

## Preamble to Japan's Constitution

*We, the Japanese people, acting through our duly elected representatives in the National Diet, determined that we shall secure for ourselves and our posterity that fruits of peaceful cooperation with all nations and the blessings of liberty throughout this land, and resolve that never again shall we be visited with the horrors of war through the action of government, do proclaim that sovereign power resides with the people and do firmly establish this Constitution.*

*Government is a sacred trust of the people, the authority for which is derived from the people, the powers of which are exercised by the representatives of the people, and the benefits of which are enjoyed by the people.*

*This is a universal principle of mankind upon which this Constitution is founded.*

*We reject and revoke all constitutions, laws, ordinances and rescripts in conflict herewith.*

*We, the Japanese people, desire peace for all the time and are deeply conscious of the high ideals controlling human relationship, and we have determined to preserve our security and existence, trusting in the justice and faith of the peace-loving people of the world.*

*We desire to occupy an honored place in an international society striving for the preservation of peace, and the banishment of tyranny and slavery, oppression and intolerance for all time from the earth.*

*We recognize that all the people of the world have the right to live in peace, free from fear and want.*

*We believe that no nation is responsible to itself alone, but that laws of political morality are universal and that obedience to such laws is incumbent upon all nations who would sustain their own sovereignty and justify their sovereign relationship with other nations.*

*We, the Japanese people, pledge our national honor to accomplish these high ideals and purposes with all our resources.*

# Japan's Official Development Assistance Charter

June 30, 1992

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In order to garner broader support for Japan's Official Development Assistance (ODA) through better understanding both at home and abroad and to implement it more effectively and efficiently, the government of Japan has established the following Charter for its ODA.

## 1. Basic Philosophy

Many people are still suffering from famine and poverty in the developing countries, which constitute a great majority among countries in the world. From a humanitarian viewpoint, the international community can ill afford to ignore this fact.

The world is now striving to build a society where freedom, human rights, democracy and other values are ensured in peace and prosperity. We must recognize the fact of interdependence among nations of the international community that stability and the further development of the developing world is indispensable to the peace and prosperity of the entire world.

Environmental conservation is also a task for all humankind, which all countries, developed and developing alike, must work together to tackle.

It is an important mission for Japan, as a peace-loving nation, to play a role commensurate with its position in the world to maintain world peace and ensure global prosperity.

Bearing this points in mind, Japan attaches central importance to the support for the self-help efforts of developing countries towards economic take-off. It will therefore implement its ODA to help ensure the efficient and fair distribution of resources and "good governance" in developing countries through developing a wide range of human resources and socioeconomic infrastructure, including domestic systems, and through meeting the basic human needs (BHN), thereby promoting the sound economic development of the recipient countries. In so doing, Japan will work for globally sustainable development while

meeting the requirements of environmental conservation.

Such assistance is expected to further promote the existing friendly relations between Japan and all other countries, especially those in the developing world.

## 2. Principles

Taking into account comprehensively each recipient country's request, its socioeconomic conditions, and Japan's bilateral relations with the recipient country, Japan's ODA will be provided in accordance with the principles of the United Nations Charter (especially those of sovereign equality and non-intervention in domestic matters), as well as the following four principles.

- (1) Environmental conservation and development should be pursued in tandem.
- (2) Any use of ODA for military purposes or for aggravation of international conflicts should be avoided.
- (3) Full attention should be paid to trends in recipient countries' military expenditures, their development and production of mass destruction weapons and missiles, their export and import of arms, etc., so as to maintain and strengthen international peace and stability, and from the viewpoint that developing countries should place appropriate priorities in the allocation of their resources in their own economic and social development.

- (4) Full attention should be paid to efforts for promoting democratization and introduction of a market-oriented economy, and the situation regarding the securing of basic human rights and freedoms in the recipient country.

## 3. Priority

### (1) Regions

Historically, geographically, politically and economically, Asia is a region close to Japan. East Asian countries, especially member countries of the Association of the Southeast Asian Nations (ASEAN), constitute one of the most economically dynamic regions in the world, and it is important for the world economy as a whole to sustain and promote the economic development of these countries. There are, however, some Asian countries where large segments of the population still suffer from poverty. Asia, therefore, will continue to be a priority region for Japan's ODA.

It is also necessary to be mindful of the poverty and the economic difficulties in the world as a whole. Japan will therefore extend cooperation, befitting its position in the world, to Africa, the Middle East, Latin America, Eastern Europe, and Oceania. Due consideration will be paid in particular to Least among Less Developed Countries (LLDCs).

### (2) Issues

#### (a) Approach to Global Problems

Recognizing that this is important for

developed and developing countries to cooperate in tackling global problems such as the environment and population, Japan will support efforts being made by developing countries to overcome the problems.

(b) Basic Human Needs

To help people suffering from famine and poverty, refugees, and others, Japan will provide assistance to BHN sector and emergency humanitarian aid.

(c) Human Resources Development, Research and Other Cooperation for Improvement and Dissemination of Technologies

A priority of Japan's ODA will be placed on assistance to human resources development which, in the long-term, is the most significant element of self-help efforts towards socioeconomic development and is a basic factor for the nation-building of developing countries. Japan will also promote cooperation for the improvement and dissemination of technologies, such as research cooperation that will add to research and development as well as adaptive capabilities of developing countries.

(d) Infrastructure Improvement

Priority will be placed on assisting infrastructure improvement, which is a prerequisite to socioeconomic development.

(e) Structural Adjustment

Japan will provide support to structural adjustment, so that the entrepreneurship and the vitality of the private sector in recipient countries can be fully exerted in the market mechanisms, and to their efforts for a solution to the accumulated debt problem.

**4. Measures for the Effective Implementation of Official Development Assistance**

- (1) Japan will promote intensive policy dialogues with the recipient countries, with a view to collecting and analyzing relevant information on these countries, and sharing with them basic perceptions on their development policies, taking into account their requests and ideas.
- (2) To respond to the various needs of developing countries in different stages of development, Japan's ODA will take advantage, to the maximum extent possible, of the merits of loans, grants, technical cooperation and other forms of assistance. All of these forms of assistance will be organically linked together and coordinated.
- (3) When called for, there will be appropriate communication and cooperation with aid agencies of other donor countries, United Nation agencies and international financial institutions, as well as Japanese local governments and private organizations such as labor and business organizations. In particular

- efforts will be made to ensure that Japan's perspective on the ODA is adequately reflected in the cooperation through international organizations, while taking full advantage of the expertise and political neutrality of these organization. There will also be cooperation with and appropriate support to non-governmental organizations (NGOs), while respecting their independence.
- (4) Japan's own development policies and experiences, as well as those of countries in East and Southeast Asia which have succeeded in economic take-off, will be put to practical use.
  - (5) In implementing environmental ODA, Japan will make the best use of its technology and know how, which it has acquired in the process of successfully making environmental conservation and economic development compatible.
  - (6) In order to contribute to the transfer of technology suitable for the level of development of the recipient countries, Japan will promote the development of relevant technologies possessed by other developing countries
  - (7) In transferring technology and know-how, Japan will make use of those possessed by the Japanese private sector as well as by the government, and provide support for technical cooperation by the private sector.
  - (8) In order to cope with transnational regional problems, Japan will cooperate more closely with international organizations and other frameworks for regional cooperation such as the Asia-Pacific Economic Cooperation (APEC).
  - (9) A close relationship will be maintained between ODA, direct investment and trade, so that those three can promote the development of developing countries organically. For this purpose, ODA will be more closely linked to and be supportive of economic cooperation in the private sector through trade insurance and such organizations as the Export-Import Bank of Japan.
  - (10) Cooperation and research to find and formulate adequate development projects will be enhanced. For the future improvement of its ODA, project evaluations, including third party evaluations and joint evaluations with recipients and other donors and organizations, will also be strengthened.
  - (11) Regional studies of developing countries, studies of development policy, and comprehensive evaluation of ODA will be further promoted.
  - (12) Full consideration will be given to the active participation of women in development, and to their obtaining benefits from development.
  - (13) Full consideration will be given to the socially weak, such as the

disadvantaged, children and the elderly.

(14) Consideration will be given to redressing the gap between the rich and the poor and the gap among various regions in developing countries.

(15) Japan's ODA activities will be conducted with full care to see that they do not lead to injustice or corruption in the recipient countries.

## 5. Measures to Promote Understanding and Support at Home and Abroad

The following measures will be adopted to ensure that ODA is implemented with public understanding both at home and abroad and to secure the participation of Japanese people.

### (1) Making ODA Information Public

While taking into account such matters as diplomatic relations with recipient countries, more information regarding the ODA activities will be made available to Diet and to the public.

### (2) Enhancement of Public Relations and Development Education

Organized public relations activities and educational programs on development assistance will be promoted.

## 6. ODA Implementation System

### (1) Recruitment, Training and Utilization of Competent Aid Personnel

In order to recruit, train and utilize fully the talents of competent ODA personnel, training institutes of aid experts will be enhanced to foster more development experts, private enterprise consultants and others.

### (2) Ensuring Effective and Efficient Mechanisms to Implement ODA

Communication and consultation between relevant ministries and agencies will be promoted for the effective and efficient implementation of ODA. In addition, cooperation between the two aid-implementing organizations, the Japan International Cooperation Agency (JICA) and the Overseas Economic Cooperation Fund (OECF) will be intensified. At the same time, the ODA implementation functions of these two organizations will be improved. In order to obtain further cooperation from the private sector, efforts will be made to extend such support to this sector as will appropriately cover the related expenses.

### (3) Ensuring the Safety of ODA Personnel Dispatched Overseas

Continued efforts will be made to safeguard the lives and personal safety of ODA personnel dispatched to developing areas, and to provide necessary assistance in the event of unexpected incidents.

# Japan's Official Development Assistance Charter

**(Revised, August 2003)**

*(Unofficial translation)*

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Japan's Official Development Assistance (ODA) Charter, approved by the Cabinet in 1992, has been the foundation of Japan's aid policy for more than 10 years. The world has changed dramatically since the Charter was first approved, and today there is an urgent need for the international community, including Japan, to address new development challenges such as peace building. Faced with these new challenges, many developed countries are strengthening their ODA policy, to deal with the serious problems that developing countries face. At the same time, not only governments and international stakeholders engaged in development assistance are strengthening their mutual collaboration.

In line with the spirit of the Japanese Constitution, Japan will vigorously address these new challenges to fulfill its responsibilities commensurate with its national strength and its standing in the international community. In this regard, it is important to have public support for ODA. It is essential to effectively implement ODA, fully taking into account the domestic economic and fiscal situation as well as the views of the Japanese people.

Against this background, the Government of Japan has revised the ODA Charter, with the aim of enhancing the strategic value, flexibility, transparency, and efficiency of ODA. The revision also has the aim of encouraging wide public participation and of deepening the understanding of Japan's ODA policies both within Japan and abroad.

## I. Philosophy: Objectives, Policies and Priorities

### 1. Objectives

The objectives of Japan's ODA are to contribute to the peace and development of the international community, and thereby to help ensure Japan's own security and prosperity.

Taking advantage of Japan's experience as the first nation in Asia to become a developed country, Japan has utilized its ODA to actively support economic and social infrastructure development, human resource development, and institution building. Consequently, Japan has significantly contributed to the economic and social development of developing countries, especially in East Asia.

Amid the post-Cold War advancement of globalization, the international community presently finds itself in a new environment, grappling with a multiplicity of problems such as the gap between the rich and the poor; ethnic and religious conflicts; armed conflicts; terrorism; suppression of freedom, human rights, and democracy; environmental problems; infectious diseases and gender issues.

In particular, humanitarian problems, such as extreme poverty, famine, refugee crises, and natural disasters, as well as global issues such as those related to the environment and water, are important issues that need to be addressed in order

for the international community as a whole to achieve sustainable development. These problems are cross border issues that present a grave threat to each and every human being.

Furthermore, conflicts and terrorism are occurring more frequently and they are becoming even more serious issues. Preventing conflicts and terrorism, and efforts to build peace, as well as efforts to foster democratization, and to protect human rights and the dignity of individuals have become major issues inherent to the stability and development of the international community.

Japan, as one of the world's leading nations, is determined to make best use of ODA to take the initiative in addressing these issues. Such efforts will in turn benefit Japan itself in a number of ways, including by promoting friendly relations and people-to-people exchanges with other countries, and by strengthening Japan's standing in the international arena.

In addition, as nations deepen their interdependence, Japan, which enjoys the benefits of international trade and is heavily dependent on the outside world for resources, energy and food, will proactively contribute to the stability and development of developing countries through its ODA. This correlates closely with assuring Japan's security and prosperity and enhance economic partnership and vitalize exchange with other Asian countries with which it has particularly close relations.

Japan aspires for world peace. Actively promoting the aforementioned efforts with ODA and manifesting this posture both at home and abroad is the most suitable policy for gaining sympathy and support from the international community for Japan's position. Therefore, Japan's ODA will continue to play an important role in the years to come.

## 2. Basic Policies

In order to achieve the objectives outlined above, Japan will carry out ODA even more strategically, in accordance with the following basic policies.

### (1) Supporting self-help efforts of developing countries

The most important philosophy of Japan's ODA is to support the self-help efforts of developing countries based on good governance, by extending cooperation for their human resource development, institution building including development of legal systems, and economic social infrastructure building, which constitute the basis for these countries' development. Accordingly, Japan respects the ownership by developing countries, and places priorities on their own development strategies.

In carrying out the above policy, Japan will give priority to assisting developing countries that make active efforts to pursue peace, democratization, and the protection of human rights, as well as structural reform in the economic and social spheres.

### (2) Perspective of "Human Security"

In order to address direct threats to individuals such as conflicts, disasters, infectious diseases, it is important not only to consider the global, regional and national perspectives, but also to consider the perspective of human security, which focuses on individual. Accordingly, Japan will implement ODA to strengthen the capacity of local communities through human resource development. To ensure that human dignity is maintained at all stages, from the conflict stage to the reconstruction and development stages, Japan will extend assistance for the protection and empowerment of individuals.

### (3) Assurance of fairness

In formulating and implementing assistance policies, Japan will take steps to assure fairness. This should be achieved by giving consideration to the condition of the socially vulnerable, and the gap between the rich and the poor as well as the gap among various regions in developing countries. Furthermore, great attention will be paid with respect to factors such as environmental and social impact on developing countries of the implementation of ODA.

In particular, the perspective of gender equality is important. Japan will make further efforts to improve the status of women, giving full consideration to the active participation of women in development, and to ensuring that women reap benefits from development.

#### (4) Utilization of Japan's experience and expertise

Japan will utilize its own experience in economic and social development as well as in economic cooperation when assisting the development of developing countries, fully taking into account the development policies and assistance needs of developing countries. Japan will also utilize its advanced technologies, expertise, human resource and institutions.

Implementation of ODA will be coordinated with key Japanese policies to ensure policy coherence, taking into consideration implications for Japan's economy and society.

#### (5) Partnership and collaboration with the international community

Mainly with the initiative of international organizations, the international community is sharing more common development goals and strategies and various stakeholders are increasingly coordinating their aid activities. Japan will participate in this process, and endeavor to play a leading role. In parallel with such efforts, Japan will pursue collaboration with international organizations that possess expertise and political neutrality, and will endeavor to ensure that Japan's policies are reflected appropriately in the management of those organizations.

In addition, Japan will actively promote South-South cooperation in partnership with more advanced developing countries in Asia

and other regions. Japan will also strengthen collaboration with regional cooperation frameworks, and will support region-wide cooperation that encompasses several countries.

### 3. Priority Issues

In accordance with the objectives and basic policies set out above, the following are Japan's priority issues.

#### (1) Poverty reduction

Poverty reduction is a key development goal shared by the international community, and is also essential for eliminating terrorism and other causes of instability in the world. Therefore, Japan will give high priorities to providing assistance to such sectors as education, health care and welfare, water and sanitation and agriculture, and will support human and social development in the developing countries. At the same time, sustainable economic growth, increase in employment, and improvement in the quality of life are indispensable for realizing poverty reduction and Japan places importance on providing assistance for these accordingly.

#### (2) Sustainable growth

In order to invigorate developing countries' trade and investment, as well as people-to-people exchanges, and to support sustainable growth, Japan will place importance on providing assistance for the development of the socioeconomic infrastructure – a key factor for economic

activity, and also for policy-making, the development institutions, and human resource development. This will include (i) cooperation in the field of trade and investment including the appropriate protection of intellectual property rights and standardization, (ii) cooperation in the field of information and communications technology (ICT), (iii) the acceptance on exchange students, and (iv) cooperation for research.

In addition, Japan will endeavor to ensure that is ODA, and its trade and investment, which exert a substantial influence on the development of recipient countries, are carried out in close coordination, so that they have the overall effect of promoting growth in developing countries. To that end, Japan will make efforts to enhance coordination between Japan's ODA and other official flows such as trade insurance and import and export finance. At the same time, private-sector economic cooperation will be promoted, making full use of private-sector vitality and funds.

### (3) Addressing global issues

As for global issues such as global warming and other environmental problems, infectious diseases, population, food, energy, natural disaster, terrorism, drugs, and international organized crimes, further efforts must be given immediately and in a coordinated manner by the international community. Japan will address these issues through ODA and will play an active role in the creation of international norms.

### (4) Peace-Building

In order to prevent conflicts from arising in developing regions, it is important to comprehensively address various factors that cause conflicts. As part of such undertakings, Japan will carry out ODA to achieve poverty reduction and the correction of disparities, as referred to above. In addition to assistance for preventing conflict and emergency humanitarian assistance in conflict situations, Japan will extend bilateral and multilateral assistance flexibly and continuously for peace-building in accordance with the changing situation, ranging from assistance to expedite the ending of conflicts to assistance for the consolidation of peace and nation-building in post-conflict situations.

For example, ODA will be used for: assistance to facilitate the peace processes; humanitarian and rehabilitation assistance for displaced persons and for the restoration of basic infrastructure; assistance for assuring domestic stability and security, including disarmament, demobilization, and reintegration of excombatants (DDR), and the collection and disposal of weapons, including demining; and assistance for reconstruction, including social and economic development and the enhancement of the administrative capabilities of governments.

### 4. Priority Regions

In light of the objectives stated above, Asia,

a region with close relationship to Japan and which can have a major impact on Japan's stability and prosperity, is a property region for Japan. However, Japan will strategically prioritize assistance to Asian countries, fully taking into account the diversity of the Asian countries' socioeconomic conditions and changes in their respective assistance needs. In particular, the East Asian region which includes ASEAN is expanding and deepening economic interdependency and has been making efforts to enhance its regional competitiveness by maintaining economic growth and strengthening integration in recent years. ODA will be utilized to forge stronger relations with this region and to rectify disparities in the region, fully considering such factors as the strengthening of economic partnership with East Asian countries.

Also, Japan will give due consideration to the large population of impoverished people in South Asia. With respect to Central Asia and the Caucasus region, assistance will be provided to promote democratization and transition to market economies.

Japan will prioritize its assistance for other regions on the basis of the objectives, basic policies, and priority issues set out in this Charter, giving consideration to the needs for assistance and the state of development in each region.

Africa has a large number of least developed countries, and is affected by conflicts and serious development assistance for these efforts.

The Middle East is an important region for energy supply and for the peace and stability of the international community, but it has destabilizing factors including the situation of Middle East peace process. Japan will provide assistance towards social stability and the consolidation of peace.

Latin America includes countries that are relatively well developed, but also island nations with fragile economies. Taking into consideration the disparities arising within the region as well as within countries, Japan will extend the necessary cooperation.

With respect to Oceania, assistance will be provided, as there are numerous vulnerable island nations.

## II. Principle of ODA Implementation

In line with the philosophy set out above, Japan's ODA will be provided by comprehensively taking into account developing countries need for assistance, socio-economic conditions, and Japan's bilateral relations with the recipient country, and ODA will be provided in accordance with the principles of the United Nations (especially sovereign equality and non-intervention in domestic matters) as well as the following points:

- (1) Environmental conservation and development should be pursued in tandem
- (2) Any use of ODA for military purposes or

for aggravation of international conflicts should be avoided.

- (3) Full attention should be paid to trends in recipient countries' military expenditures, their development and production of weapons of mass destruction and missiles, their export and import arms, etc., so as to maintain and strengthen international peace and stability, including the prevention of terrorism and the proliferation of weapons of mass destruction, and from the viewpoint that developing countries should place appropriate priorities in the allocation of their resources on their own economic and social development.
- (4) Full attention should be paid to efforts for promoting democratization and the introduction of a market-oriented economy, and the situation regarding the protection of basic human rights and freedoms in the recipient country.

### III. Formulation in the Implementation of ODA Policy

#### 1. System of Formulation and Implementation of ODA Policy

##### (1) Coherent formulation of ODA policy

In order to ensure that the government in its entirety implements ODA efficiently and effectively in a unified and coherent manner pursuant to this Charter, medium-term ODA policies and country assistance programs will be formulated, taking into account the partnership and collaboration with the

international community referred to in the Basic Policies and ODA policies will be formulated and implemented in accordance with them. Country assistance programs will be drawn up for major recipient countries, and will set out explicitly the points to which priority is to be given, based on Japan's aid policy, and reflecting the recipient countries' true assistance needs.

In accordance with these medium-term ODA policies and country assistance programs, various methods of assistance – financial cooperation in the form of loans and grants and technical cooperation – will be linked together effectively so as to take full advantage of the characteristics of each method. At the same time, Japan will be mindful of the balance between hardware type cooperation such as construction and provision of equipment and software type cooperation such as technical cooperation and institution building. Each method will be reviewed appropriately.

##### (2) Collaboration among related government ministries and agencies

In order to ensure that the government as a whole formulates and implements policies in a unified and coherent manner, under the auspices of the Council of Overseas Economic Cooperation-Related Ministers, the Ministry of Foreign Affairs will play the central coordinating role in strengthening broad collaboration between the ODA-related government ministries and agencies, including by means of personnel

exchanges and by utilizing the expertise of those related ministries and agencies. For this purpose, the government ministries and agencies will actively use consultation for a such as the Inter-Ministerial Meeting on ODA.

### (3) Collaboration between government and implementing agencies

While making clear the roles of the government and agencies ( the Japan International Cooperation Agency\* and the Japan Bank for International Cooperation) and the appointment of responsibilities among them, collaboration will be strengthened, including by means of personnel exchanges to ensure an organic linkage between the government and the implementing agencies. In addition, implementing agencies will strengthen their mutual collaboration.

### (4) strengthening of policy consultation

In formulating and implementing assistance policies, it is essential to fully grasp the development policies and assistance needs of developing countries by engaging actively in policy consultation before requests are made by developing countries. At the same time, Japan will set out its assistance policies to the developing countries through dialogue, and the development policies of developing countries and Japan's assistance policy will be reconciled in order to maximize the effect of Japan's aid within those developing countries' development strategies. Furthermore, Japan will support

efforts by developing countries to improve their policies and systems, including the ability to formulate and implement assistance projects. Japan will also take into consideration whether such efforts by the developing countries are sufficient in the formulation and implementation of ODA.

### (5) Strengthening of the functions of field missions in policy-making process in implementation

The functions of field missions (primarily overseas diplomatic missions and offices of implementing agencies) will be strengthened, so that they will be able to play a leading role in the policy-making process and in the implementation. In particular, steps will be taken to develop a framework for strengthening the system, including through the use of outside personnel. Japan will also make efforts to make comprehensive and accurate assessments of developing countries' development policies and assistance needs, primarily at the local level. Japan will comprehensively identify local socioeconomic conditions and other aspects through local interested parties.

### (6) Collaboration with aid-related entities

Collaboration with Japanese NGOs, universities, local government, economic organizations, labor organizations, and other related stakeholders will be strengthened to facilitate their participation in ODA and to utilize their technologies and expertise. Japan will also seek to

collaborate with similar entities overseas, particularly in developing countries. In addition, in the implementation of ODA, appropriate use will be made of the technologies and expertise of Japanese private companies.

## 2. Increasing public participation

### (1) Broad participation by Japanese citizens from all walks of life

The government will take measures to foster participation in assistance activities by Japanese citizens from all walks of life, and to promote these citizens' interaction with developing countries. Such measures will include providing sufficient information, listening to public opinion, soliciting proposals for ODA activities, and extending cooperation to volunteer activities.

### (2) Human resource development and development research

The government will make efforts to foster aid personnel with the necessary expertise and to increase the opportunities for aid personnel to be active both within Japan and overseas. In parallel with these efforts, high-quality personnel, such as persons with considerable overseas experience and extensive knowledge, will be widely sought and be encouraged to participate in ODA activities.

In addition, the government will encourage regional studies relating to developing countries and research on development policy, to promote accumulation of Japan's

intellectual assets in the development sphere.

### (3) Development education

Development education is important for promoting public understanding with respect to international cooperation including ODA, and for fostering people that will be engaged in international cooperation in the future. In this perspective, the government will take measures in schools and on other occasions to carry out more widespread education on development issues, such as the problems that face developing countries, relations between Japan and developing countries and the role that development assistance should play. Necessary educational materials will be distributed and teachers will be trained.

### (4) Information disclosure and public relations

It is important for information on ODA policy, implementation, and evaluation to be disclosed widely and promptly to ensure the sufficient transparency, and for it to be publicized actively. Therefore the government will use a variety of means to provide information in easy-to-understand formats, and to create opportunities for Japanese citizens to come into contact with ODA activities that Japan is undertaking.

In addition, the government will make enhanced efforts to disseminate information regarding Japan's ODA to

developing countries as well as other donors.

### 3. Matters Essential to Effective Implementation

#### (1) Enhancement of evaluation

The government will carry out consecutive evaluations at all stages, i.e. ex-ante, mid-term, and ex-post, and evaluations at each level, i.e. policy, program, and project.

Furthermore, in order to measure, analyze and objectively evaluate the outcome of ODA, third-party evaluations conducted by experts will be enhanced while the government undertakes policy evaluations. The evaluation results will be reflected in subsequent ODA policy-making and efficient and effective implementation.

#### (2) Ensuring appropriate procedures

The government will adopt procedures to ensure that full consideration is given to the environmental and social impact of implementation of ODA. The government will make efforts to conduct appropriate and efficient procurement with regard to quality and price. At the same time, while ensuring these aspects, the procedures will be simplified and accelerated.

#### (3) Prevention of fraud and corruption

The government will implement appropriate measures to ensure the transparency of the activity-selection and implementation process, and to prevent fraud, corruption, and improper diversion of aid. In addition, the government will make efforts to assure the appropriate use of funds by enhancing auditing, including through the introduction of external audits.

#### (4) Ensuring the safety of ODA personnel

Safeguarding the lives and personal safety of ODA personnel is a prerequisite for the implementation of ODA. The government will fully obtain security-related information and will take appropriate measures.

### IV. Reporting on the Status of Implementation of the Official Development Assistance Charter

The government will report the status of the implementation of the Official Development Assistance (ODA)," which is reported annually to the Cabinet.

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- ☒ On October 1, 2003, the Japan International Cooperation Agency is due to be reorganized as an independent administrative institution, changing its status from that of a special public institution.

August 29, 2003

# Review on Japanese ODA Needed

Joint Statement by ELSAM, INFID, Reality of Aid, WALHI  
Jakarta, 28 September 2004

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*Indonesia has been one of the largest recipient of Japan's ODA Since 1967 – around three quarters of Indonesia's external loans comes from Japan. As of March 2002, Japan ODA loan to Indonesia has the cumulative total of 606 projects amounting to 959.5 billion yen. These loans had covered infrastructure projects, agriculture/forestry/fisheries, manufacturing and mining and social services. But 70% of the loans were used for electric power/gas sector, irrigation/flood control and transportation.*

*As a bilateral donor, Japan also sits as a key member in the CGI (Consultative Group for Indonesia). Therefore the Japanese government plays a great role for Indonesia's economy.*

*Based on the ODA charter, ODA will be provided in accordance with the principles of the United Nations (especially sovereign equality and non-intervention in domestic matters) as well as the following points:*

*(1) Environmental conservation and development should be pursued in tandem. (2) Any use of ODA for military purposes or for aggravation of international conflicts should be avoided. (3) Full attention should be paid to trends in recipient countries' military expenditures, their development and production of weapons of mass destruction and missiles, their import and export of arms, etc. so as to maintain and strengthen international peace and stability, including the prevention of terrorism and the proliferation of weapons of mass destruction, and from the viewpoint that developing countries should place appropriate priorities in the allocation of their resource on their own economic and social development. (4) Full attention should be paid to efforts for promoting democratization and the introduction of a market-oriented economy, and the situation regarding the protection of basic human rights and freedoms in the recipient country.*

*Many of ODA loans for Indonesia have been characterized by high level of tied-aid. Those loans must utilize Japanese expertise, human resource, technology and corporation. This means that 'aid' given to Indonesia only benefited the Japanese. Large portions of loans go to Japanese consultants and contractors, and Japanese companies dominate the construction of infrastructure projects – profiting from low interest rates. The Japanese government economic policy that benefit elites rather than the common people (in Indonesia) has placed an unsustainable debt burden on the peoples of Indonesia.*

*Moreover, after the 1997 economic crisis, ODA loans have to follow the IMF programs which have not helped Indonesia to recover economically and reduce poverty. Although in theory, Japanese bilateral aid is composed on tied and untied, in reality, both of them are not necessarily benefiting the peoples in recipient countries. The ODA /Yen loan is significantly tied to the procurement of Japan goods and services, while the 'untied' aid is conditional upon policy reforms laid out in IMF's Letter of Intent.*

*Therefore Japan's ODA loans are merely an instrument of Japanese economic and foreign policy interests, because it has not answered the development need of Indonesia.*

*Despite these facts, JBIC's Country review report for Indonesia, July 2003 revealed that "The 143 Indonesian projects evaluated thus far have achieved nearly satisfactory results overall." The review, using 5 primary check criteria (relevance, efficiency, effectiveness, impact and sustainability)*

***In terms of relevance**, it is stated that the Indonesian projects were in line with the series of Repelita. **In terms of efficiency**, it is said that over 90% of the total number of projects were completed with output as planned. **In terms of effectiveness**, the review stated that the effect of yen loans to Indonesia has been large because 70% of the project output was adequately utilized and project goals were sufficiently realized. **In terms of impact**, it was noted that a large number of projects have a positive socio-economic impact (industrial development, job creation, income improvement, and lifestyle improvement). Also, there were only a few*

*projects that reported concern about negative impact on the environment, but none of it was seriously adverse impacts. Resettlement process had been carried out smoothly.*

*We are questioning the conclusion on the report. Testimony of these three cases of Japanese ODA projects in Indonesia, namely Kotopanjang, Renun and Bili Bili projects, by the local community revealed that these projects have adverse environmental impacts, involved forced displacement, denying people from access to their livelihood and offered no compensation for the loss of the community.*

*We further question the bases of the findings, who decide the indicators, whose perspectives were used, was the beneficiaries and the victims were invited to participate in the evaluation?*

*We are calling for a fundamental change in the governance and effectiveness of the Japanese ODA. Furthermore, we urge the Japanese and the Indonesian government to evaluate and have an independent assessment on the result and achievements of ODA loans in Indonesia's economy.*

*If the Japanese Government is to make a more positive contribution, its loans need to address several key issues. This include the quality and conditionality, as well as ownership.*

*We therefore call that Japanese ODA should be based on the following principles:*

- *Negotiation for resources transfers based on shared value and commitment to direct the resources for the benefit of those who are socially excluded*
- *Equality in aid decision-making process*
- *Untied aid*
- *Transparency and accountability*
- *Japan ODA should line up to binding obligations under international human rights law and implement the support for democratic governance within a rights-based approach.*

# MAKE JAPAN ODA WORTHY OF PUBLIC TRUST AND SUPPORT

(A statement of the 3rd Reality of Aid Asia-Pacific Conference on  
the occasion of the 50<sup>th</sup> anniversary of Japanese  
Official Development Assistance held in Tokyo, Japan)

October 8, 2004

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October 2004 marks the fiftieth anniversary of Japan's Official Development Assistance. After making a modest start as war reparations half a century ago, Japan's ODA has swollen in step with the surge of the country economic standing in global society. In the intervening years, the North-South gap has enlarged; absolute poverty aggravated in various ways, and desperation as well as indignations has spread to the various regions of the world. In addition, concerns over the global/local environment and public health have deepened and peoples are finding it increasingly difficult to entertain hopes and dreams for a better future. What has made things worse is that the IMF/WTO led global economic integration based singlemindedly on the free-market doctrine, which has come to confer the world's wealth and resources in the hands of the powerful few at the expense of others including that of future generations and of the environment.

Japan's ODA faces serious challenges despite some improvements in the areas of information disclosure and social/environmental considerations. In Indonesia, the case of Kotopanjang, Renun and Bili Bili reverberates as local community revealed that these projects have adverse environmental impacts, involved forced displacement, depriving people of their livelihoods and offered inadequate compensation for the affected communities. In Bangladesh, the environmental and displacement effects of Jamuna Bridge have caused havoc and more destruction is expected in the future. These concerns are echoed in many other Asian country-recipients of Japan

ODA. In Pakistan and India, the Government of Japan, after suspending ODA for three years, resumed its ODA in 2001 despite continued development of nuclear weapons, subsequent to the US “war on terror.”

Philippine organizations decry the displacement of various communities as a result of the San Roque Dam and the Cebu South Reclamation Project. Such problem is similar to the case of the National Route One Rehabilitation Project in Cambodia. In Sri Lanka at the national level, development NGOs has proposed consideration of development intervention at the micro level while waiting for the restoration of peace. In Nepal and Pakistan, civil society has called on the Japanese government to review its ODA towards addressing the question whether the Japanese ODA has been provided according to the needs and the priorities of its people. These concerns along with others have been raised by civil society from Bangladesh, Sri Lanka, and India.

The revised ODA charter that has a stronger economic and national interest orientation has also drawn further concerns from NGOs and peoples of recipient countries as well as from OECD’s Development Assistance Committee (as expressed in the Committee’s most recent peer review of Japan’s ODA). Development NGOs from Asia are proposing the immediate reform of Japan’s ODA to effectively respond to the needs of poverty eradication and assure a secure path towards sustainable development.

Whereas the ultimate goal of ODA should be to bring about a just, equal world that no longer requires development assistance from one part to another, the global society on the occasion of the fiftieth anniversary of Japan’s ODA is, in fact, in dire need of increased assistance. Faced with this situation, we appeal to the Japanese governments and their counterparts in recipient countries for a thorough review of Japan’s 50 years of ODA history to transform it into a global public trust. Civil society in both global south and Japan have started its independent review and as part of this on-going process, we would like to present to the Government of Japan and to the Japanese public the following visions, principles and measures as a minimum agenda to be acted upon immediately.

## Visions

Japan's ODA is but a part of an overall effort of development cooperation that brings together all societies in the world in a global family. This cooperation is based on a shared vision of peace and prosperity for all realized through just and democratic societies around the world. The Preamble of Japan's Constitution states: "We recognize that all peoples of the world have the right to live in peace, free from fear and want."

We hereby propose that Japan embark on development cooperation and provide ODA in pursuance of the following visions:

**1. Peace and Harmony** - All living things, including human beings and nature, coexist sustainably in peace and harmony on Earth. This is expressed in Article 9 of the constitution renouncing war as a sovereign right of the nation and the threat or use of force as a means of settling international disputes, thus representing the most progressive declaration in the world and truly forming, we believe, the solid foundation for ensuring the right to live in peace.

**2. Prosperity for All** - The world's wealth is shared equitably, poverty eradicated, the poorest empowered, gender equality realized and the right to live ensured for everyone.

**3. Just and Democratic Society** - Fair and just society is realized through ensuring basic human rights and in particular, the right of access to resources for those who have been further deprived and marginalized by the very process of globalization as well as by environmental destruction and resource exploitation. For most recipient countries, this can be attributed to Japan's excessive dependence on Asia-Pacific and other regions of the South for its economic activities.

## Principles

Japan's participation in development cooperation multilaterally and bilaterally, including Japan's ODA, must abide by principles of equality, reciprocity, peaceful coexistence and justice that emanate from our shared vision and guide all areas of international relations and cooperation. We

submit that Japan's ODA abide by these as well as specific principles completely in development cooperation, to wit:

- 1. Equality** – This is essential guide in international relations and particularly in development cooperation since inequality in the world is very clearly expressed in the relationship of donors and recipients.
- 2. Reciprocity** – Development cooperation is premised on mutuality, that the relationship is based on shared interest, values, and goals or mutual understanding, sharing of resources and actions in cooperation and sharing of clear advantages or benefits gained through such cooperation.
- 3. Peaceful coexistence** – Peace is not simply a vision or a goal, but also permeates the efforts and processes of development cooperation as a principle just as the Japan Constitution renounces threats and the use of force in settling international disputes.
- 4. Justice and Human rights** – The vision for justice translates into a principle of upholding and realizing human rights as a means to achieve development and poverty eradication. This means that development and development cooperation must promote human rights-based approaches that ensure the people, whether in the recipient or donor countries, fully realize their human rights in the context of development cooperation. The human rights-based approach must be firmly established and abided by at all levels and steps including project conceptualization, planning, implementation and evaluation, and ensure prior, informed decision making by the people. The peoples of donor countries like Japan must also be well-informed and participate fully in development cooperation and ODA process.

Furthermore, we propose the following specific principles to guide Japan's development cooperation and ODA:

- 1. People-centeredness** - People must be the center of any development agenda. This principle must be supported by ODA and upheld by recipient governments. Their needs and interests must take precedence over other interests and concerns such as of the private sector whether in recipient and donor countries.

**2. Focus on the poorest** - Instead of allowing existing disparities between and within countries to enlarge, Japan's ODA must accord the highest priority to the poorest and the most disadvantaged politically, socially and economically of the poorest countries and territories so as to fill in the gaps. In so doing, it must be extra careful not to create aid dependencies.

**3. Addressing universal human concerns and issues** - ODA of Japan, irrespective of boundaries and interests of nation-states, must be provided to address and help solve such global issues as poverty, displacement, environmental degradation, gender inequalities, human rights violations, and conflicts of various kinds and causes, and under no circumstances must it exacerbate them.

**4. Preventing injustice** – ODA must promote social justice and peace and not worsen global injustice by reinforcing trade and investment liberalization policies that have caused widening North-South inequalities and have necessitated more remedial ODA.

**5. Aid as an entitlement of the poor** — Aid is an entitlement of the poor and must not be treated as an instrument of foreign policy or for advancing national and commercial interests.

## Measures

### 1. Democratization

#### a. Ownership and conditionality

Japan must recognize the ownership of recipient countries, remove conditionalities and reduce recipient countries' reliance on donor technical assistance. The technical assistance should be transformed to build local capacity and transfer technology for the recipient countries.

#### b. Participation

Agencies in-charge of ODA should undertake effective consultation and ensure full participation of all those affected in project determination, design, decision-making, implementation, and evaluation processes

involving the project.

c. Increased support to NGOs

Increase direct support for civil society organizations as important partners in poverty reduction programs, and in putting in place “social accountability mechanisms” for monitoring government action as well as in leading significant anti-corruption campaigns.

d. Decentralization

With a view to improve the ODA implementation system, ODA frontline offices should be given more authority and local staff increased and empowered. With the local capacity built up, collaboration with local NGOs and people in project determination, implementation and policy planning should be actively sought.

## **2. Transparency and Accountability**

Japan must have a policy and law that allows all stakeholders of Japan’s ODA to have full access to information and documents before and after ODA projects are implemented. Particular emphasis should be placed on disclosure of information in local languages, at least in local official language(s), from a very initial stage so that people of recipient countries may be well aware of ODA provided by Japan.

## **3. Demurral mechanisms**

a. Administrative mechanism

The government of Japan should set up administrative mechanisms to accept complaints and demurral on Japan ODA funded projects and activities and must provide for adequate compensation and appropriate remedies for affected-peoples.

b. Parliamentary mechanism

The Parliaments of Japan and recipient countries in the South should have a standing committee for receiving and deliberating on demurral or objections to ODA. The committee in Japan should initiate the review of

Japan's ODA projects and to oblige the Ministries/Agencies in charge of ODA to submit detailed reports when it deliberates on aid budget and accounting so that the Japanese public may have a better grasp of ODA.

c. Judiciary mechanisms

Japan must develop effective complaint procedures and mechanisms and adequate compensation and appropriate remedies for the people who claim to be negatively affected by the Japan ODA funded projects and activities, including access to Japan's courts with clear jurisdiction over these claims.

#### **4. Focusing on poverty eradication and increasing assistance**

Japan must take up the challenge of the Millennium Declaration to focus on eradicating poverty and increasing assistance, with special attention to LDCs. It must also establish and be accountable to realistic timetable to achieve long-standing commitment to reach 0.7% of GNI for official development assistance principally as grants.

#### **5. Untying ODA**

Japan ODA, including food aid and technical assistance should be untied and help strengthen local productive capacities and livelihoods of poor people through small and medium scale enterprises.

#### **6. Improving grant share**

Dramatically increase grant share of Japan ODA, especially for direct social and economic services for the elimination of poverty. Foreign exchange gain or loss and losses from failed projects should be shared in a fair manner between donor and recipient countries.

#### **7. Relieving official debt**

Drastic debt relief measures should be taken not only to the HIPCs but to other countries that are unable to break out of the debt burden imposed by the official yen loan. Government of Japan should forego repayments to all its odious and illegitimate debts (for example outstanding Marcos and Suharto debt).

## **8. Enacting basic law on ODA**

A basic law on ODA, that is binding unlike the ODA Charter and articulates visions, principles for implementation and budget allocation, policy-making process, gender equality, transparency and accountability mechanisms, agencies in charge and others, should be enacted without delay.

## **9. Consolidating ODA agencies**

With the twin aim of eliminating the hazards associated with compartmentalization of Japan's ODA involving a dozen of Ministries and Agencies for one, and of preventing ODA from being used as a diplomacy tool for another, an independent Ministry of Development Assistance should be created and allowed to undertake ODA, in a unified manner, and free from narrow national-interest considerations.

## **10. Promoting development education/global citizenship education**

In order that Japanese citizens should better understand how their daily lives are related to global issues, recognize the need for international cooperation in tackling and solving those issues, and critically review their life styles, development education or, better still, global citizenship education should be promoted at formal school education, social education, life-time learning and at all other educational opportunities.

## **11. Strengthening people-to-people development cooperation**

Establish close links between Japanese and recipient country people's organizations and NGOs for developing joint programmes aimed at empowering civil societies that would ensure local capacity building (including lobby efforts) and sustainability.

We further propose that governments of Japan and recipient countries should conduct a country review of all Japan ODA policies and mechanisms in the light of the abovementioned visions, principles and measures and that in such review, the full participation of civil societies in both countries must be sought.

We respectfully submit these visions, principles and measures to guide the reform of Japan ODA including Japan's contribution to multilateral agencies.