

**JAPAN'S MEDIUM-TERM POLICY
ON OFFICIAL DEVELOPMENT ASSISTANCE
(Provisional Translation)**

February 4, 2005

Government of Japan

Japan's Medium-Term Policy on Official Development Assistance

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1. Introduction

(1) The Official Development Assistance Charter ("ODA Charter") approved by the Cabinet in August 2003 states that "Pursuant to this Charter, the Medium-Term Policy and Country Assistance Programs will be formulated, and ODA policies will be formulated and implemented in accordance with them." The previous Medium-Term Policy on ODA was formulated in August 1999 under the previous ODA Charter, and five years have passed since its formulation. Accordingly, the previous Medium-Term Policy has been reviewed thoroughly and the new Medium-Term Policy on ODA (hereafter referred to as the "New Medium-Term ODA Policy") is set forth herein.

(2) In order to address development challenges such as the Millennium Development Goals (MDGs) and global issues, to prevent frequent outbreaks of conflicts and terrorism, and to build peace, the international community is strengthening its actions urgently and in concert. Furthermore, it is an important priority for Japan to pursue sustainable growth in developing countries, including through promoting economic partnership with those developing countries that have close relations with Japan. The ODA Charter defines the purpose of ODA as being "to contribute to the peace and development of the international community, and thereby help ensure Japan's security and prosperity." In line with this purpose, Japan is determined to play a role appropriate to its position in the international community in addressing these urgent issues confronting the international community through strategic and effective use of its ODA.

Based on the above, the New Medium-Term ODA Policy sets forth Japan's positions and actions, focusing mainly on issues that Japan needs to present its position at home and abroad with a view to implementing ODA more strategically in accordance with the ODA Charter. More specifically, the New Medium-Term ODA Policy describes Japan's positions, approaches and specific actions in the following areas: the "perspective of human security," which is one of the basic policies stipulated in the ODA Charter, the four priority issues of "poverty reduction," "sustainable growth," "addressing global issues," and "peace-building," and "measures to ensure the efficient and effective implementation of assistance."

(3) Country Assistance Programs will be formulated on the basis of the ODA Charter and the New Medium-Term ODA Policy, which fleshes out the ODA Charter. Whether or not a

matter included in the ODA Charter is referred to in the New Medium-Term ODA Policy does not affect its importance or necessity. The New Medium-Term ODA Policy will be effective during the next three to five years and will be revised at an earlier stage if necessary bearing in mind the domestic and international situation after evaluation of its implementation.

(4) In order to gain public understanding and support for ODA, efforts will be made to ensure sufficient transparency and to actively promote public information regarding Japan's ODA as well as to promote public participation in aid activities. In addition, evaluation will be enhanced and efforts will be made to ensure the effective implementation of ODA.

2. Regarding the Perspective of "Human Security"

(1) Japan's position on "human security"

- i. Growing globalization in recent years has resulted in the international community becoming interdependent to an unprecedented degree. At the same time, there has been an increase in humanitarian crises resulting from transnational threats such as terrorism, environmental destruction, the spread of infectious diseases including HIV/AIDS, international organized crime, sudden economic crises and civil war. In order to address these threats, the perspective of "human security" that places the focus on individual human beings needs to be introduced, in addition to global, regional and national perspectives.
- ii. "Human security" means focusing on individual people and building societies in which everyone can live with dignity by protecting and empowering individuals and communities that are exposed to actual or potential threats. In concrete terms, this means protecting individuals from "fears," such as conflict, terrorism, crime, human-rights violation, displacement, disease epidemics, environmental destruction, economic crises and natural disasters, and "wants," such as poverty, hunger and lack of educational and health services, and empowering people so that they can choose and take action against these threats.
- iii. Japan will address the four priority issues of "poverty reduction," "sustainable growth," "addressing global issues" and "peace-building" described in the ODA Charter bearing in mind the perspective of "human security," in order to reduce the vulnerabilities faced by people, communities and countries.

(2) Approaches on assistance to achieve "human security"

The “human security” perspective should be adopted broadly in development assistance. The approaches such as the following are important.

- i. Assistance that puts people at the center of concerns and that effectively reaches the people

Japan will seek to achieve assistance that effectively reaches the people by accurately identifying the needs of the residents of target areas, and engaging as far as possible in a dialogue with residents and other interested parties throughout the process from policy and project formulation and implementation to monitoring and evaluation. To this end, collaboration and co-ordination with aid-related entities, donor countries, NGOs and others will be pursued.

- ii. Assistance to strengthen local communities

In the case that a government is not functioning fully, Japan will support improvements in the administrative capacity of the government. But since, in such a case, there is a risk that assistance through the government may not reach the people directly, assistance to local communities and projects based on a participatory approach shall also be combined. The local community’s ability to protect its members from “want” and “fear” will be improved by reinforcing community bonds and strengthening the functions of the local community.

- iii. Assistance that emphasizes empowering of people

People will be regarded not just as a target of assistance but also as the “promoters of development” in their societies. Importance will therefore be placed on empowering people to become self-reliant. In concrete terms, this means providing vocational training and necessary services such as health and educational services, and improving institutions and policies conducive to realizing the potential of people’s ability in order to foster self-help.

- iv. Assistance that emphasizes benefiting people who are exposed to threats

Assistance based on the “human security” perspective requires addressing as comprehensively as possible the threats confronting the people bearing in mind both “freedom from want” such as poverty, and “freedom from fear” such as fear of conflict.

When assistance is provided, priority will be given to assisting people whose lives, livelihoods or dignity are currently or are highly likely to be endangered, through identifying the location of such people and their needs.

- v. Assistance that respects cultural diversity

Assistance will be provided to build societies in which cultural diversity is respected and people are not discriminated against due to their cultural backgrounds. At the same time, attention will be paid so that human rights and the dignity of individuals are not threatened in the name of culture.

vi. Cross-sectoral assistance that mobilizes a range of professional expertise

People in countries subject to poverty and conflict face structurally complex problems. In order to address these problems, analyses will be made of their causes and structure, and specialist expertise in various fields will be mobilized as necessary so as to provide cross-sectoral assistance.

* Two concrete examples of projects are presented to help understanding of human security in the appendix. Examples of the “human security” perspective are not limited to those projects. Japan will make an effort to reflect the perspective in its ODA.

3. Priority Issues

Priority issues will be addressed in line with the following basic principles outlined in the ODA Charter: provision of support for the self-help efforts (“ownership”) of developing countries, adoption of the “human security” perspective, ensuring equity (including the perspective of gender and consideration of socially vulnerable people), utilization of Japan’s experience and expertise (including ensuring overall policy coherence), and action in concert with the international community (including South-South Cooperation).

(1) Poverty reduction

i. Japan’s position on poverty reduction

- (a) In developing regions, around 1.1 billion people live in poverty on less than US\$1 a day. To deal with this situation, the Millennium Development Goals (MDGs) were adopted following the United Nations Millennium Summit in September 2000, establishing targets to be achieved by 2015 relating to poverty reduction, gender equality, health and education, HIV/AIDS and other infectious diseases, and environmental sustainability. MDGs are goals that the international community should work in concert to achieve in order to build a better world. Japan will contribute actively to achieving the MDGs, including through effective use of ODA.
- (b) Poverty has not only an economic dimension, such as low income and expenditure, but also social and political dimensions exemplified by lack of access to basic social services such as education and public health services, gender inequality, and lack of opportunities to participate in the decision-making process. The MDGs consist to a

large extent of targets relating to the social sector, such as education and public health. At the same time, as the experience of development in East Asia demonstrates, sustained economic growth is a necessary condition for reducing poverty. Therefore, poverty reduction should be pursued comprehensively through actions that address both the economic and social dimensions.

- (c) The factors that constitute poverty in each country are a complex combination of elements of economic structure, politics, culture, society, history and geography specific to that country. Therefore, assistance needs to be implemented taking fully into consideration the particular circumstances of each country. From this viewpoint, Japan will contribute to the poverty reduction strategies formulated by developing countries, and provide assistance in line with such strategies.

ii. Approach to poverty reduction and specific actions

- (a) Cross-sectoral assistance that is tailored to the stages of development

The underlying causes of poverty are diverse, and the poor face a range of problems. Therefore, in order to effectively reduce poverty, there is a need for cross-sectoral assistance. Prior to the formulation of projects, efforts will accordingly be made to determine the poverty situation of each country and region and to analyze the needs of the poor. In order to collect a wide range of information on the poor, networking with governments, NGOs, universities, research institutions and private enterprises will be strengthened. Based on the results of analyses, assistance will then be provided, according to the situation in each country and region and the stage of development of the recipient country, by effectively combining various schemes such as bilateral loan aid, grant aid, technical cooperation and assistance through international agencies.

For example, HIV/AIDS will be tackled not simply as a medical problem; instead, a cross-sectoral approach utilizing a variety of schemes will be adopted. More specifically, priority will be placed on strengthening prevention and voluntary counseling and testing (VCT), while at the same time paying attention to reinforcing the regional health care system as a whole. Employment support will also be provided to people living with HIV/AIDS, along with medical treatment and care, and social support for sufferers, their families and HIV/AIDS orphans. Consideration will also be given to incorporating, as necessary, HIV/AIDS measures into development assistance programs in view of the risk of HIV/AIDS epidemics caused by the movement and concentration of populations which accompany economic development, trafficking in children and women, and the

growing risk of transmission of HIV/AIDS through drug use.

(b) Direct assistance to the poor

Direct assistance to the poor occupies a significant position in efforts to reduce poverty. From the “human security” perspective, this requires strengthening the capabilities of the poor and communities so as to enable the poor to participate in the formulation of aid policies, and the project planning and implementation process that affect their own lives. In particular, cooperation with NGOs and other entities capable of responding to diverse needs at the grassroots level will be pursued.

(i) Enhancing basic social services

In order to improve the quality of life of the poor, Japan will actively assist in the enhancement of basic social services, such as education, health services, safe water supply, shelter, and electrification, while encouraging improvements in governance in the recipient country. For example, Japan will seek to improve hygiene conditions and raise awareness by providing wells and latrines in its school construction projects in poor areas, and to improve children’s nutrition through school meals. With a view to strengthening the delivery of basic social services, assistance will be provided to build the capacity of central and local governments, and to improve health and medical systems. At the same time, the establishment of transport, communications and electric power infrastructure will be assisted with the objective of improving access to hospitals and schools. Support will also be provided for training and development of educational materials in order to improve the quality of services. In addition, assistance that will contribute to women and children’s health and reproductive health will be provided, addressing infectious diseases and women’s capacity building.

(ii) Strengthening livelihoods

To enable the poor to break out from poverty, it is important to strengthen capacity to sustain their livelihoods and to enable them to earn income through their own productive activities. Japan will provide assistance for the development of small-scale infrastructure that will benefit the poor, such as rural markets, fishing ports, rural roads and irrigation, as well as microfinance and unemployment programs targeted at the poor. In tandem with these measures, action will be taken to develop the capabilities of the poor, such as through skills training.

(iii) Protection from sudden threats

As the poor tend to be highly vulnerable to threats such as economic crises social problems, such as drugs and crime, and natural disasters, it is important to protect the poor against such threats and strengthen their ability to withstand such threats. For this purpose, Japan will assist in establishing “safety nets” for the poor, such as relief measures for the unemployed, nutritional improvement programs and delivery of social services. With respect to the disaster caused by the major earthquake off the coast of Sumatra and the tsunami in the Indian Ocean that occurred in December 2004, Japan will promote cooperation in the area of natural disasters such as earthquakes and tsunamis in a comprehensive and coherent manner based on the Initiative for Disaster Reduction through ODA. Japan provides assistance for policy proposals, institution building, human resources development and steady implementation of plans that are necessary for making disaster prevention an integral part of national policy, city planning and rural planning. In addition, Japan will also make efforts to rapidly deliver assistance to the disaster victims in the aftermath of disaster and to reduce the vulnerability to disasters of the poor by ending the vicious circle of disaster and poverty in the reconstruction phase.

(c) Assistance to reduce poverty through economic growth

To reduce poverty, it is important to promote the economic growth of a country or a region as a whole, including poverty-concentrated areas, along with direct assistance to the poor. In particular, consideration should be given to generating growth that benefits the poor.

(i) Employment creation

Raising incomes through employment is an important means of raising the living standard of the poor. A particular focus will therefore be on the development of labor-intensive medium, small and micro enterprises. Assistance will also be provided for the development of economic infrastructure fundamental to business activity, reform of institutions, and improvement of labor conditions to promote the participation of micro enterprises and expand domestic and foreign investment. Promoting tourism by making use of cultural attractions will also contribute to employment creation.

(ii) Balanced development

Countries that are achieving economic growth also face the problem of regional disparities. These disparities occur in many cases between poor rural areas and comparatively affluent urban areas. For the development of rural areas, raising

agricultural productivity is important. Japan will support the formulation of agriculture related policy, improvement of infrastructure such as irrigation and farm roads, dissemination and research/development of production technologies such as NERICA (New Rice for Africa), and strengthening of community organizations. Assistance will be provided to foster economic activities in rural areas, such as processing of agricultural products, development of market distribution and sale of foodstuffs

In addition, basic infrastructure such as transport, energy and communications will be provided to link urban and rural areas where regional disparities exist. In providing such assistance, attention will be paid to ensure that infrastructure helps the poor to participate in economic and social activities by, for example, connecting feeder roads to national roads.

Pockets of extreme poverty exist also in urban areas due to population growth and migration from rural areas. Assistance will therefore be provided to labor-intensive medium, small and micro enterprises, with a particular focus on technical assistance to contribute to the development of micro-finance in urban areas.

As the poor often depend directly on natural resources for their livelihoods and are therefore particularly vulnerable to the effects of environmental degradation, full attention will be paid to ensuring sustainable development in reducing poverty through economic growth.

(d) Assistance for institutions and policies to reduce poverty

- (i) In order to reduce poverty, it is important to establish institutions and policies that protect the rights of the poor based on the principle of equality under the law, and to enable the poor to participate in political activities and to exercise their capabilities. Assistance will therefore be provided to contribute to the protection of human rights, the rule of law, and the promotion of democratization.
- (ii) Assistance will be provided for capacity building to enable governments of developing countries to formulate and implement appropriate development strategies.
- (iii) In order to minimize the impact on the poor of economic crises, inflation and

similar events, macroeconomic stabilization through appropriate fiscal and monetary policy is essential. To this end, assistance such as dispatching experts will be provided to build the capacity of government officials.

(2) Sustainable growth

i. Japan's position on sustainable growth

- (a) In order to reduce poverty and to ensure that the results of development are sustained, sustainable growth is essential for developing countries. As the leading role of the private sector is key to sustainable economic growth, it is important to promote private sector activities, including trade and investment through ODA. In addition, it is important that ODA be provided to help developing countries participate in the multilateral free trade system.
- (b) As a country that receives benefits from international trade and that is heavily dependent on other countries for resources, energy and food, Japan will actively contribute to the sustainable growth of developing countries through ODA. This is highly relevant for ensuring Japan's security and prosperity, thus promoting the interests of the Japanese people.
- (c) It is important to analyze the impediments to sustainable growth on a country basis and to assist in the provision of socio-economic infrastructure, policy formulation, institution building, and development of human resources in a comprehensive manner according to the specific circumstances and stage of development of each country. Through the provision of such comprehensive assistance, improvements in the investment climate and the attainment of sustainable economic growth in recipient countries will be pursued.
- (d) The increasing number of economic partnerships in recent years play an important role in facilitating cross-border flows of people, goods, capital and information, and these have contributed to the overall growth of the countries concerned by liberalizing trade and investment and by promoting the harmonization of economic systems. Japan is working toward strengthening economic partnerships with other countries beginning with countries in the East Asia region. For those developing countries with which Japan is seeking economic partnership, Japan will make strategic use of ODA to assist in establishing a trade/investment environment and economic infrastructure that will make such partnership more effective.

ii. Approach to sustainable growth and specific actions

(a) Development of economic and social infrastructure

Infrastructure is of fundamental importance in promoting private sector activities. Japan has actively supported the provision of economic and social infrastructure underpinning economic growth through such means as yen loans, and has played a particularly major role in providing the basis for economic growth mainly in the Asia region. Promoting the development of economic and social infrastructure requires appropriate levels of medium- to long-term funding, and there are still only a limited number of developing countries that can secure sufficient levels of funding from their own revenues and private capital. From this standpoint, Japan will assist in the provision of economic and social infrastructure that contributes to improvement of trade and investment climates, such as roads, ports and other transport infrastructure, energy related infrastructure such as power generation and transmission facilities and oil and natural gas facilities, telecommunications and IT infrastructure, and infrastructure for improving the living environment, while paying particular attention to the institutional and policy environment and debt management capacity of developing countries. Assistance with infrastructure will be complemented by assistance in intangible areas of infrastructure, such as the promotion of sector policy formulation and dialogue, and development of human resources, so as to ensure that infrastructure is sustained and properly maintained.

As infrastructure sometimes benefits wide areas crossing national borders, assistance will be provided taking into account the perspective of the development of the region as a whole. In order to facilitate cross border movement of people and goods, Japan will provide assistance for capacity building on transport security and security measures. In the light of the importance of sources of funding other than ODA to developing countries, emphasis will be placed on coordinating the roles played by private capital and “other official flows” (OOF), and encouraging the participation of the private sector through “public-private partnership” (PPP). In the construction of infrastructure, full attention will be given to social and environmental considerations.

(b) Policy formulation and institution building

In addition to assisting in the development of economic and social infrastructure, assistance in areas such as macroeconomic stabilization, development of policy and institutions on trade and investment, and development of policy and institutions for information and communication society, is indispensable for promoting private-sector led sustainable growth.

To promote macroeconomic stability, Japan will assist in the formulation and implementation of appropriate and sustainable fiscal and monetary policy, public debt management, and economic policy, and will place an emphasis on assisting the formulation of industrial policy designed to expand trade and investment, and of rural and regional development policy in the light of decentralization. In concrete terms, assistance will be provided for institution building in the fields of economic management, finance, tax, customs and the development of human resources, and the development of local and supporting industries. To developing countries that are in transition to a market economy, particular support will be provided for policy formulation, institution building, development of legal systems, and the fostering of human resources to facilitate such transition.

In order to develop institutions to promote trade and investment, Japan will assist the improvement of systems and institutions that are in accordance with international economic rules taking into account each country's economic situation. This includes, for example, assistance with government procurement standards and certification systems, protection of intellectual property, and improvement and operation of physical distribution networks. Eradicating corruption, implementing legal and institutional reforms, improving the efficiency and transparency of public administration, and strengthening the administrative capacity of local government are important to building a fair and democratic society and also to improving the investment climate. For this purpose, Japan will assist the capacity-building of governments to improve governance.

(c) Assistance in human resources development

Developing human resources improves the quality of labor force and provides an impetus for yielding technological innovations. In view of Japan's own experience of economic development, development of the human resources necessary for national economic and social development and for science and technology in both the government and private sectors played a major role in economic growth. Support will be provided to improve basic education, higher education and vocational training in developing countries, and to assist the development of human resources in a wide range of fields by, among other things, providing scholarships to study at higher education institutions in Japan. Through the dispatch of experts to developing countries and training programs, Japanese technology, knowledge and human resources will be utilized for the development of human resources in a range of fields, such as industrial development including

the development of small and medium enterprises and information and communications.

(d) Support to strengthen economic partnerships

Promoting trade and investment at the regional level contributes directly to the economic growth of countries in a region, and contributes to mobilizing finance required for development and raising technical standards in the private sector. In addition to providing support for the development of infrastructure that spans countries and regions, the capacity development of institutions and human resources in the areas of trade and investment will be assisted. In the case of countries and regions with which Japan is promoting economic partnerships, support will be provided to improve legal systems relating to the protection of intellectual property and competition policy, and to improve and strengthen enforcement of customs and immigration control, and in fields such as information and communications technology (ICT), science and technology, small and medium enterprises, energy, agriculture and tourism.

(3) Addressing global issues

Global issues such as global warming and other environmental problems, infectious diseases, population, food, energy, natural disasters, terrorism, drugs and international organized crime pose a threat to humanity around the world, irrespective of national borders. In order to achieve the stability and prosperity of the international community, Japan will play an active part in addressing these issues by using its ODA. Of these issues, the Medium-Term Policy will focus particularly on environmental problems that are inextricably and comprehensively related to reducing poverty and achieving sustainable growth. The Medium-Term policy also addresses measures against natural disasters such as earthquakes and tsunamis in view of the disaster caused by the major earthquake off the coast of Sumatra and the tsunami in the Indian Ocean that occurred in December 2004.

i. Japan's position on addressing environmental problems and natural disasters

- (a) Making development compatible with the environment and promoting sustainable development are challenges that face the entire world. Progressing global warming, severe environmental pollution accompanying economic growth in developing countries, and rapid deterioration of the natural environment against the background of population growth and poverty threaten the lives of people in developing countries. In order to solve these environmental problems, broad-reaching and coherent action is required. Disasters such as earthquakes and tsunamis continue to threaten human life and economic and social development for

a further period following the immediate aftermath. Therefore it is essential to support self-help efforts by developing countries and to take coherent measures corresponding to each phase of disaster including emergency response, reconstruction and prevention.

- (b) Japan will actively address environmental problems and natural disasters by making use of its ODA based on initiatives such as the Environmental Conservation Initiative for Sustainable Development (EcoISD), the Kyoto Initiative, and the Initiative for Disaster Reduction through ODA.

ii. Approach to addressing environmental problems and specific actions

Japan will give high priority to cooperation in the following three fields: (1) actions against global warming, such as controlling and reducing emissions of greenhouse gases through the use of renewable energy sources and energy saving measures (including assistance regarding use of the Kyoto Mechanism) and adaptation to the adverse effects of climate change (including measures against meteorological disasters); (2) pollution control through measures on air pollution, water contamination, and waste management, etc.; and (3) conservation of the natural environment by means such as the management of nature reserves, conservation and management of forests, measures against desertification, and natural resource management. Cooperation will be provided based on the following approaches and specific actions.

- (a) Capacity development of developing countries to address environmental problems
In order to enhance the overall capacity of the authorities, research institutes and other agencies in developing countries to address environmental problems, Japan will support human resource development and provide cooperation to assist accurate environmental monitoring, policy making, institution building, and equipment provision suited to the actual situations in individual countries.

- (b) Active integration of environmental elements

Japan will incorporate environmental elements into its development plans and programs, and cooperate in projects in developing countries in which appropriate environmental and social considerations are implemented or confirmed.

- (c) Japan's guiding role

Japan will seek to raise environmental awareness and encourage efforts to address environmental problems in developing countries through policy dialogues, various forums, and other appropriate cooperation schemes.

(d) Cooperation based on broad and comprehensive frameworks

In order to solve regional and global environmental problems, Japan will implement its cooperation based on broad and comprehensive frameworks that effectively combine various methods of cooperation.

(e) Application of Japanese experience and scientific technology

Japan will provide support to developing countries by making use of its experience and know-how in overcoming environmental problems and its scientific technology in combating complex environmental problems. Such experience, know-how and technology for pollution monitoring, data analysis and counter approaches have been accumulated by a broad range of organizations outside government in Japan, including local governments, private enterprises, research institutes, NGOs, and others. Thus Japan will actively collaborate with such organizations in assisting developing countries. Collaboration will also be pursued with international organizations that have specialist knowledge and means of implementation.

iii. Approach to address disasters and specific actions

Japan will cope with disasters such as earthquakes and tsunamis through a similar approach to that mentioned above (ii), by utilizing its own experiences, technology (including scientific technology related to observation) and human resources in which it has international comparative advantage.

(4) Peace-building

i. Japan's position on peace-building

(a) Since the end of the Cold War, numerous regional and domestic conflicts have occurred. Not infrequently, conflicts have recurred after hostilities had once ceased. Conflicts bring about various problems, such as the creation of refugees and internal displaced persons, destruction of the social and economic infrastructure, and malfunctions in the governing structure. As a result, it becomes extremely difficult for people to maintain their lives, livelihoods and dignity, and development at the national and regional level is impeded. In this sense, peace and stability are prerequisites for development.

(b) The purpose of peace-building is to prevent the occurrence and recurrence of conflicts, alleviate the various difficulties that people face during and immediately after conflicts, and subsequently achieve long-term stable development. Assistance for the prevention of conflicts and in their closing stages, post-conflict emergency

humanitarian assistance, and medium- to long-term reconstruction development assistance are essential to allow peace to take root. For example, employment generation and reconstruction of hospitals and schools through ODA enable people to sustain their livelihoods and gain access to education and health services. This in turn brings home to them the “dividends of peace,” leading to peace and stability in a society. Assistance in peace-building needs to fully take into account and give consideration to promoting processes for peace, such as dialogue between opposing groups. The individual circumstances—political, social, historical and cultural—of each country and region must also be fully taken into account.

- (c) Japan is determined to make an active contribution to peace-building in concert with international organizations, other donors, the domestic private sector, and NGOs.

- ii. Approach to peace-building and specific actions

It must be borne in mind that Japanese assistance for peace-building may be hindered by a variety of obstacles, such as the local security situation and malfunction of government. Therefore, in providing assistance for peace-building, Japan’s stance should be to steadily implement what is possible while paying maximum consideration to the safety of those involved in providing assistance.

- (a) Assistance corresponding to various stages before and after conflict

The following forms of support will be provided corresponding to the stage that a country or region is at, ranging from prevention of conflict or its recurrence, the immediate post-conflict stage to restoration, reconstruction, and mid to long-term development.

- (i) Assistance to prevent the occurrence and recurrence of conflicts

In countries at risk of conflict and in countries that are socially unstable in the aftermath of conflict, it is especially important to provide development assistance that gives full consideration to conflict prevention. Target regions and aid recipients should be selected after first accurately analyzing the causes of the conflict taking into account the historical and cultural background, and care should be taken to avoid fomenting conflicts, for example through biased selection of aid recipients. Furthermore, dialogue and cooperation between opposing groups can be fostered through, for example, the implementation of regional cooperation projects in non-political fields, such as environmental protection and infrastructure development. In order to prevent conflicts, it is also important to prevent arms proliferation. Japan will therefore provide assistance to enable developing countries to strengthen import and export

controls, prevent illicit traffic of weapons, and develop their legal systems, etc.

(ii) Emergency humanitarian assistance required in the immediate aftermath of conflicts

In order for victims of conflict, such as refugees and internally displaced persons, to protect their own lives and livelihoods in the immediate aftermath of conflicts, emergency humanitarian assistance needs to be delivered rapidly and effectively so as to meet minimum requirements for food, clothing and shelter. Japan will therefore provide emergency humanitarian assistance for the repatriation of refugees and internally displaced persons, and provide assistance in areas such as shelter, food, water, sanitation, public health, and education.

(iii) Post-conflict reconstruction assistance

The reconstruction assistance should develop the conditions to bring social and economic activities back on track by rebuilding social capital destroyed by conflict, such as hospitals, schools, roads, public transport, water supply and sewerage systems and energy facilities, while assisting the development of human resources. Japan will therefore support the rebuilding of social capital, give electoral assistance so as to restore the administrative functions of government, provide support for the development of legislation, and give media support to foster democratization.

(iv) Medium- to long-term development assistance

Medium- to long-term development assistance is required to keep development on track. Japan will therefore provide a wide range of assistance designed to reduce poverty and achieve sustainable growth.

(b) Coherent assistance

It is essential that assistance for peace-building be implemented in a seamless and coherent manner corresponding to needs at each stage before and after conflict. It is therefore necessary to accurately analyze the needs that arise from the immediate post-conflict stage to the stage of medium- to long-term assistance. Japan will accordingly strive to have adequate communication with interested parties such as the government and aid agencies in recipient countries, determine concrete needs, formulate projects, and share Japan's philosophy and other matters related to its ODA. Japan will undertake emergency development surveys that formulate both reconstruction programs and immediate reconstruction projects, and be prepared to

make use of information that has been gained from such surveys at the necessary time. Japan will in addition work to ensure a smooth transition from emergency humanitarian assistance to subsequent reconstruction development cooperation, and to eliminate as far as possible the gap that tends to occur between the two.

(c) Rapid and effective assistance

Conflict gives rise to a variety of problems, such as the generation of large numbers of refugees and internally displaced persons, destruction of infrastructure, collapse of the governing structure, food shortages, poverty, and epidemics. At such times of crisis, rapid action is required to protect human lives and livelihoods. Japan will therefore work in collaboration with international and regional organizations, domestic and international NGOs, and others in order to deliver aid more effectively.

For Japan to engage actively and effectively in peace-building in the years ahead, developing the human resources needed to provide peace-building assistance is crucial. Various kinds of training will therefore be provided for JICA personnel and specialists, consultants, NGOs, and other personnel involved in the provision of ODA. In addition, flexible use will be made of forms of cooperation suited to the security situation. Security training will be provided to persons dispatched to provide peace-building assistance. Systems will be developed to enable personnel to be dispatched swiftly when required, and the capacity of overseas establishments and JICA offices will be strengthened.

(d) Combination of assistance to governments and to local communities

In the aftermath of conflicts, central and local governments can frequently become dysfunctional. In order to urgently fill the resulting void, Japan will work to achieve the revival of local communities by providing basic social services, such as health and medical services, education, food and water, through assistance at the grassroots level to local communities. At the same time, Japan will strive to restore the functions of government and enable countries to become self-reliant swiftly by assisting in the development of human resources and institution building at the levels of central and local government.

(e) Assistance to achieve domestic stability and law and order

Even after conflicts have ended, governments often lack the ability to maintain law and order. This can threaten people's safety and impede development activities, and can even lead to the recurrence of conflicts. Therefore, in parallel with

humanitarian and reconstruction assistance, Japan will provide assistance with the objective of strengthening law and order and preventing the recurrence of conflicts, for strengthening the police, for social integration of discharged soldiers through job creation, for recovery and destruction of weapons (including landmines and small arms) and for reform of the judicial system. Such assistance will be undertaken in a manner consistent with the ODA Charter.

(f) Consideration for socially vulnerable people

Rapid protection will be provided to people who are particularly vulnerable to the effects of conflict, such as people with impaired health, women and children, and to people who are direct victims of conflicts. Particular consideration will be given to capacity building for the socially disadvantaged, including mine victims.

(g) Assistance that includes neighboring countries in its scope

Neighboring countries of conflict may face problems and fall into serious difficulties that arise from such problems as influx of refugees and adverse impact on trade and investment. Neighboring countries may also have close ties with a country in a conflict situation, giving them a political influence and enabling them to act as intermediaries, thus contributing to the resolution of conflicts. Trade and exchanges of people between the country in conflict and neighboring countries often play an important role in regional stability and conflict prevention. On the other hand, it is also common for neighboring countries to support particular parties to a conflict, and the power relations between neighboring countries are often reflected in the rivalries between the factions involved. In light of this, consideration will also be given to providing assistance to neighboring countries with a view to resolving and preventing conflicts and ensuring regional stability.

4. Measures to Ensure the Efficient and Effective Implementation of Assistance

(1) Position on strengthening systems for ODA policy formulation and implementation

For efficient and effective implementation of assistance, it is important to strengthen systems for policy formulation and implementation of ODA so that a coherent approach can be applied from the policy planning stage through to the implementation stage. In the case of the main recipients of Japanese ODA, Japan formulates Country Assistance Programs and assistance policies for priority issues and/or specific sectors in a manner compatible with the development plans of recipient countries and international development goals. In the years ahead, Japan will strengthen policy-making capacity and systems for reflecting policy in the formulation, selection and implementation of concrete projects, while enhancing

collaboration with other actors, such as international organizations and other bilateral donors. For this purpose, it is crucial to strengthen the functions of agencies in the field, such as Japanese embassies abroad and the overseas offices of aid agencies, which are in a position to most directly analyze the development needs and aid situation bearing in mind the bilateral relations between the recipient country and Japan, and the political, economic and social situation in the recipient country. The Medium-Term Policy identifies concrete actions and systems for strengthening functions at the field level.

(2) Concrete actions to strengthen functions at the field level

Japan has made efforts to strengthen functions at the field level mainly through the use of country-based ODA Task Forces (hereafter ODA-TFs). ODA-TFs consist primarily of Japanese embassies and the local offices of aid agencies such as JICA and JBIC. In order to further enhance functions at the field level, the following concrete actions will be promoted in the ODA-TFs and in Tokyo. In order for ODA-TFs to play a leading role in the process of policy-making and implementation of ODA, they will actively participate and will make proposals in relation to the following concrete actions. For its part, Tokyo will respect the proposals made by ODA-TFs.

Concerning recipient countries in which ODA-TF does not exist, similar efforts will be made by Japanese embassies abroad as much as possible by using communication tools such as IT in cooperation with Japanese aid agencies located in other countries that look after the recipient country concerned. Tokyo respects proposals made by the Japanese embassies.

i. Research and analysis of development needs

ODA-TFs will scale up their functions in research and analysis of development needs and the recipient countries' own development efforts bearing in mind the political, economic and social situation in these countries. Japan will fully analyze local socio-economic conditions and other aspects through local interested parties. In such efforts, external human resources will be relied upon where necessary, and information will be exchanged with the local aid community, including other major bilateral donors and international agencies, NGOs and academia.

Tokyo will support such actions in the field by making more flexible use of policy-support studies and dispatching policy advisers.

ii. Formulation and consideration of assistance policy

(a) Participation in the formulation of Country Assistance Programs

Country Assistance Programs specify the direction, priority sectors and priority

issues of Japan's ODA for a period of about the next five years based on an accurate understanding of the development needs of the recipient countries as described in (2) (i) above, bearing in mind the perspective of Japan's foreign policy. ODA-TFs will actively participate in the formulation and revision of Country Assistance Programs making maximum use of their knowledge and experience obtained at the field level, and will seek to align assistance programs with the development plans and development goals of recipient countries, as well as with the international development goals. Consideration will also be given to how best to collaborate with the local aid community, including other major donor countries and international agencies, NGOs and academia.

- (b) Participation in the formulation of assistance policies for priority issues and specific sectors

ODA-TFs will actively make proposals in the formulation of assistance policies for more concrete priority issues and specific sectors in line with the priorities specified in the Country Assistance Programs described in (2) ii. (a) and those clarified through policy consultations mentioned in (2) ii. (c) below so as to formulate and implement projects that reflect the true development needs of recipient countries. Tokyo will respect the proposals of ODA-TFs.

- (c) Undertaking of policy consultation

ODA-TFs along with participants from Tokyo as necessary will undertake policy consultations with recipient countries in order to share perspectives regarding medium term priorities and policy/institutional issues, as well as to iron out differences, so that the position on the medium-term measures specified in Country Assistance Programs and assistance policies for priority issues and specific sectors are reflected in the actual formulation, request and implementation of projects.

In the case of countries for which no Country Assistance Programs have been formulated, ODA-TFs will play a leading role in identifying the direction, priority issues and sectors of Japanese assistance through policy dialogues in accordance with the ODA Charter and Medium-Term Policy.

- iii. Formulation and selection of candidate projects for ODA

- (a) Leading role of ODA-TFs

ODA-TFs will play a leading role in examining in detail the formulation and selection of ODA projects. In concrete terms, ODA-TFs will make proposals to Tokyo regarding the order of priority of candidate projects when forwarding the

requests of recipient countries. Tokyo will respect the proposals of ODA-TFs in the selection of projects.

(b) Proposals regarding combination of different ODA schemes and their revision

In order to maximize the effect of Japanese ODA as a whole, it is important to combine ODA schemes effectively. ODA-TFs will therefore make efforts to form concrete model projects for combining different ODA schemes in recipient countries where all three schemes—grant aid, yen loans and technical cooperation—are implemented to a considerable extent, while clarifying the appropriate division of roles between the three. In addition, ODA-TFs will make concrete proposals on the need and possibility of revising ODA schemes in the recipient country concerned bearing in mind international trends, such as aid coordination among international agencies and other donors. Tokyo will consider the combination and revision of ODA schemes taking into account the proposals proposed by ODA-TFs.

iv. Strengthening of collaboration with the local donor community

Common development goals and development strategies, such as the Millennium Development Goals (MDGs), are increasingly being adopted by the international donor community. Taking into account this trend, ODA-TFs will participate actively in donor coordination in a manner consistent with Japanese ODA policy, in close collaboration with the local donor community, such as international agencies and other bilateral donors, with a view to increasing the effectiveness of Japanese aid. Such efforts can enhance Japan's presence at the field level. In the case that aid coordination is being promoted in Japan's priority sectors, Japan will participate actively, including playing a leading role, in the process of formulation and implementation of development policy of a recipient country while encouraging self-help efforts by that country.

v. Strengthening of collaboration with Japanese relevant parties in recipient countries

In view of the importance of making use of Japan's high-quality technologies, knowledge, human resources and institutions, ODA-TFs will engage in active dialogue with Japanese relevant parties that are active in recipient countries, such as NGOs, academia and economic organizations including private enterprises based in the recipient country.

vi. Review of Japan's ODA

Taking into account the results of ODA evaluations at the policy and program level of recipient countries, ODA-TFs will review whether the intended goals and purposes of Japanese aid to recipient countries have been achieved, whether the direction of

assistance was appropriate, whether the prioritization of sectors and issues was effective, and whether the points to be borne in mind in the implementation of aid were properly dealt with. Based on these reviews, ODA-TFs will seek appropriate improvements through participation in the formulation and revision of Country Assistance Programs and policies on priority issues and sectors.

vii. Information disclosure and public information

In order to ensure the transparency of ODA, ODA-TFs will work with support from Tokyo to actively publicize, via websites and other means, information on the activities of ODA-TFs, Country Assistance Programs, policy consultations with recipient countries, and other issues.

(3) Promoting systems to strengthen functions at the field level

In order to strengthen the functions of ODA-TFs described in (2) above, it is important to strengthen institutional capacity both in Tokyo and at the field level. For this purpose, Japan will take concrete measures such as the following to the extent possible.

i. Appropriate allocation of personnel and development of human resources (including active use of external human resources)

Personnel will be appropriately allocated to both ODA-TFs and Tokyo making active use of qualified human resources both within and outside the government, such as personnel with experience in delivering development aid and with high level of practical work ability, and personnel with thorough knowledge of local political, economic and social conditions. Since there may arise cases requiring urgent assistance, timing and flexible allocation of personnel will also be made.

In order to strengthen the functions of ODA-TFs, it is essential to have personnel with broad experience and knowledge of international trends regarding, for example, aid coordination, overall Japanese aid policy and implementation. Japan will therefore seek to develop the range of people engaged in Japanese aid through the development of human resources involved in assistance at field missions and in Tokyo by reinforcing training including through the use of information technology.

ii. Promoting the sharing of information and knowledge including through the use of information technology

Tokyo will actively present and share with ODA-TFs relevant information and knowledge considered to be of use to ODA-TFs, particularly in the formulation of assistance policies for specific issues and sectors as described in (2) ii. (b).

Appendix

Examples of projects that have achieved results by incorporating the “human security” perspective (projects ongoing as of 2004)

- Water supply development with community participation in Senegal

Due to lack of proper water supply facilities such as wells in rural areas of Senegal, many women and children must routinely travel long distances to draw water. In addition, due to the unavailability of safe water, many areas suffer from extremely poor sanitation.

In order to protect local people from the threat of “want” of water, Japan provided grant aid to develop water supply facilities. In addition to the development of water supply facilities, assistance was also provided in the form of technical cooperation to empower local residents so that they can realize and sustain a better livelihood through their own efforts. In concrete terms, Japan provided support to form a resident organization and training in methods of maintenance, inspection and collection of rates so as to enable the operation and maintenance of water supply facilities at the village level. Assistance was also provided to educate the health and sanitation by relating it to water sanitation so as to improve the lives of women and other residents. Following such assistance, the residents took their own initiative to raise household incomes by means such as poultry farming projects with surplus funds from the management of water supply facilities. These activities have supported people’s empowerment and rural development. At the same time, they combine a variety of forms of assistance, including support to vulnerable groups such as women and children, cross-sectoral assistance spanning fields such as health, sanitation and education, and collaboration with other agencies through the use of a resident organization model that other countries’ aid agencies are working to propagate.

As a result of this Japanese assistance, a large number of women and children in rural areas have been freed from the work of drawing water, and local residents have been able to realize a more sanitary living condition.

- Protection from HIV/AIDS in Cambodia

Cambodia has a high HIV/AIDS rate. The movement and concentration of people resulting from increased economic activity create a risk of further spread of HIV/AIDS. As a result, residents and workers may be exposed to the threat of HIV/AIDS.

In the Sihanoukville Port Reconstruction Project in Cambodia, a project funded with

Japanese loan assistance, Japan made efforts to incorporate the “human security” perspective, including programs to protect people from the threat of HIV/AIDS and better equip them to protect themselves.

In concrete terms, in order to protect the people including local residents from the threat of HIV/AIDS, workers were required to undergo health checks, measures were taken to change people’s behavior by combining distribution of condoms and educational activities, workers’ leaders were trained to help promote knowledge of health and sanitation in workers’ meetings, and a wide range of public information activities were undertaken to raise awareness on HIV/AIDS. To ensure that these activities reached those concerned, activities were undertaken in collaboration with local NGOs.

The outcome of these activities was to increase awareness about routes of transmission and means of preventing HIV/AIDS and other sexually transmitted diseases, and to strengthen the ability of workers and local residents to better protect themselves from the risk of HIV/AIDS infection.