture and construction.

Based on "the 2030 Agenda for Sustainable Development (2030 Agenda)"[25] (Paragraph 70), the UN has established the UN Inter-agency Task Team on STI for the SDGs (UN-IATT) and promotes Science, Technology, and Innovation for SDGs (STI for SDGs) on a global scale, in cooperation with countries. The UN Multi-Stakeholder Forum on Science, Technology, and Innovation for the Sustainable Development Goals (STI Forum) was held again in 2023. Expectations for STI are internationally increasing as a key to achieve the SDGs while optimizing limited resources.

In the process of Japan's economic development, Japan has overcome its own challenges in fields such as health and medical care, environment, and disaster risk reduction, fully utilizing STI. Based on these experiences, Japan is engaged in science and technology cooperation through the "Science and Technology Research Partnership for Sustainable Development (SATREPS) program"* and others in order to resolve challenges faced by developing countries. SATREPS, which links ODA and the science and technology budget, was launched in 2008 to support joint research between research institutions and researchers in science and technology fields in Japan and developing countries. 191 research projects in 56 countries around the world have been adopted by FY2023. The development of a sustainable land management framework to combat desertification in Ethiopia is a good example of SATREPS that contributes to resolving challenges in developing countries (see also "Master Techniques from Japan to the World" on page 95).

The UN-IATT conducts the "Global Pilot Programme" to promote the development of an STI roadmap for the SDGs in countries worldwide, including six pilot countries: India, Ukraine,[26] Serbia, Ethiopia, Ghana, and Kenya. Under this Programme, Japan has supported Kenya in the agricultural sector from FY2020 to FY2022 through contributions to the World Bank. In addition, since FY2020, Japan has supported Japanese companies that consider launching projects to resolve social challenges in developing countries through STI, through contributions to the United Nations Development Programme (UNDP), and made efforts to share knowledge gained through this support among developing countries.

In terms of support for research and development, Japan is building a next-generation network based on cooperation in human resources development by strengthening assistance for overseas engineering universities.

Research in the electron microscope laboratory of the Malaysia-Japan International Institute of Technology in Kuala Lumpur, Malaysia (Photo: JICA)

In Asia, Japan provides support to the Malaysia-Japan International Institute of Technology (MJIIT), which was founded with the aim of establishing Japanese-style engineering education, by procuring equipment and supplies for education and research and by developing curriculum designs, while also conducting cooperation on education and research with Japanese universities. As of 2023, a consortium of 29 universities and two research institutes, among others, has been organized to promote people-to-people exchanges between Japan and Malaysia through joint research and exchange programs. In 2023, the Malaysia-Japan Linkage Office was established within MJIIT as a liaison office to strengthen collaboration with Japanese universities and industries.

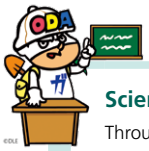
Since 2012, Japan has provided scholarships to students studying remote sensing (satellite image analysis) in courses taught by Japanese instructors at the Asian Institute of Technology (AIT) located in Thailand, contributing to the development of the human resources who will constitute the crux of the space industry development in the Asian region.

Japan and Egypt have been cooperating under the Egypt-Japan University of Science and Technology (E-JUST) project since 2008. The university was established based on the concept of "offering small class sizes, postgraduate and research-oriented, practical, and international standard of education, leveraging the characteristics of Japanese-style engineering education." With the cooperation of universities in Japan, assistance was provided in the areas of developing curriculum and dispatching experts and professors. Initially established as a graduate university specializing in engineering-related fields, the university now also has the Faculty

25 See the glossary on page 32.

26 Since 2021.

of Engineering, the Faculty of Science, and the Faculty of International Business and Humanities. E-JUST has been highly praised for its achievements, including joint research and joint supervision with Japanese researchers, exchange student programs and internationalization undertaken by both Japanese and Egyptian governments, and collaboration with Japanese companies. E-JUST was ranked as the top university in Egypt and 7th on the African continent, and placed between 601st and 800th in the world, in the World University Rankings published by the UK's Times Higher Education (THE) in September 2023. E-JUST also supports the admission of international students from the Middle East and Africa, contributing to the development of industrial, scientific and technological human resources in the regions (see "Stories from the Field" on page 80 for development plan of Indian Institute of Technology Hyderabad).



Glossary

Science and Technology Research Partnership for Sustainable Development (SATREPS) program

Through the collaboration of Japan's advanced science and technology and ODA, SATREPS aims to resolve global issues in the fields of environment and energy, bioresources, disaster risk reduction, and infectious disease control. Under this program, research institutes both in developing countries and Japan work together to conduct international joint research with the following objectives: (1) enhancing international cooperation in science and technology, (2) acquiring new knowledge and technologies that lead to the resolution of global issues, and through this process, creating innovations (3) promoting capacity development. The Ministry of Foreign Affairs (MOFA) and JICA, in collaboration with the Ministry of Education, Culture, Sports, Science and Technology (MEXT), the Japan Science and Technology Agency (JST), and the Japan Agency for Medical Research and Development (AMED), provide support to research institutes and researchers in Japan and the developing countries.

(3) Quality Infrastructure

For the autonomous development of developing countries, infrastructure that supports people's lives and economic activities and serves as the foundation for their national development is essential. However, developing countries still have enormous demand for infrastructure and the investment gap between infrastructure demand and supply is estimated to be approximately $15 trillion [27] by 2040. In order to achieve "quality growth" [28] in developing countries, it is necessary to meet this enormous demand for infrastructure. It is very important not only to develop a large amount of infrastructure but also to consider openness, transparency, economic efficiency in view of life-cycle costs, and debt sustainability, etc.

Station building under construction and a train through a loan aid project for Indonesia, "Construction of Jakarta Mass Rapid Transit Project (Phase 2) (I)." (Photo: JICA)

Japan has strengths related to maritime and aviation safety management, disaster risk reduction and resilience technologies, urban development that contributes to addressing climate change and environmental issues, safe transportation systems, electricity and energy infrastructure, and water supply. In order to leverage these strengths to solve social issues in partner countries, Japan promotes the development of "quality infrastructure"* by combining structural and non-structural support. For structural support, it provides infrastructure development in line with the economic and development strategies of each developing country, while for non-structural support, it provides cooperation for institutional development, management and maintenance, and human resources development.

Japan's Efforts

Japan has been working with the international community to disseminate the notion of "quality infrastructure," with the aim of international standardization of it so that more people will have access. The "G7 Ise-Shima Principles for Promoting Quality Infrastructure Investment," endorsed at the G7 Ise-Shima Summit under the Japanese Presidency in May 2016, was the initial step of sharing the fundamental elements of "quality infrastructure investment." In addition, at the G20 Osaka Summit under the Japanese Presidency in June 2019, the "G20 Principles for Quality Infrastructure Investment," [29] which indicate a strategic direction for promoting quality infrastructure investment, were endorsed. Japan cooperates with various countries and international organizations to promote and

27 Forecasts by the G20 Global Infrastructure Hub (GIH).

28 See the glossary on page 31.

29 See the glossary "Quality Infrastructure" on page 40.

implement the Principles, and the importance of "quality infrastructure investment" has been confirmed at various bilateral and multilateral meetings.

At the G7 Elmau Summit in June 2022, the Partnership for Global Infrastructure and Investment (PGII),[30] an initiative for the G7 to work together to promote quality infrastructure investment to narrow the global investment gap, was launched. Under the PGII, the G7 leaders announced their aim to collectively mobilize up to $600 billion in public and private investment over five years, with a particular focus on quality infrastructure. Prime Minister Kishida stated that in order to promote infrastructure investment in line with the G20 Principles for Quality Infrastructure Investment, Japan aims to mobilize more than $65 billion in infrastructure assistance and private capital, and will continue to deepen cooperation with the G7 and other countries.

At the G7 Hiroshima Summit in May 2023, Prime Minister Kishida hosted a side-event on the PGII and invited participants from the private sector for the first time. During the side-event, Prime Minister Kishida explained the initiatives of the PGII and the projects that Japan has undertaken under the PGII. He also stated that Japan is delivering infrastructure investment around the world including Asia, Africa, and Oceania to mobilize infrastructure assistance and private capital and that Japan would work to further promote quality infrastructure investment (see Part I, Section 2 on page 6 for details of the G7 Hiroshima Summit).

The Ministerial Statement issued at the OECD Ministerial Council Meeting in June 2023 confirmed the member countries' commitment to promoting quality, reliable, sustainable, and resilient infrastructure investment including through the G20 Principles for Quality Infrastructure Investment and PGII, and acknowledged the importance of promoting certification schemes such as the Blue Dot Network (BDN).[31]

Prime Minister Kishida attended a side-event on the PGII on the sidelines of the G20 New Delhi Summit in September 2023, and expressed Japan's commitment to take the lead in efforts to materialize the PGII, in cooperation with various actors.

At the side-event, Prime Minister Kishida introduced that Japan has been working on the development of various transport infrastructures, such as the construction of metro lines in New Delhi, India, to support the economic growth of each country as one of Japan's major initiatives in South Asia. He also stated that Japan would take the achievements to date a step further by extending its support to a wide range of areas, including the supply chain, to strengthen connectivity. He also announced Japan's intention to work on the creation of industrial value chains across the Bay of Bengal by organically linking the development of the northeast region of India, including the "Road Network Connectivity Improvement Project," with "the Bay of Bengal Industrial Growth Belt (BIG-B)" initiative in Bangladesh.

Full span casting (a method for construction of viaducts) as part of the "Project for the Construction of Mumbai-Ahmedabad High Speed Rail" in India (Photo: National High Speed Rail Corporation Limited (NHSRCL))

In ASEAN, Japan has promoted many projects to develop transport infrastructure such as the Sihanoukville Port in Cambodia, the Patimban Port and Jakarta Mass Rapid Transit in Indonesia, and the Metro Manila Subway in the Philippines. At a side-event of the ASEAN-related Summit Meetings in September 2023, Prime Minister Kishida announced the "Japan-ASEAN Comprehensive Connectivity Initiative," which promotes both structural and non-structural cooperation. He announced that Japan would support the strengthening of connectivity in areas including digital connectivity, maritime cooperation, supply chain resilience, electricity connectivity, and human and knowledge connectivity, in addition to the transport infrastructure development that Japan has been supporting.

For efforts in Pacific Island countries, Japan, the United States, Australia, Kiribati, Nauru, and the Federated States of Micronesia jointly announced Japan-U.S.-Australia joint support for the East Micronesia Cable (EMC) in December 2021, and in June 2023, an undersea cable contract was signed, leading to the steady progress of the project. In these ways, Japan will continue to support the development of quality infrastructure in the ICT field to strengthen connectivity in the Indo-Pacific region in order to realize a "Free and Open Indo-Pacific (FOIP)" in cooperation with the United States, Australia, and other like-minded countries.

For the African region, at the Eighth Tokyo International Conference on African Development (TICAD 8) held in Tunisia in August 2022, Japan announced initiatives that would promote enhancement in regional connectivity, in addition to improving social infrastructure development in Africa through the development of quality infrastructure and one-stop border posts at national borders.

30 PGII is the G7's shared commitment to promoting public and private investment in sustainable, inclusive, resilient and quality infrastructure.

31 A framework for internationally accrediting quality infrastructure projects in developing countries to be established by Japan, the United States, and Australia, with the United States taking the lead since November 2019.

The Government of Japan will continue to disseminate the "G20 Principles for Quality Infrastructure Investment" throughout the international community, and will further work on efforts to implement "quality infrastructure investment" together with countries around the world including Asian countries and international organizations such as the World Bank, the Asian Development Bank (ADB), and the OECD.

Members of the National Control Center and a team of Japanese experts in the "Project for Power Quality Improvement through Upgrading Grid Code and Strengthening its Enforcement System" in Laos (Photo: JICA)

Glossary

Quality infrastructure

Infrastructure that genuinely contributes to "quality growth" that is "resilient" against natural disasters and other risks, "inclusive" so that no one is left behind, and "sustainable" taking into account its impact on society and the environment. The "G20 Principles for Quality Infrastructure Investment," which incorporate key elements for investing in "quality infrastructure" such as (i) openness, (ii) transparency, (iii) economic efficiency in view of life-cycle costs, and (iv) debt sustainability, were endorsed at the G20 Osaka Summit in June 2019.

Featured Project 1

Utilizing Japanese Technology to Develop Infrastructure that Improves Connectivity within the Mumbai Metropolitan Region

Mumbai Trans-Harbour Link Project

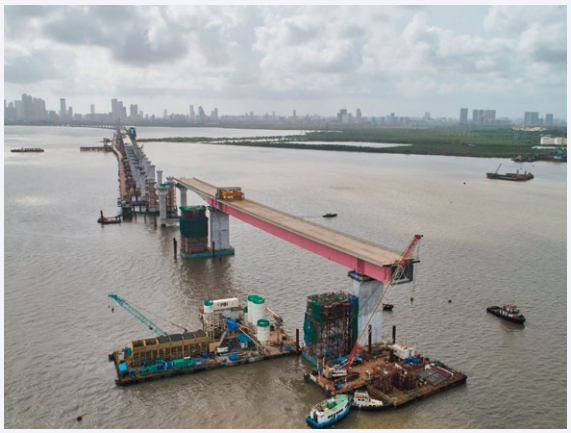
Loan Aid (March 2017 – March 2024)

India

While India has seen rapid urbanization in recent years, the development of public transportation infrastructure has not progressed sufficiently. This leads to increasingly serious traffic congestion in major metropolitan areas, and the economic losses associated with it have become an obstacle to economic development. The Mumbai metropolitan region, the largest metropolitan region in the country situated in the west coast of India, hosts many Japanese companies, and the city of Mumbai at the center of the metropolitan region is one of the most densely populated cities in the world. The Government of Maharashtra, which has jurisdiction over Mumbai City, has been promoting urban development by attracting industries from Mumbai City to its satellite city of Navi Mumbai on the opposite coast, in order to develop the economy of the entire metropolitan region. However, the only means of transport connecting the two areas is by road or by rail that circle Mumbai Bay, and the lack of connectivity has been an issue.

This project aims to improve connectivity within the Mumbai metropolitan region by constructing a sea-crossing road bridge with a total length of approximately 18 km and a land approach road with a total length of approximately 4 km. The road will connect central Mumbai to the developing Navi Mumbai area across Mumbai Bay. A Japanese technology called orthotropic steel deck (OSD)*1 is used for the first time in India. With the technology, bridge girders can be erected at once leading to shorter construction times and environmentally friendly construction.

This project is expected to shorten travel time between central Mumbai and the city of Navi Mumbai from one hour to approximately 15 minutes, a quarter of the time it used to take. Improving connectivity in the Mumbai metropolitan region, which hosts many Japanese companies, is expected to not only promote economic development in the region, but also benefit Japanese companies operating in other parts of the state of Maharashtra.



Orthotropic steel deck (OSD) erection work at sea (Photo: MMRDA/ L&T-IHI Consortium)

*1 A type of steel bridge that combines steel deck slabs and steel box girders. Because it is lightweight and has an all-steel structure, there is little variation in construction accuracy, allowing for highly accurate construction. In addition, compared to typical PC cable-stayed bridges, the OSD bridge is characterized by a lower height. This technology was considered appropriate for this project in consideration of the birds that inhabit the project area.

(4) Efforts on Debt Issues

While official loan assistance is supposed to promote economic growth in developing countries, repayment of the debts resulting from such loans could crowd out their essential fiscal spending and thus inhibit their sustainable growth when developing countries face a heavy debt burden due to failures in economic or fiscal policies, changes in the international economic environment, or other reasons. Although debtor countries themselves must resolve this issue through various efforts, including economic and fiscal reforms, the international community needs to respond when excessive debt stands in the way of the debtor countries' sustainability and development path.

In regard to international efforts to address debt issues, debt relief measures have been implemented including through the Enhanced HIPC Initiative[32] for Heavily Indebted Poor Countries (HIPC)* and the Paris Club's[33] Evian Approach.[34] However, in recent years, despite debt relief in some low-income countries, private debt has accumulated in addition to public debt, thus raising renewed concerns about their worsening debt sustainability. The reason behind this situation on the debtors' side is pointed out as being that debtor countries lack the capacity to gather and disclose their own debt data and appropriately manage their debt. The reasons on the creditors' side are pointed out as being that the funding providers have diversified the proportion of loans increasingly coming from emerging donor countries and private creditors, including the provision of untraditional and non-concessional loans such as collateralized financing, while the proportion of loans by Paris Club creditors has been decreasing.

The COVID-19 pandemic has had a serious impact on the debt issues of low-income countries. In response to this situation, the G20 and Paris Club launched the "Debt Service Suspension Initiative (DSSI)"* in April 2020 and implemented measures to temporarily suspend payment of public debt owed by low-income countries. It is estimated that at least $12.9 billion of total debt service was deferred under the DSSI between May 2020 and December 2021, benefiting 48 countries.[35] Although the DSSI ended at the end of December 2021, since then, the G20 and Paris Club creditor countries have jointly provided debt treatments under the "Common Framework for Debt Treatments beyond the DSSI,"* agreed on in November 2020.

One of the factors that can significantly affect debt sustainability of countries, including low-income countries, is infrastructure investment. Infrastructure projects such as ports and railroads come at a large cost, and debt service repayments can become a significant burden for the borrowing countries. When financing infrastructure projects, it is necessary for both the borrowers and lenders to fully consider debt sustainability. Loans without consideration of debt sustainability are criticized as a "debt trap" by the international community.

The "G20 Principles for Quality Infrastructure Investment"[36] incorporated the importance of considering country-level debt sustainability as well as project-level financial sustainability. They also include the principles of openness, transparency, and economic efficiency in view of life-cycle cost. Each G20 country is required to implement these principles as an international standard in their infrastructure investments and to work to ensure that these principles are implemented in the countries receiving loans.

Japan's Efforts

In providing ODA loans, Japan makes its decisions based on the careful consideration of the cooperation structure, debt service repayment ability, operational capacity, credit protection measures, etc. of the recipient countries. Most of the recipient countries make repayments as scheduled. However, there are exceptional cases in which they face serious difficulties in their repayment due to events that could not be foreseen when they received ODA loans. In such cases, based on international agreements such as the aforementioned Enhanced HIPC Initiative and Paris Club agreements, Japan provides debt relief in the form of debt rescheduling,[37] cancellation, and reduction only to the minimum extent necessary. As of the end of 2023, Japan has cancelled ODA debts worth a total of approximately ¥1.129 trillion toward 33 countries since FY2003. As part of Japan's debt relief efforts, in January 2023, Japan signed and exchanged notes concerning debt relief for Ukraine (debt service suspension). In August, Japan signed and exchanged notes with Argentina to reschedule some arrears. In addition, Japan, as one of the co-chairs of the Official Creditor Committee (OCC) for Sri Lanka, led the negotiation processes, and the OCC and the Government of Sri Lanka reached an agreement

32 An initiative agreed at the Cologne Summit (Germany) in 1999.

33 An informal group of creditor countries to discuss rescheduling of public debts. The name of the Paris Club derives from the fact that France has chaired meetings and invited creditor countries to Paris upon requests from debtor countries.

34 A new Paris Club approach to debt restructuring (the Evian Approach). Debt relief measures focus more on the debt sustainability of recipient countries, especially low-income and middle-income debtor countries other than HIPC, and take case-by-case measures corresponding with the circumstances of each debtor country.

35 See World Bank website (https://www.worldbank.org/en/topic/debt/brief/covid-19-debt-service-suspension-initiative)

36 See the glossary "Quality Infrastructure" on page 40.

37 Debt rescheduling is one form of debt relief, wherein payment is postponed for a certain period of time in order to reduce the burden of debt payment on the debtor country.

ODA Topics 1

New Plan for a "Free and Open Indo-Pacific (FOIP)"

The Indo-Pacific region, which extends from the Asia-Pacific Ocean through the Indian Ocean to the Middle East and Africa, is the core of vitality for the world and home to half of the world's population. To establish a free and open order based on the rule of law with the countries and regions of the Indo-Pacific and with various partners in the international community that share these ideals, Japan has promoted efforts to realize the "Free and Open Indo-Pacific (FOIP)" that Japan advocated in 2016.

On March 20, 2023, Prime Minister Kishida, who was on a visit to India, delivered a policy speech entitled "the Future of the Indo-Pacific—Japan's New Plan for a 'Free and Open Indo-Pacific' — 'Together with India, as an Indispensable Partner.'" With this speech, he announced Japan's new plan for a "Free and Open Indo-Pacific (FOIP)," which launches the four pillars of cooperation for FOIP: (1) Principles for Peace and Rules for Prosperity, (2) Addressing Challenges in an Indo-Pacific Way, (3) Multi-layered Connectivity, and (4) Extending Efforts for Security and Safe Use of the "Sea" to the "Air."

The new plan reaffirms FOIP's core principles of "freedom," "openness," "diversity," "inclusiveness," and the "rule of law" at a time when the international community is at history's turning point, and states that efforts to realize FOIP will be strengthened. As part of such efforts, Prime Minister Kishida announced that Japan would mobilize a total of more than $75 billion in public and private funds in the Indo-Pacific region by 2030 in infrastructure and grow together with other countries.

The Development Cooperation Charter, revised in June 2023, states the maintenance and strengthening of a free and open international order based on the rule of law as a priority policy for Japan's development cooperation. In particular, under the vision of FOIP, the revised Charter demonstrates Japan's strong determination to endeavor to promote these efforts and cooperate with developing countries to enable them to proactively engage in such an international order and enjoy its fruits, free from force or coercion.

Japan has promoted various initiatives that are in line with the four pillars of the new plan for a FOIP. One example is the construction of a new port in Patimban, located in the eastern part of the Jakarta metropolitan area in Indonesia. This project aims to strengthen the logistics functions of the metropolitan area with the construction of a container terminal at Patimban Port along with a car terminal and other facilities. This will help resolve capacity shortages at ports in the Jakarta metropolitan area, and facilitate exports by improving the efficiency of cargo logistics, which, in turn, will boost regional and international economic connectivity. The development of Patimban Port, which has good access from auto-related local manufacturers, including Japanese-affiliated companies, will contribute to the increase in exports from Indonesia, benefiting Japanese companies.

As this example shows, facilitating smooth logistics by securing connectivity also contributes to supporting Japanese companies' exports to the Indo-Pacific region and overseas expansions. Japan supports developing countries to build "quality infrastructure" toward the realization of connectivity across the Indo-Pacific. In doing so, Japan works through its unique technical cooperation and human resources development so that the competitiveness of Japanese companies in ODA tendering and trust in Japan can be enhanced.

Prime Minister Kishida delivering a policy speech and announcing Japan's new plan for a FOIP at the Indian Council of World Affairs (ICWA) (Photo: Cabinet Public Relations Office)

Video "New Plan for a 'Free and Open Indo-Pacific (FOIP)'"

Access road to Patimban Port in Indonesia (Photo: Oriental Consultants Global Co., Ltd.)

Japan also contributes to securing maritime peace and security. For example, in the Straits of Malacca and Singapore, a logistics hub for a large number of Japan-related vessels, Japan utilizes ODA to support capacity building for anti-piracy measures in coastal countries, thereby reducing the number of piracy incidents. Similarly, in the Indian Ocean, Japan contributes to ensuring marine traffic safety by providing capacity building assistance to coast guard agencies for maritime rescue, technical cooperation for nautical chart preparation, and support for enhancing Vessel Traffic Service (VTS).

Furthermore, Japan strengthens the promotion and consolidation of the rule of law in developing countries by assisting in the development of legal systems and judicial reforms. In this era where the international community faces compound crises, these efforts become increasingly important. Japan contributes to establishing good governance in developing countries, creating a foundation that is crucial to the realization of sustainable growth, and fostering an effective trade and investment environment for Japanese companies' overseas expansions.

Japan is an island country and the fourth-largest trading country in the world. Its industries and the lives of its people are heavily reliant on maritime transportation and cargo. From this perspective, securing connectivity and ensuring the safety of sea lanes are important for Japan's economic, energy, and food security. The stability and prosperity of Japan and the Indo-Pacific region cannot be realized without a "Free and Open Indo-Pacific (FOIP)" where diverse people, goods, and wisdom are actively exchanged, supported by highly transparent rules. Japan will continue to make efforts to realize FOIP, while aiming to maximize the impact of its development cooperation, with ODA at its core.

JICA and the Japan Coast Guard conducting an arresting technique training course for the Malaysian Maritime Enforcement Agency (MMEA)

A seminar for students at a school of judges and prosecutors conducted under the "Legal and Judicial Development Project" in Cambodia (Photo: JICA)

in principle on debt restructuring in November.

At TICAD 8 held in August 2022, Japan announced and is currently working on financial cooperation of up to $5 billion under the fifth phase of the "Enhanced Private Sector Assistance for Africa"* (EPSA5) covering the period from 2023 to 2025. This includes a new special window of up to $1 billion to support countries that are engaging in reforms for enhancing debt transparency and sustainability and thereby making steady and significant progress in their debt situations.

From the perspective of ensuring debt sustainability, an important element of the "G20 Principles for Quality Infrastructure Investment," Japan is working on the improvement of the capabilities related to public debt and risk management among management personnel at the finance ministries of developing countries through contributions to international organizations, as well as through training and the dispatch of experts by JICA. For example, in FY2022, Japan provided support for capacity building in debtor countries, including training in collaboration with the World Bank for 31 administrative officers from 29 countries, including Kenya and Ethiopia, on contingent liability risk management, and new financial contributions to the respective trust funds of the International Monetary Fund (IMF) and the World Bank.

Glossary

Heavily Indebted Poor Countries (HIPC)

39 developing countries, mainly from the Africa region, that are poor and have heavy debt burdens, and that are applicable for the "Enhanced HIPC Initiative," a framework to provide comprehensive debt relief.

Debt Service Suspension Initiative (DSSI)

A framework for temporarily suspending debt payments for low-income countries facing a liquidity crisis due to COVID-19's impact. The G20 and the Paris Club, a group of major traditional creditor countries, agreed in April 2020 to temporarily suspend debt service repayments that would be due in the period from May 2020 to the end of December 2020, and subsequently extended the suspension period twice (agreed in October 2020 on an extension to June 2021, and in April 2021 on an extension to the end of December 2021). As of February 23, 2022, 42 developing countries had signed a Memorandum of Understanding with the Paris Club.

Common Framework for Debt Treatments beyond the DSSI

A framework for providing debt relief to low-income countries on a case-by-case basis agreed to by the G20 and Paris Club in November 2020. This is the first agreement to jointly determine the terms of debt treatments in a manner that involves non-Paris Club countries such as China.

Enhanced Private Sector Assistance for Africa (EPSA) Initiative

A cooperative framework established by Japan in 2005 together with the African Development Bank (AfDB) to promote private sector-led economic growth. At TICAD 8 held in August 2022, Japan and AfDB announced financial cooperation of up to $5 billion under the fifth phase of Enhanced Private Sector Assistance for Africa (EPSA5) covering the period from 2023 to 2025. This consists of $4 billion under existing windows, and up to an additional $1 billion under a new special window to support countries that are engaging in reforms for enhancing debt transparency and sustainability and thereby making steady and significant progress in their debt situations.