

Chapter 2

Details about Japan's Official Development Assistance



A Japan Overseas Cooperation Volunteer carrying out activities to combat AIDS (Malawi)
(Source: Yoshiki Kaki)

Section 1. Assistance Relating to the Basic Policies of the ODA Charter

The philosophy and principles regarding Japan's ODA policies are clearly laid out in the Official Development Assistance Charter (hereinafter referred to as the "ODA Charter"). Under this Charter, the Medium-Term Policy on Official Development Assistance (Medium-Term ODA Policy) has been set to define the basic policy related to medium-term assistance based on the ODA Charter. The Medium-Term ODA Policy is supplemented by Japan's Country Assistance Programs, which constitute the policies upon which assistance is implemented for each country, and sector-specific initiatives, which constitute guidelines for implementing assistance for each sector, giving additional framework to Japan's assistance. Furthermore, from FY2007, a list of priority issues of international cooperation and region-specific priorities is formulated every fiscal year. [See page 127 on formulation and implementation of assistance policies.](#)

1. The Official Development Assistance Charter

The ODA Charter, revised in August 2003, consists of "I. Philosophy (of ODA)," "II. Principle of ODA Implementation," "III. Formulation and Implementation of ODA Policy," and "IV. Reporting on the Status of Implementation of the Official Development Assistance Charter."

In the "I. Philosophy" section of the ODA Charter, the objectives of ODA are defined as being "to contribute to the peace and development of the international community, and thereby to help ensure Japan's own security and prosperity." It indicates five basic policies for the achievement of these objectives. They are: (1) "supporting self-help efforts of developing countries" based on good governance; (2) the perspective of "human security" for the implementation of support focused on individuals; (3) the "assurance of fairness" with consideration given to the socially vulnerable, particularly for improving the status of women; (4) the "utilization of Japan's experience and expertise" to make full use of its own experience in economic and social

development when assisting the development of developing countries; and (5) “partnership and collaboration with the international community” with a view to pursuing collaboration with international organizations and other assistance providers including NGOs and the private sector. Based on these objectives and basic policies, Japan provides support for the peace and development of developing countries focusing on the following priority issues: (1) “poverty reduction,” (2) “sustainable growth,” (3) “addressing global issues,” and (4) “peacebuilding.”

The “II. Principle of ODA Implementation” section stipulates that ODA is to be provided with full attention paid to preventing any use of ODA for military purposes, as well as to promoting the democratization of the developing countries.

The “III. Formulation and Implementation of ODA Policy” section states that for the implementation of ODA it is essential that the Government of Japan in its entirety draft and implement assistance policies in a unified and coherent manner to enhance the strategic value, flexibility, transparency, and efficiency of ODA. Since ODA is funded by taxpayers, this section specifies the Government’s resolve to promote public understanding with respect to ODA.

The “IV. Reporting on the Status of Implementation of the Official Development Assistance Charter” section states that the Government will report the status of the aid implementation in this White Paper published every year. This is to clarify accountability of the implementation of ODA.

2. Japan's Medium-Term ODA Policy and Country Assistance Plans

The Medium-Term Policy on Official Development Assistance details Japan’s positions, approaches, and specific actions toward more strategic implementation of ODA, giving practical mapping to the philosophy and measures outlined in the ODA Charter. The policy is to be revised after evaluating the implementation status, while giving consideration to the situation at home and overseas. The latest revision took place in February 2005, listing specific items to be addressed under the three categories of (1) “perspective of human security”; (2) four priority issues of “poverty reduction,” “sustainable growth,” “addressing global issues,” and “peacebuilding”; and (3) “measures to ensure the efficient and effective implementation of assistance.”

Furthermore, since 2003 Japan has been formulating the Country Assistance Plans for major recipient countries

to implement ODA in a more consistent, efficient, and effective manner. Each of the Country Assistance Plans sets out Japan’s assistance timetable for next five years or so, based on developmental needs of the target country and its current developmental plans. It also outlines the significance of Japan’s assistance to that country, the direction in which Japan should aim in extending cooperation, priority areas, major challenges, and points of consideration in implementing aid. The plan is formulated after thoroughly hearing opinions from the local ODA Task Force comprised of the Japanese diplomatic missions and JICA overseas offices in developing countries. Target countries are selected based on the volume of assistance, strategic importance, relevance to global developmental issues, regional balance, international aid cooperation, and other trends, all of which should be weighed in a comprehensive manner.

3. Priority Policy Issues for International Cooperation

From FY2007, Japan is formulating a set of the Priority Policy Issues for International Cooperation for every fiscal year. To supplement the Country Assistance Plans, which lay out five-year aid policies for major recipient countries, the Priority Policy Issues for International Cooperation are spelt out to clarify priority issues in swiftly responding to the recent development of Japan’s diplomacy and arising developmental issues. They are duly reflected in the project formulation of the year.

For FY2007, the following items were set as priority issues, with consideration to Japan’s expected leadership in hosting the Fourth Tokyo International Conference on African Development (TICAD IV) and the G8 Hokkaido Toyako Summit in 2008, and in particular to the weight that



Representatives of African countries at the Ministerial-level Preparatory Meeting for the Fourth Tokyo International Conference on African Development (TICAD IV) (Source: Jiji)

climate change countermeasures and African development took in these meetings.

1. Measures to address issues of the environment and climate change
2. Economic growth of developing countries
3. Assistance for democratization and economic transition
4. Peacebuilding and the fight against terrorism
5. Establishing human security

The following sections describe the details of Japan's ODA disbursements implemented around FY2007.

Section 2. Measures for Each of the Priority Issues

Japan lists various challenges like poverty reduction, support for sustainable economic growth, approaches to global issues, and peacebuilding in its ODA Charter, and is committed to advancing these based on the “objectives” and “basic policies” described in the previous section. In particular, one of the most important themes for Japan in order to implement its assistance is poverty reduction and sustainable economic growth of developing countries through supporting their self-help efforts and the vitalization of economic activities in private sectors. This has also been indicated in its experience with development in East Asia. This section will describe Japan's recent approaches toward the various issues mentioned above.

1. Sustainable Growth

For poverty reduction, it is indispensable that the economies of developing countries grow sustainably, that income be enhanced through increased employment, and that the quality of life be improved. Japan proactively supports efforts for the sustainable growth of developing countries.

(1) Support for Socio-economic Infrastructure

<Record for FY2007>

Japan's record for infrastructure development support in FY2007 is as follows:

Loan aid (ODA loans): Approx. ¥944.8 billion (to 21 countries)

Transportation sector: Approx. ¥381.9 billion
Energy sector: Approx. ¥129.8 billion

Grant aid: Approx. ¥27.6 billion (to 40 countries)

Energy sector: Approx. ¥5.6 billion

Communication sector: Approx ¥3.1 billion

<Current Status>

For poverty reduction, it is indispensable not only to implement measures to reduce poverty or to provide assistance in the areas of social development that could directly influence the poor, but also to promote sustainable development through economic growth. Japan has been placing importance on the improvement of socio-economic infrastructure that provides the foundation for the improvement of developing countries. Development of infrastructure plays an essential role in economic development in developing countries: to construct infrastructure for transportation and communication like roads, ports, and airports; to expand exchanges between urban and rural areas; to ensure security against disasters; and to promote trade and investment from overseas. Also important to development is the improvement of infrastructure that contributes to the fulfillment of basic social services such as education, health care, safe water, housing, and better access to hospitals and schools. It is also important to improve small-scale infrastructure such as agricultural and fishery markets, fishery ports, and agricultural roads, in order to vitalize local economies.

<Japan's Efforts>

In term of Japan's efforts related to infrastructure development, one example is an ODA loan to Viet Nam initiated in FY2001 for terminal construction of the International Airport in Ho Chi Minh City, which opened its service in FY2007. The airport can now handle 7 million passengers annually. Another example is an ODA loan to Uganda for power lines and substations connected to the Bujagali Interconnection Project, one of the largest privately-funded power supply projects in Africa. The loan aid, which started in FY2007 in coordination with the African Development Bank, alleviates power supply shortages in the region as well as risks shouldered by private investors, thereby contributing to sustainable growth of the region. As for grant aid, Japan decided to support the construction of a bridge between the national borders of El Salvador and Honduras (Japan-Central America Friendship Bridge) in FY2007.¹ The bridge, together with the La Union Port built with a loan from FY2005, is expected to stimulate regional commerce.

In order to establish infrastructure in developing countries in accordance with appropriate development policies

¹ Project for the Construction of the Japan-Central America Friendship Bridge.