

**DEVELOPMENT
REIMAGINED**

Japan and the UK's Development Priorities and Potential for Collaboration

By

Development Reimagined

Final Draft

OCTOBER 2022

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ACKNOWLEDGEMENTS

Development Reimagined thanks all parties who made this report possible.

We first want to thank members of the UK-Japan development community, including think tanks, research centres, international organizations, academic institutions, development agencies, and other organizations and individuals whose work we relied upon to compile this report.

Special thanks to Lord Lansley, Fergus Drake, Professor Tatsufumi Yamagata, Professor Izumi Ohno, Ian Mitchell, Will Worley, and David Richardson, who have generously supported the preparation of this report through their expert insights.

Finally, thanks to the wider Development Reimagined Team – and to contributing team members Hannah Ryder, Leah Lynch, Jade Scarfe, Sophia Kladaki, Judith Mwai, Jing Cai, Ivory Kairo and Sena Voncujovi for their support.

EXECUTIVE SUMMARY

Japan and the United Kingdom (UK) are both major actors when it comes to global development cooperation. Both are members of the Development Assistance Committee (DAC) and rank third and fourth, in total Official Development Assistance (ODA) disbursements. Historically, both have been leaders in championing poverty reduction, economic growth and the Sustainable Development Goals (SDGs). This is demonstrated by the volume of ODA from both nations. In 2020, the UK and Japan spent USD 18.6 billion and USD 16.3 billion, respectively.

However, global crises such as the COVID-19 pandemic and climate change have created a fundamental shift in ODA policy and spending for both the UK and Japan.

Post-Brexit, the UK is looking for new partners to engage with, not only in terms of foreign policy but also in development cooperation. At the same time, the UK budget for ODA is shifting. For the first time since 2013, the UK will not meet the UN target of spending 0.7% of Gross National Income (GNI) on ODA. With the newly launched International Development Strategy (IDS) setting out a 10-year approach for the UK's international development, including priority sectors, and regions of focus, now is the time to evaluate the strengths and benefits of the UK as a development partner and chart the potential area of collaborations with other donors such as Japan.

Japan is also seeing a shift in ODA and is looking to expand areas of expertise as well as within and beyond the Asian region. For example, in March 2022, Japan's ODA to China is scheduled to be completely terminated. At the same time, Japan is a significant contributor to environmental funds and has significant experience in infrastructure cooperation, which many low- and middle-income countries need, but other G7 partners lack understanding of. These shifts and strengths open up the opportunity for engagement with other regions and countries, in particular across Africa, and again in partnership with others such as the UK to draw and learn from their strengths.

Coupled with these changes in ODA policy, is a focus from both countries on deepening geopolitical ties. Both the UK and Japan have strategic interests in forming strong partnerships to counter the growing presence of new and emerging donors, such as China, in regions such as the Pacific and African Continent. With this context in mind, this report uses a three-step framework to evaluate UK and Japanese Development Cooperation.

First, a review of the history of UK and Japan's development cooperation sheds light on the status of spending and policy priorities, along with current cooperation initiatives and agreements between the UK and Japan. The report finds that both countries have seen fluctuations in spending, with differing trends in multilateral and bilateral spending. The report explains that the UK has shown strong leadership in trade and climate change programs, whilst Japan has vast experience and leadership in infrastructure financing and delivery.

With the UK's new IDS heavily favouring bilateral engagement, the report suggests that there is strong potential for bilateral collaboration. The report also highlights that Japan and the UK have engaged in several joint strategic economic and development cooperation agreements over the past twenty years, including some capacity-building exercises in developing countries. As such, the report finds significant scope for increasing joint development cooperation projects.

The second part of the report provides a deeper dive into areas of complementary priorities according to thematic areas and regional prioritisation – explaining where existing strengths combined with overlaps in future attention and strategies may enable significant added value to the two countries' development programs.

With regards to thematic priorities for joint collaboration, the analysis suggests four key areas to target, namely investment and infrastructure; global health; climate change and green recovery; agriculture and trade. Hence, although featuring as individual strengths, and in some cases past collaboration priorities for the UK and Japan, the report suggests that specific themes of security, women and girls and rural development can be mainstreamed into areas of joint collaboration and learning.

Regarding regional priorities, the analysis suggests three key regions to focus joint collaboration: Africa, Asia, and the Arab region. The report explains why the Latin American and Caribbean (LAC) and Pacific regions should not be direct, major areas for collaboration.

Finally, the report reviews data on the strengths and weaknesses of both countries when it comes to delivering development, especially as encountered from a recipient perspective, also beyond just aid delivery. The analysis finds that both countries have some strengths, but also significant opportunities to improve their development cooperation effectiveness and policy coherence. For example, the report reveals that “tying” of aid is a weakness for both countries and both countries also have other international policies that contradict the impact of aid, to varying degrees. Not addressing these weaknesses and opportunities could threaten the progress of both the UK and Japan in achieving their geopolitical ambitions.

Overall, the report uses this three-step analysis to provide clear and detailed recommendations in three areas for Japan and the UK to leverage their various strengths. Specifically, the report proposes:

- 1) **Four new trilateral cooperation programmes** that could be pursued in the coming years, most with a strong focus on Africa. In particular:
 - Urban infrastructure and investment cooperation in Africa
 - Mutually building health capacity in Africa
 - Building capacity for SMEs (especially women-led) in agriculture to transform
 - Joint trade financing

- 2) **Four new multilateral cooperation initiatives**, with a strong focus on Asia. In particular:
 - A new (global) climate change initiative to reduce emissions from the shipping industry, focusing on trade routes for Indo-Pacific states
 - A new research and technology transfer-related initiative using Artificial Intelligence (AI) and 5G¹ for health and environment benefits – for example around managing infectious disease outbreaks in the Indo-Pacific region
 - A new initiative around supporting Africa's efforts to harmonise the region's regulations on medicines and medical devices
 - A global initiative to scale up multilateral climate finance contributions, transparency and action

¹ F Ahmed, How Technology Can Help Combat The Spread Of Disease, (Forbes, 2020)
<https://www.forbes.com/sites/forbesbusinesscouncil/2020/03/17/how-technology-can-help-combat-the-spread-of-disease/?sh=1cd6aac775d6>

- 3) **Two areas for structured dialogues** to enhance mutual learning. These are:
- A new peacebuilding network through which both countries together with different selected partners in the Asian region review non-military peacekeeping support and aid to the troubled regions and contribute towards preventive actions

A structured dialogue on development policy to encourage the UK and Japan to improve both their aid delivery policies and non-aid policies, held in settings outside of the UK and Japan.

01

1 INTRODUCTION AND METHODOLOGY

1.1 Context

As the COVID-19 pandemic has spread across the world, it is becoming clear that the crisis is not just a health crisis – but also a global economic crisis that requires efforts from partners around the world, including the world’s biggest donors. Many low and middle-income countries are facing additional socioeconomic requirements and have introduced new measures to support vulnerable citizens and businesses. For instance, by September 2020, African countries had put budgets of USD 68 billion total aside for their COVID-19 response, approximately 2.5% of the continent’s GDP². Therefore, there is no doubt COVID-19 has already impacted the achievement of 2030 Sustainable Development Goals (SDGs), and major donors - such as Japan and the UK - have an important role in supporting developing countries, with not only COVID-19 recovery but strong, sustainable economic growth going forwards.

Both Japan and the UK are major donors, ranking third and fourth globally, respectively, in total Official Development Assistance (ODA) disbursements³. In 2020, the UK and Japan spent USD 18.6 billion and USD 16.3 billion, respectively, on ODA. Further, both countries are revising their ODA policy and spending. Post-Brexit, the UK is looking for new partners to engage with, not only in terms of foreign policy but also in development cooperation while the UK budget on ODA is shifting. For the first time since 2013, the UK will not meet the UN target of spending 0.7% of Gross National Income (GNI) on ODA. Citing the economic impact of the pandemic, the Government has instead allocated 0.5% of GNI for ODA in 2021, as a “temporary measure.” Furthermore, the new International Development Strategy (IDS) released in May 2022 sets out a 10-year approach for the UK’s approach to international development⁴ including priority sectors and regions of focus.

Japan is also seeing a shift in ODA and is looking to expand the scope of ODA beyond the Asian region. For example, in March 2022, Japan’s ODA to China is scheduled to be completely terminated. Japan’s ODA to China began in December 1979 and in total, has amounted to around USD 32.4 billion in loan aid, with 231 projects related to basic infrastructure⁵. This shift opens up the opportunity for engagement with other regions and countries, in particular across Africa, a region of increased interest for Japan⁶.

Japan’s ODA is primarily bilateral and prioritizes self-reliant development, promotion of economic growth, and public-private partnerships (PPP) (primarily with Japanese companies) in its Development Cooperation Charter. Similarly, the UK also recently placed a stronger focus on bilateral ODA, delivered through ‘projects or programmes’ of key thematic areas such as climate change and gender equality.

² <https://developmentreimagined.com/2020/06/12/is-africa-drowning-in-debt>

³ Donor Tracker: [United Kingdom](#).

⁴ House of Lords, International Development Strategy Library Briefing, December 2021.

⁵ <https://thediplomat.com/2022/02/japans-changing-oda-diplomacy/>

⁶ August 2022 will see the Eighth Tokyo International Conference on African Development.

Against this backdrop, this report provides analysis and recommendations for the UK-Japan 21st Century Group to advise both governments on how to best promote joint development priorities.

1.2 Aims and Objectives

This report aims to shed light on the status of spending and policy priorities for both the UK and Japan's governments on development cooperation. It examines and identifies key areas of complimentary priority and draws a bridge where the respective strengths may enable significant added value to the two countries' development programmes. The analysis identifies areas where each country might benefit from shared experience or resources and concludes with several recommendations.

1.3 Methodology

The report employs a quantitative and qualitative research approach, within a three-part framework, as shown in **Figure 1**. The methodology revolves around a thorough literature review (desk research) including other reviews, articles and reports, our own bespoke data analysis; as well as interviews and informal discussions with over ten key players involved in UK and Japan development cooperation.



Figure 1: Overview of methodology

1.4 Framework

The framework used consists of three parts, as shown in **Figure 2**. First, a review of both UK and Japan's government priorities sheds light on the history of spending and policy priorities, along with previous and current cooperation initiatives and agreements between the UK and Japan. The second type of analysis identifies areas of future complementary priority by outlining key policy, strategy, and spending according to region, thematic area, and multilateral cooperation as well as development effectiveness achievements. The third, and final, section spotlights respective strengths, opportunities, threats and weaknesses (SWOT analysis), and provides clear recommendations for cooperation and next steps.

History and current cooperation

Future trends and priorities

SWOT analysis & areas for cooperation and experience sharing

Figure 2: Overview of the framework



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2 THE UK'S DEVELOPMENT COOPERATION TRENDS

2.1 Historical Overview of The UK's Role in Development

The UK has, for many years, played a vital role in providing development assistance to countries in the Global South. Starting from the Overseas Development and Co-operation Act in 1980 until the establishment in 1997 of a standalone government department (Department for International Development (DFID)) responsible for administering foreign aid, international development has been on top of the UK's agenda.

In addition to that, a number of Public General Acts were passed in history by the UK Parliament to strengthen its development assistance endeavors. These Acts span from the International Development Act (2002) to the International Development (Reporting and Transparency) Act (2006) and the International Development (Official Development Assistance Target) Act (2015). In 2013, the UK, for the first time, met the UN's target to spend 0.7% of its GNI on ODA while since then, it has been successful in meeting this target on an annual basis and up to 2020. Notably, in 2019, the UK was one of the five (5) countries to have met the target.⁷

Moreover, when looking back at DFID's approach to development, historical evidence reveals that DFID's main programme areas of work were, among others, Education, Economic Development, Government and Civil Society, Social Services as well as Education. **Case Study 1** below illustrates one of DFID's vital projects in 2010 targeting health and poverty alleviation. Moreover, when looking at the biggest recipient of the UK's ODA historically, it becomes clear that the majority of the UK's development assistance was (and continues to be) given mainly to

Case Study 1: DFID's response to Niger's Hunger Crisis in 2010

In August 2010, the World Food Programme (WFP) announced that the food and nutrition crisis in Niger and Chad had reached emergency levels and therefore immediate actions need to be taken to address the crisis.

In response to that, DFID swiftly responded to this crisis by providing food aid to feed over 810,000 people, treating 85,500 malnourished children and providing seeds to more than 81,000 households across the Sahel. In addition to providing food aid, DFID also supported a programme, led by CARE International, which aimed to help the poorest communities (around 20,000 households) withstand future crises, for example through the creation of grain and animal feed stores. With the support of UK aid from DFID, charities and UN agencies on the ground were able to distribute food aid, treat children with acute malnutrition, help families financially and ensure that households were prepared to address similar future crises.

⁷ <https://commonslibrary.parliament.uk/research-briefings/sn03714/>

Based on data published by the UK Independent Commission for Aid Impact, DFID concentrated its assistance in 33 priority countries with most of them being poor countries on the African continent. The UK also supported several South Asian countries (e.g., Afghanistan, Bangladesh, Myanmar, Nepal and Pakistan), run major humanitarian programmes in the Arab region and had a partnership on climate change with Indonesia.⁸

2.2 Current Thematic and Geographic Priorities of the UK's Government on Development

On the 16th of June 2020, the UK Government announced that DFID and the Foreign and Commonwealth Office (FCO) will merge and therefore establish a new department called the Foreign, Commonwealth and Development Office (FCDO) which was inaugurated in September 2020.

This action to unite development and foreign policy/diplomacy into one department has been criticized by many in the international development community. One of their main critiques is that although development and foreign policy intermingle extensively, their means and ends are fundamentally different. On the one hand, foreign policy aims to promote a nation's economic and geopolitical interests, while, on the other hand, development policy is a means to promote the long-term development of poor countries where the beneficiaries are not UK citizens. This and other critiques were further enhanced when the UK Government announced in its November 2020 Spending Review that in 2021, it would cut aid spending from 0.7% to 0.5% of its GNI and that it will return to 0.7% "when the fiscal situation allows it".⁹ Based on that, FCDO spent GBP 8,308 million in 2021, compared to GBP 10,664 million in 2020 (a decrease of GBP 2,356 million) while the FCDO's share of total UK ODA stood at 72.3 per cent in 2021, compared to 73.7 per cent in 2020¹⁰. Although the UK aid budget is "scheduled" to return to 0.7% of GNI in 2024-25, for the time being, these highly controversial actions warrant an uncertain future for the UK's role in international development.

2.3 Overview of the UK's ODA

As **Figure 3** shows, from the 1970s onwards, the UK government has progressively increased ODA spending until 2020. There was a substantial increase in 2005/2006, during the period of debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative, whereby bilateral governments, alongside the World Bank (WB), the International Monetary Fund (IMF) and other multilateral and commercial creditors, provided debt relief to countries which had high debt burdens after the 1980s Oil Shock and interest rate hikes. However, note that from the recipient point of view, UK ODA did not necessarily rise significantly – not only was it rising interest rates on existing debt that caused related ODA (and therefore compensation via debt relief) to grow significantly over this period, but even with regards to grants, the GNI growth rate of most recipient countries grew faster than the UK, therefore its impact was progressively lower in real terms.

⁹ <https://www.gov.uk/government/publications/spending-review-2020-documents/spending-review-2020>

¹⁰ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1068775/SID-prov-21c.pdf

⁹ <https://www.gov.uk/government/publications/spending-review-2020-documents/spending-review-2020>

¹⁰ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1068775/SID-prov-21c.pdf

Nevertheless, in absolute terms, in 2020, the UK stood as the third-largest¹¹ donor country for ODA at GBP 18.6 billion, behind the United States and Germany. However, when evaluating ODA as a proportion of GNI, the UK is the sixth-largest donor.

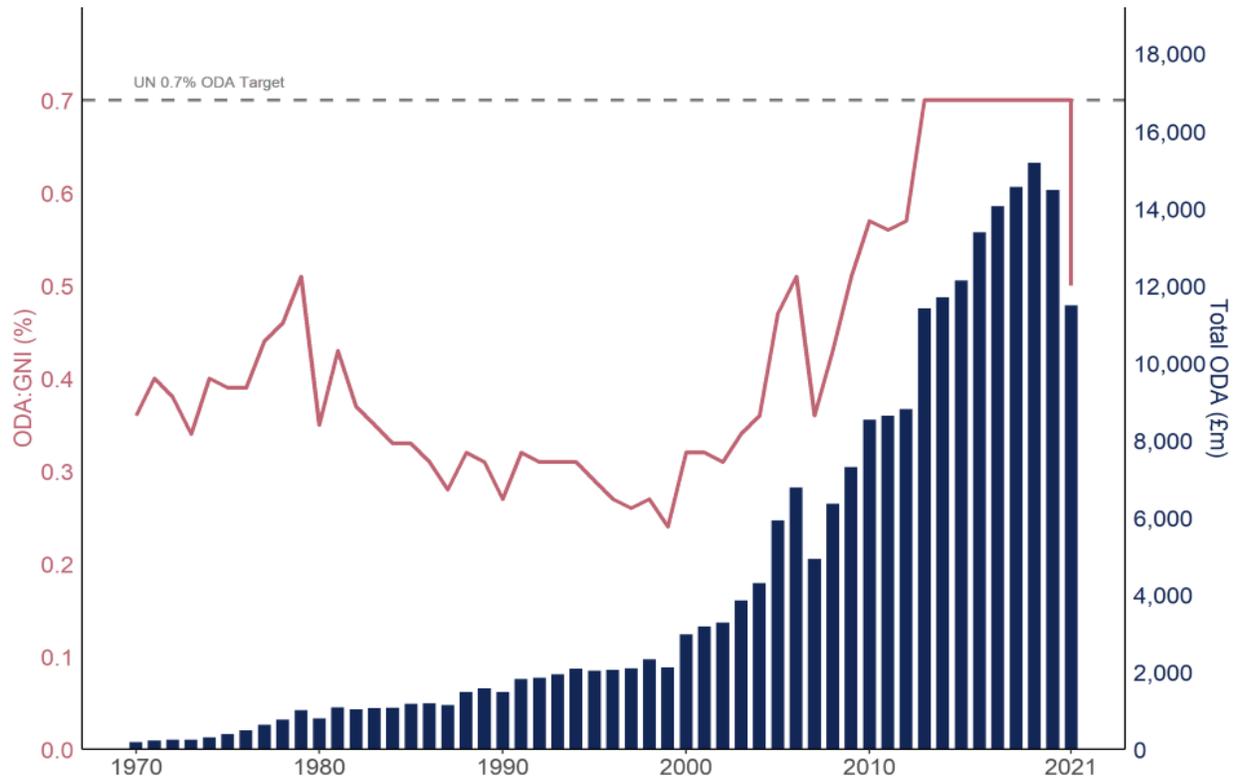


Figure 3: UK ODA levels (£ billion) and ODA-GNI ratios (%), 1970 to 2021.

However, from 2020 onwards, ODA and ODA-GNI ratio have declined due to new policy measures related to COVID-19. Indeed, 2021 is the first year in which the UK ODA budget has been set at 0.5% of GNI. The UK government insists that the reduction is temporary and a result of the fiscal situation due to the COVID-19 pandemic. This has led to reduced spending on ODA across official, bilateral and multilateral sources (Table 1).

Table 1: UK ODA 2021 levels and percentage change compared to 2020.¹²

Type of ODA	2021 level	Percentage change (compared to 2020)
UK Official ODA	USD 14,715 million	- 20.6%
UK Bilateral ODA	USD 9,070 million	- 25.7%
UK Multilateral ODA	USD 5,646 million	- 10.8%

¹¹ Donor Tracker, [United Kingdom](#).

¹² UK Government. [National statistics: Statistics on International Development: Provisional UK Aid Spend 2021](#). April 2022

The UK government has noted that ODA-GNI will only return to 0.7% once the UK’s underlying debt accumulation begins to decrease and the government is not borrowing to support daily spending, a date which is currently unclear. This will be determined by fiscal forecasts by the Office for Budget Responsibility (OBR).

It is also important to note that even when UK aid was rising in absolute and relative terms to the UK’s own income, as a proportion of low-and middle-income countries’ own growth and income, the UK’s aid was declining in relative terms.

UK Bilateral ODA (FCDO only)

In 2021, Africa received the largest share of the FCDO’s bilateral country/region-specific ODA at 52.2% of ODA¹³(USD 1,747 million), as shown in Figure 4.



Figure 4: UK Bilateral ODA by region (FCDO-only) 2021.

Nevertheless, this is a decrease of USD 1,106 million compared to 2020 levels (**Table 2**).

Table 2: UK Bilateral ODA By Region (FCDO only) 2021.¹⁴

Region	2021 ODA Bilateral	Change from 2020
Africa	USD 1,747 million	Decrease of USD 1106 million
Asia	USD 1,373 million	Decrease of USD 648 million
Americas	USD 135 million	Decrease USD 32 million
Europe	USD 82 million	Decrease USD 12 million
Pacific	USD 9 million	Decrease USD 9 million

¹³ UK Government. [National statistics: Statistics on International Development: Provisional UK Aid Spend 2021](#) April 2022

¹⁴ UK Government. [National statistics: Statistics on International Development: Provisional UK Aid Spend 2021](#) April 2022

The top 5 countries to receive UK bilateral ODA in 2020 were in Africa and Central and West Asia (Table 3).

Table 3: Top 5 countries to receive UK bilateral ODA in 2020.¹⁵

Country	Amount (2020).
Ethiopia	USD 325 million
Nigeria	USD 308 million
Somalia	USD 297 million
Afghanistan	USD 289 million
Yemen	USD 283 million

UK Multilateral ODA

In 2021, USD 5,646 million of the UK’s ODA was channeled to multilaterals, a 10.8% decrease (USD 685 million) compared to 2020 levels. Figure 5 shows trends from 2009-2019, reflecting the growing role of bilateral ODA.

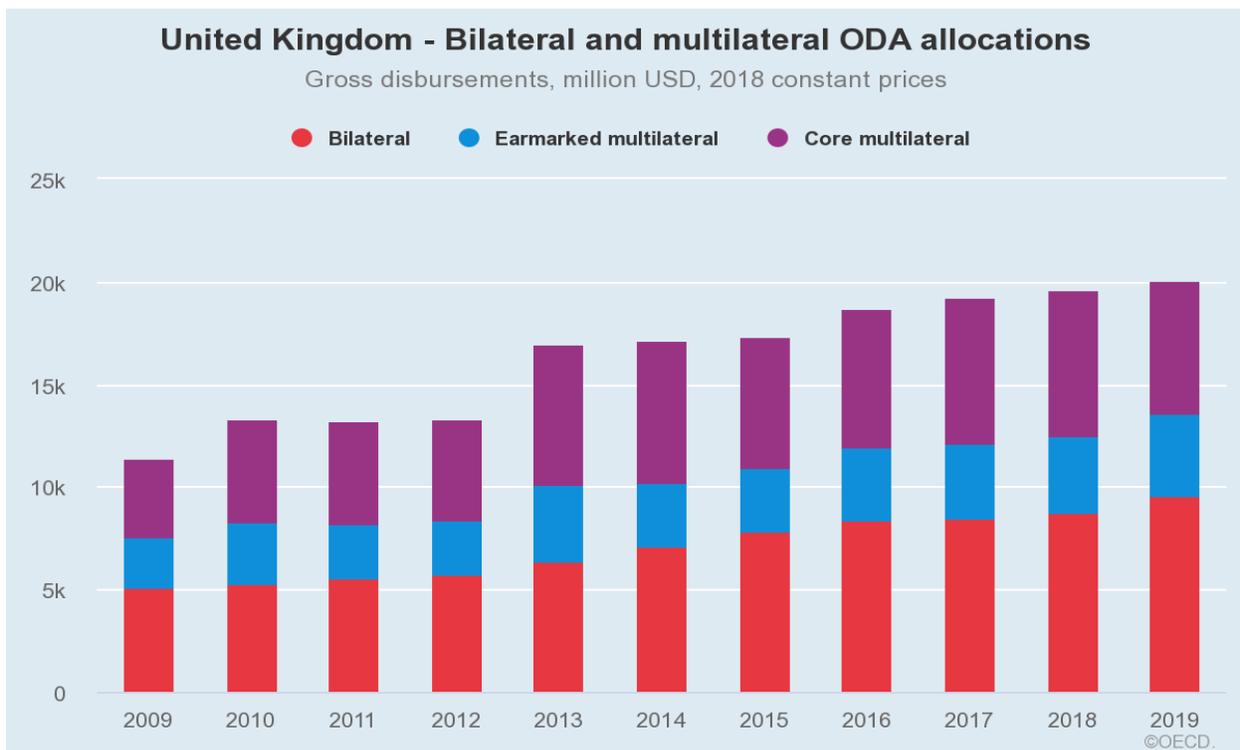


Figure 5: UK’s bilateral and multilateral ODA trends (2009-2019).

¹⁵ House of Lords, [International Development Strategy Library Briefing](#), December 2021. P.10. Note country level data is unavailable for 2021.

However, in 2021, the share of multilateral ODA increased from 34.2% in 2020 to 38.4%. This is the largest share of multilateral spending in ODA since 2014. The largest recipients of UK multilateral ODA for 2020 are shown in Table 4. However, the prevailing historic trend is likely to remain under the new IDS.

Table 4: Top 5 recipients of UK multilateral funding in 2020.¹⁶

Recipient	Amount (million, USD)
European Commission (development share of budget)	1471
International Development Association	1178
Global Fund to Fight AIDS, Tuberculosis and Malaria	609
Green Climate Fund	576
European Commission (European Development Fund)	471

Although multilateral ODA is less than bilateral, nevertheless the UK is one of the largest global donors to multilateral organisations overall¹⁷. In the past, the UK has contributed to several multilateral initiatives including the HIPC’s initiative, and more recently, the Debt Service Suspension Initiative (DSSI) which suspended debt repayment to ease fiscal constraints during COVID-19.

In terms of priorities, health and climate are at the top of the UK’s multilateral agenda. In 2019, UK contributions to health included USD 472 million to the Global Fund to Fight Aids, Tuberculosis and Malaria and the Gavi Vaccine Alliance (USD 255 million), as well as the International Finance Facility for Immunization (USD 152 million)¹⁸. On climate, the UK also made a commitment of USD1.9 billion to the Green Climate Fund from 2020-2023¹⁹.

Finally, the UK has been a pioneer in practical “trilateral cooperation” initiatives, which fall somewhere between bilateral and multilateral initiatives. An example is provided in **Case Study 2**.

¹⁶ House of Lords, [International Development Strategy Library Briefing](#), December 2021. Pp.11-12

¹⁷ Donor Tracker, [United Kingdom](#).

¹⁸ Donor Tracker, [United Kingdom](#)

¹⁹ Donor Tracker, [United Kingdom – Climate](#).

Case Study 2: UK-China-Tanzania Project on Malaria Control

Tanzania is one of the countries with the worst malaria epidemics in the world. More than 93% of the Tanzanian population remains at risk of malaria and malaria remains the leading cause of morbidity and mortality among children under 5 years of age in the country.

The pilot project, known as the China-UK-Tanzania Malaria Control Project, was funded by DFID, jointly organised and implemented by the Institute of Parasitic Disease Prevention and Control of the Chinese Centre for Disease Control and Prevention (CDC), and Ifakara Health Institute and the National Malaria Program Office in Tanzania.

Through the field intervention over the past three years (2015-2018), the malaria prevalence rate in the high incidence community decreased by 85.4% from 36.9% to 5.4%, and the malaria prevalence rate in the low incidence community decreased by 70.1% from 15.9% to 4.7%. The malaria case fatality rate in the targeted communities was reduced and no malaria deaths were reported in health facilities during the intervention period.

2.4 The UK's new Integrated Review and International Development Strategy

The UK government released its new IDS in May 2022. The IDS is pivotal for several reasons. It is the UK's most recent IDS since 2015, making it the first strategy since leaving the EU and the first since FCO was merged with DFID to create the FCDO in September 2020.

The IDS aligns closely with key strategic objectives (**Box 1**) of the 2021 Integrated Review of Security, Defense, Development and Foreign Policy (henceforth, IR)²⁰. The UK government has pitched the IR as its “*most substantive review of UK foreign development policy since the Cold War*”.

²⁰ UK Government, *Global Britain in a Competitive Age: The Integrated Review of Security, Defence, Development and Foreign Policy*, March 2021.

Box 1: Four Strategic Objectives in the UK's Integrated Review

1. Sustaining strategic advantage through science and technology

Focal points include using the UK's competitive advantage in science and tech, and a focus on cyberspace security.

2. Shaping the open international order of the future

Focal points include utilising the UK's leadership and influence in the global order to uphold and promote democratic values and human rights, an Indo-Pacific "tilt", and an open global economy to support free trade and investment.

3. Strengthening security and defence at home and overseas

Focal points include nuclear deterrent, reducing frequency and intensity of conflict and instability.

4. Building resilience at home and overseas

With focal points noted including building the UK's resilience, climate change and biodiversity loss and global health.

There are several notable changes in the IDS. First, there is a redirection of ODA spending, with an accelerated shift away from multilateral ODA and towards bilateral ODA. Although the IDS lacks specifics, it notes that UK ODA to multilateral entities will be reduced from 40% of the budget to 25% by 2025²¹, within an overall cut of USD 4 billion since 2020 to UK ODA²². The IDS states that the shift to bilateral aid supports the alignment of ODA with Britain's geopolitical goals, allowing for the UK to design a more strategic, and controlled approach.

The thematic priorities outlined in the IDS include:

- **TRADE**

Trade between ODA recipients and the UK will play a more central role in ODA, to create longer-term linkages between the recipient and the UK, rather than project-based aid, whilst "creating secondary benefits for UK business and consumers".²³ This builds on the Developing Countries Trading Scheme (DCTS), launched by the FCDO in 2022, which aims to "give better access to the UK market for goods from low- and middle-income countries, through a set of simpler, more generous trading arrangements".²⁴

However, the DCTS has limitations, including a lack of clarity regarding imports of value-added products from developing countries which can generate more positive spin-off effects, including job creation, supply chain growth and cutting supply chain costs²⁵. Concerns have also been raised about whether UK aid will become conditional on unbeneficial /unfair trade agreements for the recipient²⁶.

²¹ The Guardian, [UK's new aid strategy condemned as 'double whammy to world's poor'](#), May 2022

²² The China-Africa Project, [UK Reshapes Foreign Aid Strategy to Confront China](#), May 2022

²³ FCDO, [The UK Government's Strategy for International Development](#) May 2022 p.11

²⁴ FCDO, [The UK Government's Strategy for International Development](#) May 2022 p.10

²⁵ The Africa Report, [UK businesses, not African countries will profit from new trade plans](#), November 2021

²⁶ Financial Times, [UK accused of prioritising 'aid for trade' in new development strategy](#), May 2022.

One existing example of the UK’s approach to promoting trade is the TradeMark East Africa (TMEA) - Strategy 2 programme. More specifically, this programme aims to improve the sustainable efficiency and capacity of existing transport infrastructure, the trade systems and procedures of East African countries as well as the trade regulatory environment within the region. By achieving these outcomes, this and other similar FCDO-funded programmes intend to increase trade and economic growth in the region and ultimately contribute towards alleviating poverty.²⁷

- **FOREIGN DIRECT INVESTMENT AND INFRASTRUCTURE**

The IDS launched two mechanisms, the British Investment Partnership (BIP) and the British International Investment (BII) which aim to expand the UK’s overseas investment while supporting the UK’s position as a global finance centre through mobilising third-party capital. The BII has a target of 30% of new commitment to be in climate finance over the next five years, whilst the BIP has a target to “mobilise up to GBP 8 billion (USD 9.97 billion) of UK-backed financing a year by 2025 including from the private sector”²⁸.

There is also reference to infrastructure financing with access to concessional loans under the British Support for Infrastructure Projects (BSIP).²⁹ If understood correctly, this would be significant, as traditionally, the UK has kept away from funding physical infrastructure, except through multilaterals (see Figure 6). This acknowledgement of infrastructure and concessional financing options as a critical area of sustainable development could be a major development in future ODA.³⁰ This move is likely partially driven to counter China’s influence through its Belt and Road Initiative (BRI). At the G7 Summit in 2021, the UK pledged to work with the US administration’s Build Back Better World (B3W), posited as an alternative to China’s BRI.

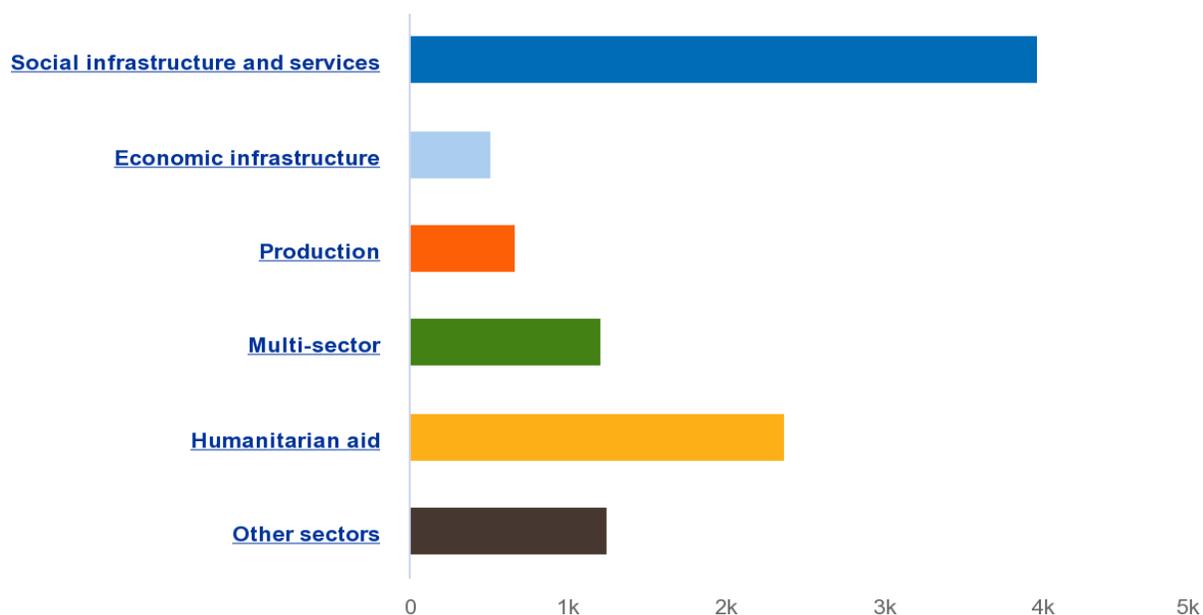


Figure 6: UK bilateral ODA by sector, millions USD, current prices, 2019.

²⁷ DevTracker. [TradeMark East Africa – Strategy 2 \(Regional\) - FCDO](#)

²⁸ FCDO. [The UK Government’s Strategy for International Development](#) May 2022 p.8

²⁹ FCDO. [The UK Government’s Strategy for International Development](#) May 2022 p.8

³⁰ The Habari Network. [The UK’s new development strategy suggests it’s ready to ‘Talk the Talk’ – but will it really ‘Walk the Walk’?](#) May 2022

The IDS further highlights that FCDO will support the Private Infrastructure Development Group (PIDG)³¹ in mobilising private finance into green infrastructure projects in emerging markets. PIDG has for many years played a key role in DFID's strategy with its aim to support infrastructure projects not through direct funding but by crowding in private sector investments, for example, risk guarantees and feasibility studies, using limited volumes of finance. Since 2002, PIDG has helped bring 154 infrastructure projects to financial close by mobilising USD 1.3 billion from donors and USD 21 billion from the private sector.³² Through these activities, PIDG claims that it has provided close to 222 million people with access to new or improved infrastructure and around 273,000 people with access to jobs, helping them come out of poverty.

• WOMEN AND GIRLS' EDUCATION AND EMPOWERMENT

In the IDS, emphasis is also placed on women and girls, including education, empowerment, sexual and reproductive health, and ending gender-based violence.

The UK has long been at the vanguard of promoting the rights and empowerment of women and girls around the world. This can be seen through the various programmes it has funded throughout the years. One example is the Work and Opportunities for Women (WOW) programme, a USD 13 million flagship programme funded by DFID. The overall objective of WOW is to enhance the economic empowerment of women and improve their economic opportunities. To achieve this, it enables players across the supply chain ecosystem to drive change, supports businesses, organisations and programmes to act on women's economic empowerment and aims to influence the global agenda on women's economic empowerment. By working closely with a range of actors such as private sector companies like PwC, non-governmental organisations like CARE International and research institutions such as the University of Manchester, this programme which began in 2017 and ends in 2024 intends to enhance the economic empowerment of 400,000 women in global value chains. To date, the programme has activities in India, Bangladesh, Kenya, Nepal, Pakistan, Ethiopia, Kenya, Mozambique, Rwanda and South Africa.³³

• CLIMATE ACTION

The UK affirmed its commitment of USD 14.9 billion in International Climate Finance (ICF) (from 2021 to 2026), with the funding allocated to both adaptation and mitigation measures.³⁴ The IDS also notes that all new bilateral ODA will be aligned with Paris Agreement. Climate is also integrated with other priorities, such as investment (e.g., see comments related to BII above). The UK Government has supported countries' adaptation and mitigation efforts through various government departments. One such example is UK PACT (Partnering for Accelerated Climate Transitions), a capacity-building programme funded by both FCDO and the Department for Business, Energy and Industrial Strategy (BEIS). UK PACT's goal is to support partner countries in accelerating their clean growth transitions and increasing their ambitions for carbon emissions reductions, through technical assistance.

³¹ In 2002, the UK Government, along with a number of like-minded donors, established the PIDG to encourage and mobilise private sector investment into infrastructure in the frontier markets of African and South and South-East Asian regions

³² DevTracker. <https://devtracker.fcdo.gov.uk/projects/GB-GOV-1-300351/transactions>

³³ UKAid. [Measurement of Women's Economic Empowerment](#)

³⁴ Oxfam. [The UK's new Development Strategy shows it's in the midst of an identity crisis](#). May 2022

For example, UK PACT has helped partner countries to (i) improve the capacity and capability of their key institutions (public, private, and civil society); (ii) address barriers and constraints to clean growth; (iii) pursue opportunities for greater climate ambition; and (iv) access more climate finance³⁵



³⁵ UK PACT. <https://www.ukpact.co.uk/projects>



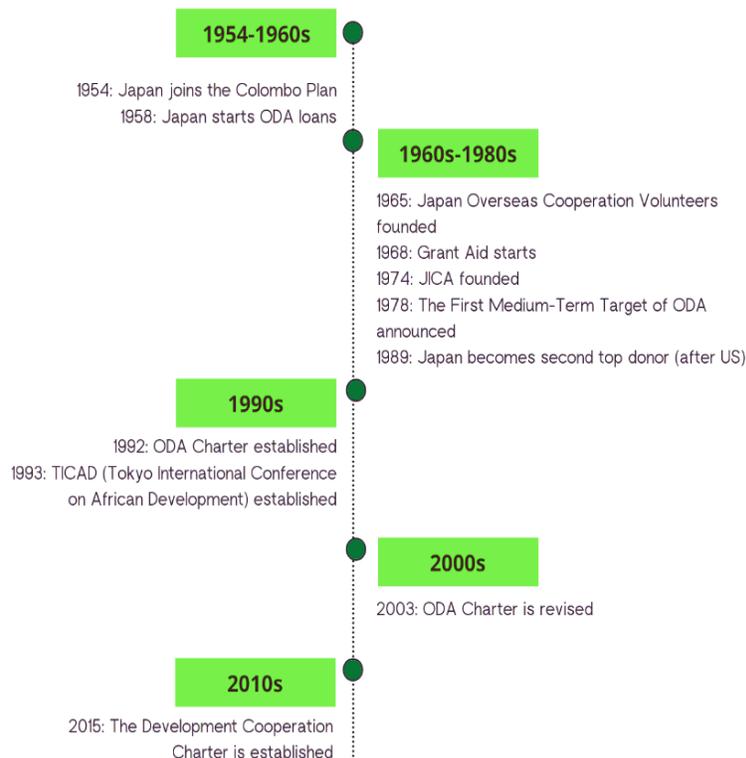
03

3 JAPAN'S DEVELOPMENT COOPERATION TRENDS

3.1 Historic overview of Japan's role in development

According to Japan's Ministry of Foreign Affairs (MOFA)³⁶, Japan's ODA began in 1954, when the country joined the Colombo Plan, a regional intergovernmental organisation for the development of South and Southeast Asia. The first ODA loan was provided in 1958 to India, with Japan's ODA scaling up significantly between the 1960 to 1980s. Japan's development agency - the Japan International Cooperation Agency (JICA) - was founded in 1974, followed by the announcement in 1978 that ODA would double over three years in The First Medium-Term Target of ODA and expand in its geographical reach beyond Asia.

In 1992, the ODA Charter was launched, alongside regional partnerships, such as the Tokyo International Conference on African Development (TICAD) held every three years which facilitates high-level dialogue between African and Japanese officials and key stakeholders, with a significant presence by Japanese companies. Since then, the ODA Charter has been revised in 2003 and 2015.



³⁶ Japan MOFA, [History of ODA](#), January 2022

3.2 Overview of Japan’s ODA

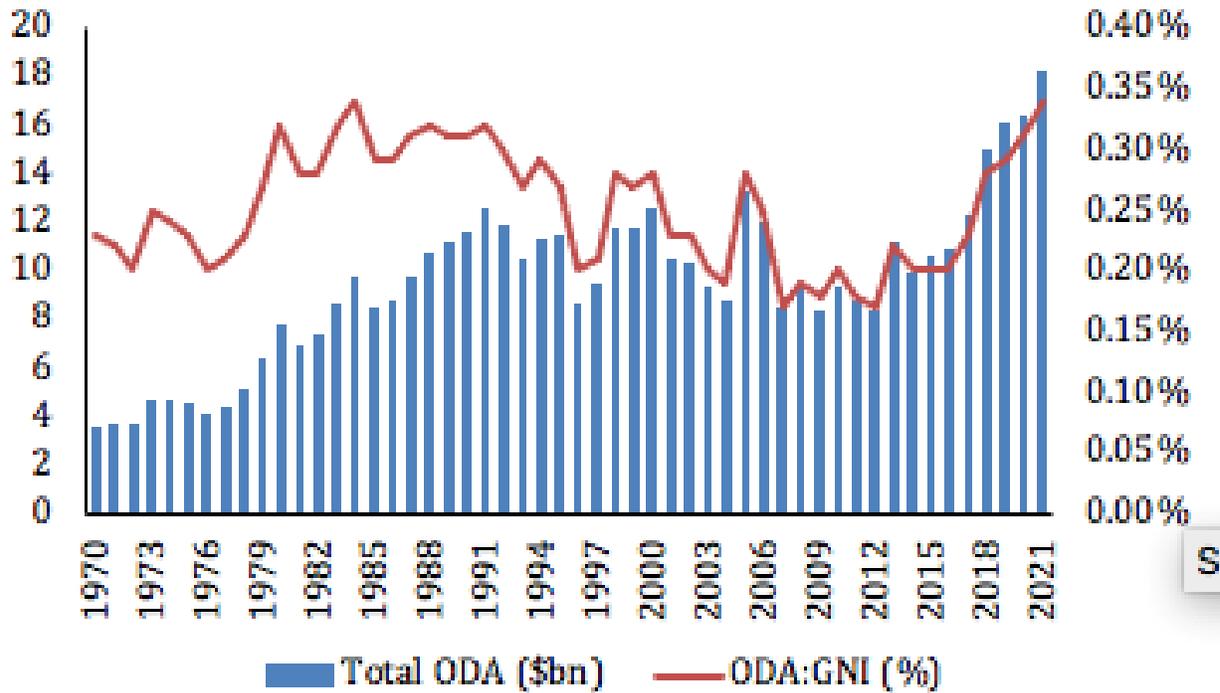


Figure 8: Japan ODA levels (\$ billion) and ODA-GNI ratios (%), 1970 to 2021.

As Figure 8 shows, in 2021, Japan’s ODA stood at USD 18.2 billion, making Japan the third-largest DAC donor country and the largest in Asia. In the same year, Japan was the 12th-largest DAC donor relative to GNI, spending 0.34% of its GNI on ODA. This also represents an increase from 2020, when Japan spent 0.31% of its GNI on ODA. As seen in Figure 8, Japan’s ODA has risen steadily over the past decade, almost doubling in volume (a 95% increase in total net ODA), and as a share of GNI. Japan is mindful of the need to achieve the 0.7% ODA/GNI target but has yet to set a domestic target.

Like the UK, it is also important to note that even when Japan’s aid was rising in absolute and relative terms to Japan’s income, as a proportion of low-and middle-income countries’ own growth and income, Japan’s aid has declined in relative terms over time.

Bilateral ODA

Historically, Japan’s ODA has been heavily focused on the Asian region. In 1970, 94.4% of ODA went to Asia, followed by 3% to the Middle East and North Africa, 1.8% to Sub-Saharan Africa and 0.5% to Latin America.³⁷ This has progressed overtime. In 2000, Asia accounted for 60.1%, whilst other regions received more contributions. Nevertheless, as shown in **Figures 9a and 9b**,

³⁷ Japan MOFA, History of ODA, January 2022. Note – in our typical writing we (Development Reimagined) use the terms Arab region and African region rather than “Middle East and North Africa” and “Sub-Saharan Africa”. Hence, we have put these classifications in parentheses as otherwise, we would need to recalculate the figures.

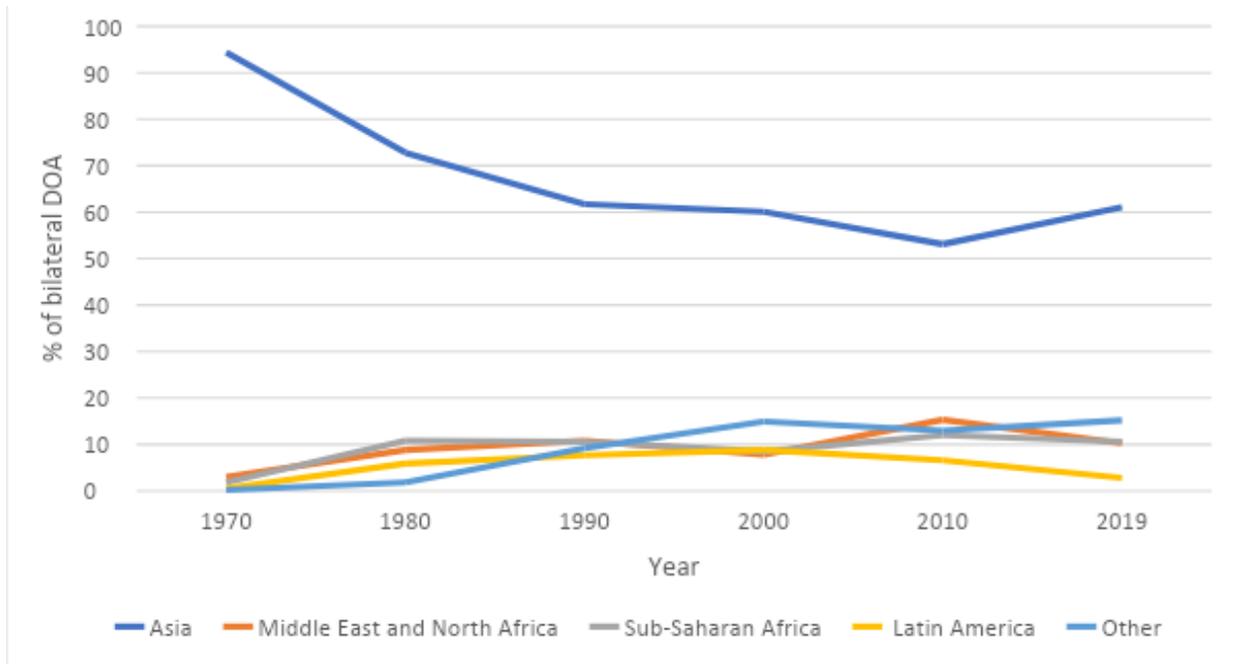


Figure 10a: Japan's bilateral ODA % by region 1970-2019.³⁸

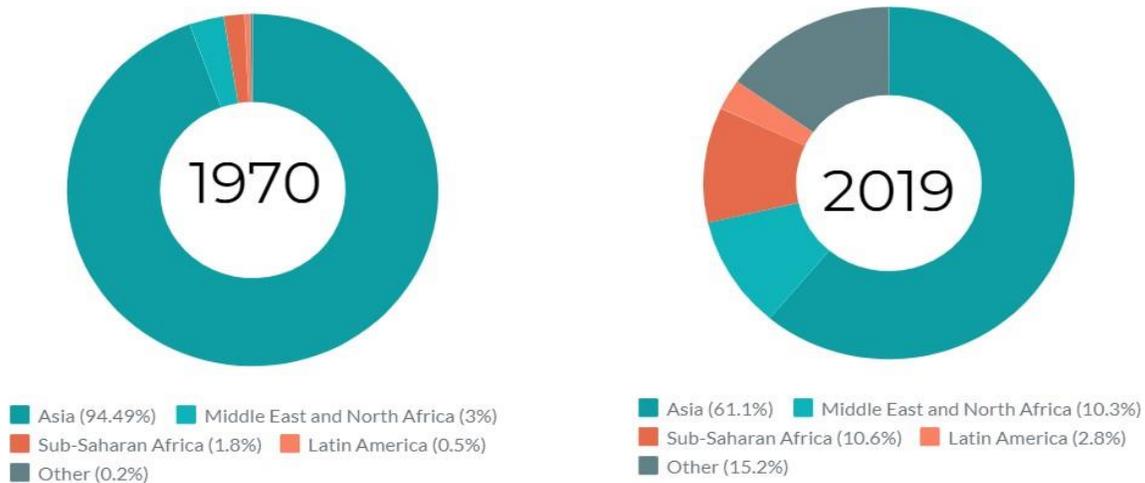


Figure 9b: Japan's bilateral ODA % by region 1970 vs 2019.

As a further indication of this focus, the top three ODA recipient countries from 1970-2019 remain located in Asia (Table 5). The cumulative top bilateral ODA recipient countries over the same period are also shown in Figure 10.

³⁸ Japan MOFA, [History of ODA](#), January 2022

Table 5: Japan's Top 3 ODA recipient countries from 1970-2019.³⁹

	1 st	2 nd	3 rd
1970	Indonesia	South Korea	India
1980	Indonesia	Bangladesh	Thailand
1990	Indonesia	Philippines	China
2000	China	Indonesia	Thailand
2010	India	Indonesia	Vietnam
2017	India	Bangladesh	Vietnam
2018	India	Bangladesh	Vietnam
2019	India	Bangladesh	Philippines

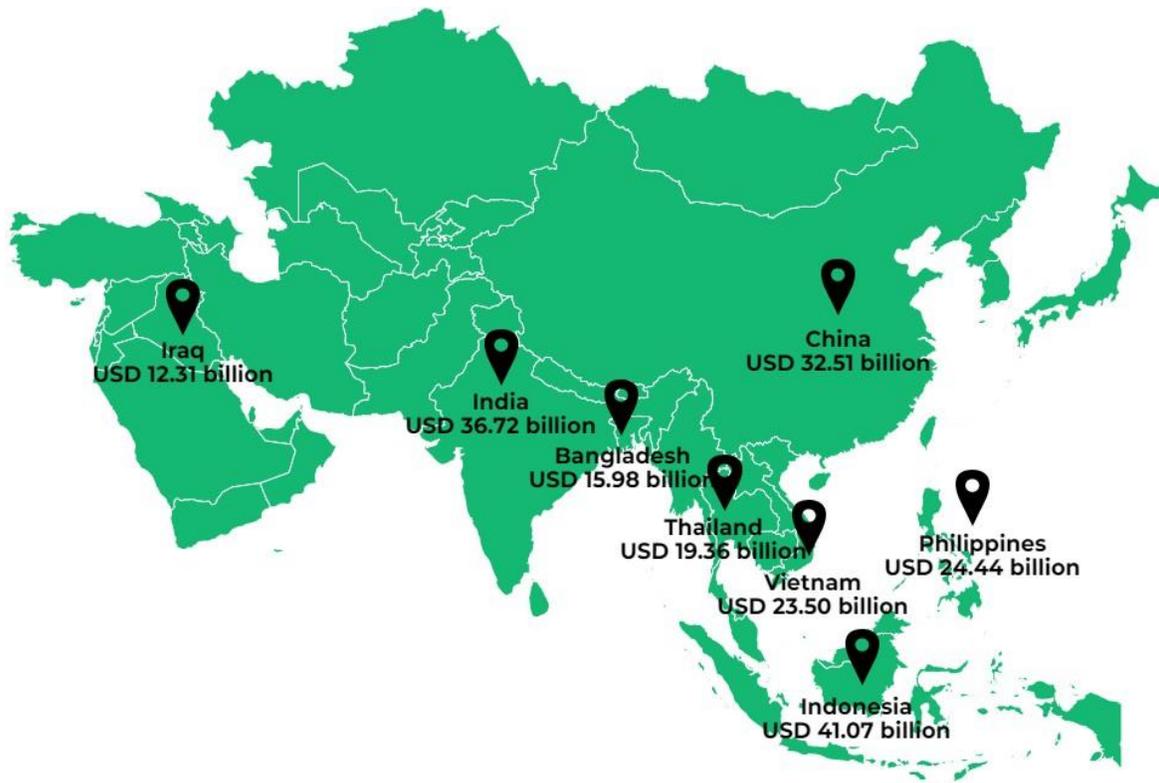


Figure 11: Top 9 Recipients of Japan ODA: Cumulative Totals (1960-2019).

³⁹ Japan MOFA, [History of ODA](#), January 2022

Multilateral ODA

Japan’s ODA is consistently weighted towards bilateral rather than multilateral contributions, partly due to the lending emphasis of Japanese aid (see further). Hence, in 2019 less than 30% of Japan’s ODA was channelled to multilaterals, as shown in **Figure 11**. According to Japan’s most recent White Paper, published in 2020, USD 2.6 million was provided through grant aid, USD 1.16 billion of which was provided through multilateral institutions⁴⁰.

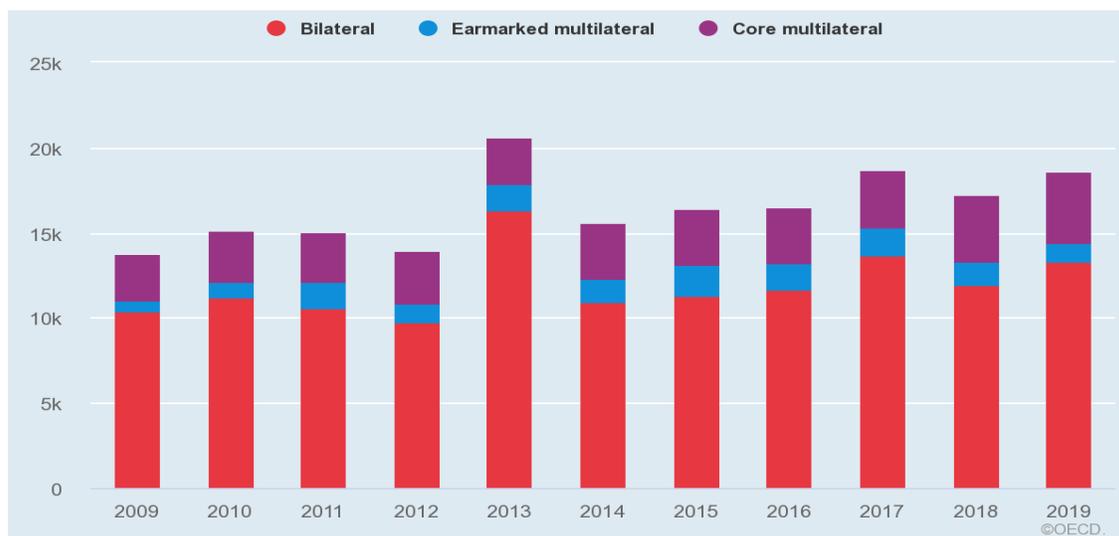


Figure 12: Japan’s gross bilateral and multilateral ODA disbursements, million USD, 2018 constant prices (2009-2019).

The vast majority of Japan’s multilateral ODA is provided as “core contributions” rather than earmarked programmes (**Figure 12**)⁴¹.

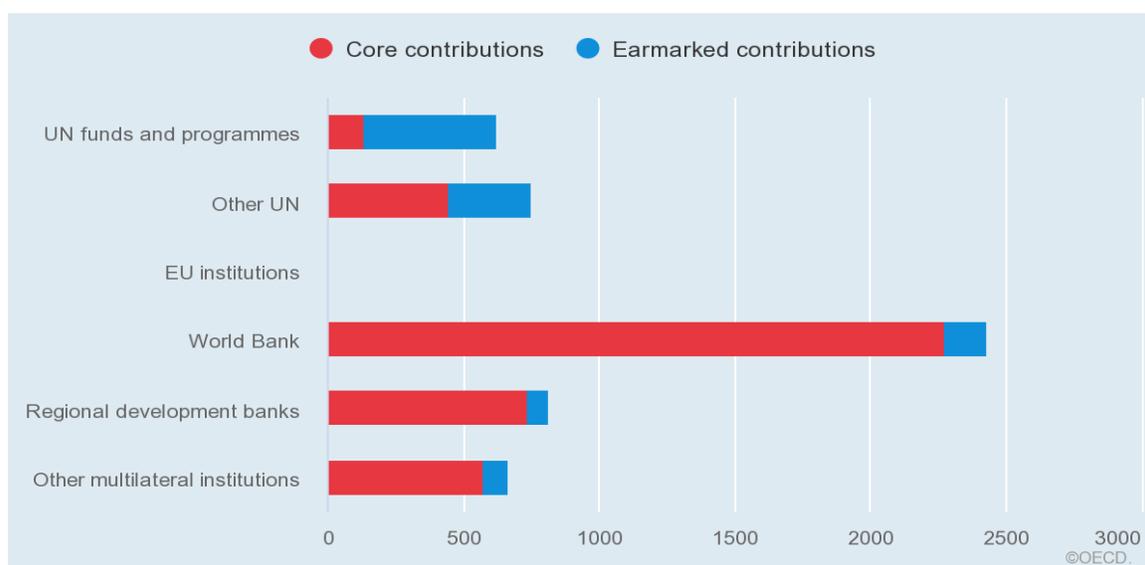


Figure 13: Japan’s multilateral ODA breakdown, million USD, 2018 constant prices (2019).

⁴⁰ MOFA, 2020. [White Paper on Development Cooperation 2020 Japan’s International Cooperation](#). International cooperation in the COVID-19 era: our commitment to the future.

⁴¹ OECD Library, [Development Co-operation Profiles: Japan](#)

In the past, Japan, similar to the UK, has contributed to several multilateral initiatives including the HIPC initiative more recently and the DSSI which suspended debt repayment to ease fiscal constraints during COVID-19.

Japan has pledged finance to fairly new multilateral organisations. For example, it has pledged up to USD 3 billion to the Green Climate Fund, with the government of Japan, JICA and MUFG Bank being approved as “Accredited Entities” to develop Green Climate Fund projects, resulting in the MUFG Bank facilitating two projects – a solar power pumped-storage hydroelectricity facilities in Chile and a sustainable private forestry project in seven countries across Africa and South America⁴².

3.3 Overview of Japan’s Key Development Cooperation Strategies

3.3.1 THE DEVELOPMENT COOPERATION CHARTER

Japan’s ODA Charter was revised in 2015 to create the Development Cooperation Charter (DCC)⁴³, which sets out the country’s approach to development cooperation, including listing basic underlying policies, identifying priority issues, and policies regarding ODA implementation. The DCC suggests that Japan’s ODA is guided by three core policies and priorities, as set out in **Figure 13**.

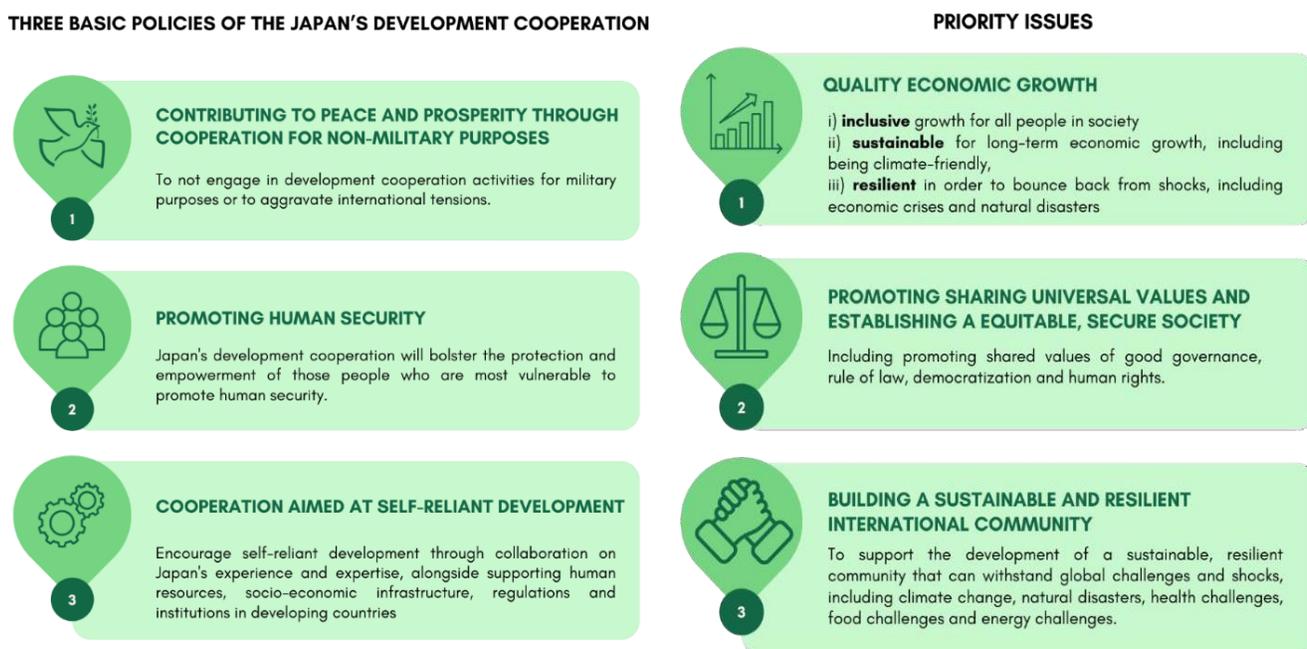


Figure 14: Key elements of Japan’s DCC.

⁴² MOFA, 2020. [White Paper on Development Cooperation 2020 Japan’s International Cooperation](#). International cooperation in the COVID-19 era: our commitment to the future.

⁴³ Japan MOFA, [Japan’s Development Cooperation Policy: Development Cooperation Charter, 2015](#)

The DCC also sets out three key principles of ODA implementation for Japan. These are:

1. Policies and goals of ODA are based on Japan's foreign policy
2. Synergy between Japan's ODA and non-ODA financing
3. Constant evolution of ODA at the policy and project level

3.3.2 FREE AND OPEN INDO-PACIFIC (FOIP)

Instead of a strategy, Japan's MOFA describes the Free and Open Indo-Pacific (FOIP) as a vision to achieve a rules-based international order in the Indo-Pacific region. Such an order should be based on three key principles or pillars as set out in **Box 2**.

Box 2: Japan's Three Pillars to Realize a "Free and Open Indo-Pacific"

1. Promotion and establishment of the rule of law, freedom of navigation, free trade, etc.

Cooperation among those who share fundamental principles and the vision for a free and open Indo-Pacific, Strategic communication at international arena and through media, etc.

2. Pursuit of economic prosperity

Improving connectivity and strengthening economic partnership including EPA/FTAs and investment treaties.

3. Commitment for peace and stability

Capacity building on maritime law enforcement, humanitarian assistance and disaster relief, anti-piracy, counter-terrorism cooperation etc.

Case Study 3: Maritime Security and Safety Capacity Improvement Project in Viet Nam

Vietnam, a narrow, long country with a long coastline is facing a series of maritime security problems over the past decade. Increase in fishery activities and freight transportation as well as frequent natural disasters including Typhoons and tidal waves are the major reasons for maritime accidents. In addition, there has been a rising risk of maritime crimes such as smuggling and piracy.

In July 2020, JICA signed a loan agreement to provide up to JPY36.6 billion (USD347 million) to help Vietnam improve its coast guard capacity to enhance freedom of navigation. This project will provide the Vietnam Coast Guard (VCG) with financing to procure vessels, supporting an improvement in maritime rescue operations and maritime law enforcement. Total number of patrols per year is expected to increase from 0 (2015) to 72 times (2023) due to 6 new offshore patrol vessels. The Project will also contribute to the achievement of SDGs Goals 14 and 16 and the realization of a free and open Indo-Pacific.

An example of what this might mean in practice and with regard to ODA is shown in **Case study 3**.

3.3.3 GLOBAL HEALTH

In September 2015, the Headquarters for Health Policy of the Government of Japan adopted the "Basic Design for Peace and Health" as a thematic guideline for global health policy under the DCC with three key points⁴⁴:

- Realizing the society resilient to the risk of public health emergencies and disasters
- Achievement of Universal Health Coverage (UHC)
- Utilizing Japan's expertise, technologies, medical devices and services.

Japan has since strengthened this due to the COVID-19 pandemic, starting with a contribution of over USD 1.54 billion in the first few months immediately after the outbreak⁴⁵. Under the principle of "Leaving no one's health behind", Japan states that it remains focused on achieving UHC through the following approach⁴⁶:

1. Overcoming the current COVID-19 crisis by:
 - Strengthening the capacity of health services provision, including prevention, diagnosis and treatment
 - Accelerating R&D and ensuring equitable access to vaccines, diagnostics and therapeutics
2. Strengthening resilient and comprehensive health systems - preparing for future health crises by:
 - Reinforcing core medical facilities and networks
 - Strengthening regional health systems
 - Improving disease surveillance and developing human resources and legal frameworks
3. Generating an enabling environment for health security across broader sectors such as:
 - Water and sanitation, food and nutrition, education, gender, etc.
 - Emergency humanitarian aid

⁴⁴ Japan MOFA. Japan's Basic Policy and Initiative on Global Health.

⁴⁵ Ibid

⁴⁶ Ibid

Case study 23 below provides a practical example of this

Case Study 4: Japan's health cooperation in Ghana

Built by the Government of Japan and donated to the Government and people of Ghana in 1979, The Noguchi Memorial Institute for Medical Research (NMIMR) is the leading biomedical research facility in Ghana. Over the past 40 years, JICA has provided eight technical cooperation projects, and four ODA grant aids to the centre.

The cooperation includes joint research on infectious disease surveillance and intestinal mucosa infections as well as accepting international students for human resource development in the field of infectious disease control. In addition, during COVID-19, NMIMR conducted approximately 20,000 PCR tests per week, comprising 80 percent of all testing in Ghana. It also formed a network in 9 countries including Ghana to provide technical support to testing systems, as well as enhancing the research and early-warning systems. In future, JICA is planning on technical cooperation to enhance laboratory safety and improvement of quality management safety.

3.3.4 QUALITY INFRASTRUCTURE INVESTMENT

The "G20 Principles for Quality Infrastructure Investment"⁴⁷ was endorsed at the G20 Finance and Central Bank Meeting on June 8-9, 2019 as well as at the G20 Osaka Summit on June 28-29, 2019. Priorities set for the strategy include openness, transparency, economic efficiency in view of life-cycle cost and debt sustainability. Principles are set out in **Box 3**.

Box 3: Japan's Principles for Quality Infrastructure Investment

Principle 1: Maximizing the Positive Impact of Infrastructure to Achieve Sustainable Growth and Development

Principle 2: Raising Economic Efficiency in View of Life-Cycle Cost

Principle 3: Integrating Environmental Considerations in Infrastructure Investments

Principle 4: Building Resilience against Natural Disasters and Other Risks

Principle 5: Integrating Social Considerations in Infrastructure Investment

Principle 6: Strengthening Infrastructure Governance.

⁴⁷ Japan MOFA. [G20 Principles for Quality Infrastructure Investment](#).

Case study 24 below provides a practical example of this

Case Study 5: New Bohol Airport Construction and Sustainable Environment Protection Project

The New Bohol Airport in Panglao Island in the Philippines is a key example of Japan's sustainable infrastructure projects. The airport construction complied with domestic and international standards for operational safety and efficiency while planning for sustainable tourism development. Under the concept of the 'eco-airport,' the project features a photovoltaic power generation system and a filtering system that prevents pollution of the surrounding area through drainage during construction. Geotextile sheets are used in the soaking yard to avoid the drainage water from seeping into the surroundings. The airport features a robust sewage disposal system, solid waste disposal system, and a stable waterworks system. Other energy-saving features integrated in the airport's design were installation of LED lights, natural lights and ventilation for most public areas. Air-conditioning is powered by solar energy and is available only in the pre-departure area.

3.4 JICA's 2021 Annual Report and Thematic Areas

Overall, Japan's 2021 annual report showed that JICA's programs are provided in three ways: technical cooperation, grants and "financing and investment cooperation" (i.e. a mix of loans and FDI support). As shown in **Figure 14**, in 2020, technical cooperation implemented by JICA amounted to USD 1.2 billion, while grants were used to implement 155 projects amounting to USD 0.8 billion. In terms of financial and investment cooperation, ODA Loans were provided through 43 projects amounting to USD 14 billion. Private-sector investment finance totalled USD 0.7 billion and was provided to 10 organizations.⁴⁸

⁴⁸ JICA 2021 Annual Report.

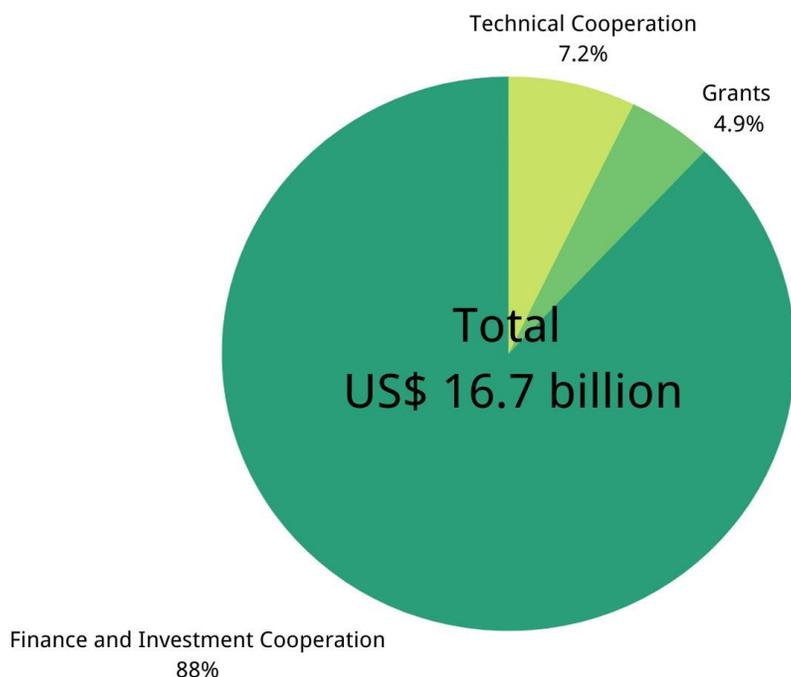


Figure 15: Types of JICA projects, 2020.

The thematic priorities outlined in Japan's annual report include:

- **INFRASTRUCTURE**

In the transportation sector, JICA cooperates in formulating a global network with the construction of roads, bridges, seaports, and airports as well as in developing and promoting the use of public transport such as urban railways and buses. JICA also works on road traffic safety while continuing to focus on the maintenance of roads and bridges. Another priority for JICA is to strengthen the functions of maritime security agencies that ensure maritime traffic safety.

With an ultimate aim to improve electricity coverage and accelerate the transition to a low- or zero-carbon economy, Japan continues to optimize the energy system by promoting new and renewable energy sources as well as encouraging energy dialogues across the world. In the meantime, Japan also focuses on human resource development and on strengthening its network to ensure sustainable management of mineral resources.

- **HEALTH**

JICA is undertaking its initiative for Global Health and Medicine to focus on responding to the COVID-19 pandemic and to advance a resilient health-promoting society. Through promoting this initiative, JICA aims to contribute to the achievement of UHC, which ensures that all people receive the health services they need without suffering financial hardship.

Hospitals and research institutions with which JICA has long cooperated in infectious disease control are now working hard as hubs for COVID-19 response in and around the countries where they are based. A case in point is the NMIMR in Ghana. At one time, NMIMR accounted for as much as 80% of PCR tests conducted in the country. JICA utilizes such networks in delivering international cooperation to protect health.

In addition, JICA works on nutrition improvement—including the double burden of malnutrition (undernutrition and overnutrition)—for vulnerable people in developing countries, most notably children. JICA has been making multi-sectoral efforts revolving around health and agriculture. The Initiative for Food and Nutrition Security in Africa (IFNA) is working on nutrition improvement for 200 million children in Africa.

- **AGRICULTURAL AND RURAL DEVELOPMENT**

To promote agricultural development, JICA targets strengthening food value chains and enhancing value addition through the stages of production, processing, and distribution. JICA mainly works to improve access to seeds and fertilizers, introduce proper use of agrochemicals as well as diversify sales channels.⁴⁹ For example, The Smallholder Horticulture Empowerment and Promotion (SHEP) approach was first developed in Kenya in 2006, aiming to promote “market-oriented” agriculture with the participation of the private sector and international organizations. The project achieved the doubling of income for 2,500 Kenyan smallholders in only three years⁵⁰ and has been expanded to many other African countries. Apart from this, JICA offers an online training program in cooperation with Japanese farmers and agricultural cooperatives. JICA also worked on projects that contribute to doubling rice production in Africa as well as on the promotion of the “One Health” approach through strengthening livestock hygiene.

- **PRIVATE SECTOR DEVELOPMENT**

Japan has also increased its promotion of private investment, especially in the ASEAN region. In 2019, Japan launched the “Initiative on Overseas Loans and Investment for ASEAN” during a Japan-ASEAN Summit. The initiative saw JICA announcing USD 1.2 billion⁵¹ through private sector investment finance in quality infrastructure, improving financial access and empowering women, and facilitating green investment. There is an aim to provide USD 3 billion from 2020-2022 through Multilateral Development Banks (MDBs) and private financial institutions. One example of this in action is JICA investing up to USD 35 million into a fund established by Blue Orchard Finance Ltd, to support financial access for micro, small, and medium-sized enterprises (MSMEs) across ASEAN to support COVID-19 recovery. This initiative works alongside Japan’s FOIP initiative. Japan also assists in strengthening firm capability, formulating industrial and investment policies, and improving the business environment. Through these activities, JICA contributes to improving the capability of businesses in both partner countries and Japan in a mutually reinforcing manner.

- **PEACEBUILDING**

JICA’s peacebuilding support focuses on three areas⁵²:

- 1) institution building and human resources development to build a government that is trusted by the people
- 2) community reconciliation for a resilient society
- 3) the recovery, reconstruction, and strengthening of social and human capital.

⁴⁹ JICA. [Annual Report 2021](#).

⁵⁰ Hiroshi Kato (2019) What are Japan’s Comparative Advantages in Africa? A Discussion from a Historical and Comparative Perspective, *Asia-Pacific Review*, 26:2, 127-144, DOI: 10.1080/13439006.2019.1691830

⁵¹ JICA. [Annual Report 2021](#).

⁵² Ibid

As regional conflicts escalate in recent years, JICA states that it continues to work on the displacement of refugees and Internally Displaced People (IDPs). It aims to build the capacity of local governments of host communities to cope with the inflow and stay of refugees while encouraging refugees and host communities to work together for livelihood improvements.⁵³

JICA also has programmes focused on reducing gender-based violence in fragile and conflict-affected areas. To combat this, JICA has conducted studies in five African countries, including Kenya and Rwanda, to explore the possibility of future cooperation with these countries. It also has extended cooperation to help eliminate gender-based violence through developing human resources that support criminal justice and policing.

- **GREEN RECOVERY**

JICA states that it aims to create a sustainable society through (1) good use of local traditional expertise; (2) capacity development for the administrative agencies concerned; and (3) collaboration with local residents⁵⁴. Additionally, JICA aims to reduce casualties and economic damage due to natural hazards through the promotion of pre-disaster investment in Disaster Risk Reduction (DRR). Japan also has several other themes under its green recovery work – including a healthy and safe urban environment (technical cooperation), supply of safe water and securing of water resources (private sector engagement and awareness raising on sanitation and handwashing), and harmony between human activity and the natural environment (technical assistance).



⁵³ JICA. Annual Report 2021

⁵⁴ Ibid

04

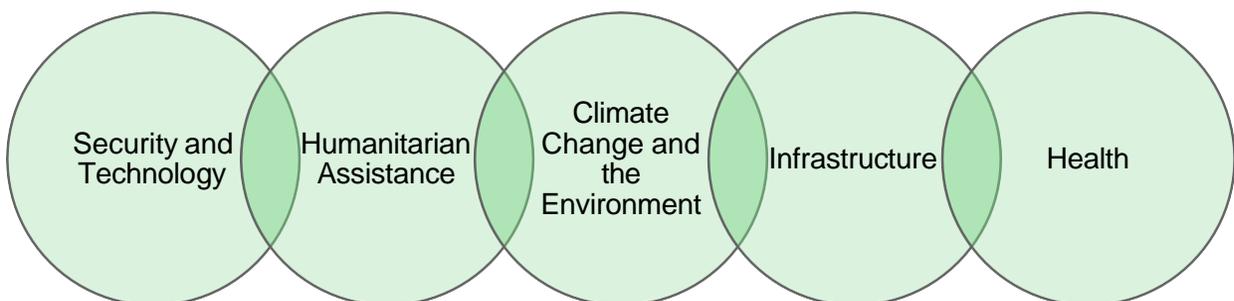
4 JAPAN-UK JOINT DEVELOPMENT COOPERATION INITIATIVES TO DATE

4.1 Strategic overview

Japan and the UK have together contributed to several economic and development projects to bolster social and economic development in low- and middle-income countries. Japan and the UK have been in recent years exploring collaboration avenues for development cooperation using 'collaboration agreements' and 'joint statements'. Such agreements and collaborations are:

2016	Second Joint Statement of the Japan-UK Foreign and Defence Ministerial Meeting Nairobi Peace Building through Promoting Gender Equality and Women's Empowerment Manilla Humanitarian Assistance and Disaster Relief
2017	Japan - UK Joint Declaration on Security on Cooperation
2019	Joint UK - Japan Statement
2021	Scotland's National Economic Department Agency and Japan MoU
2022	UK Research and Innovation UK-Japanese Collaboration University of Aberdeen UK and Kobe University Japan Partnership

This has meant that over the past 20 years, Japan and the UK have conducted various capacity-building exercises in developing countries and have also provided financial support together. As



described below, this cooperation can be through the government or the private sector. This cooperation can be categorised into five themes or categories shown in **Figure 15**

These – and their lessons learnt – are explained in more detail below.

4.2 Security and Technology

The two countries prioritise security and have therefore promoted capacity building in developing countries in a bid to enhance this area. In 2016, as part of broader UK-Japan joint collaboration projects in Africa, including peacekeeping and peacebuilding, the UK government funded a project to support demining activities by the Japanese government implemented by the Norwegian People's Aid (NPA) in Malange Province, Angola. This project was enacted through the Second Joint Statement of the Japan-UK Foreign and Defence Ministerial Meeting of 2016.⁵⁵ A total of 1,172,270 square meters were cleared in Malanje and Humabo Provinces, with more than 11,000 residents benefiting from the exercise⁵⁶, improving peace and security in Angola. The funding from this project, USD 700, 000, contributed to the cancellation and release of nearly 1.2 million meters of land in 9 municipalities of Cahombo, Marimba, Massango, and Malaje, as well as to the facilitation of Mine Risk Education programmes that aimed to teach rural communities how to identify and report mines to local authorities.

Second, under the same meeting, both governments took the lead in enhancing security to fight terrorism in Tunisia. Both countries contributed a total of USD 900 million⁵⁷ provided through the United Nations Office for Drugs and Crime (UNODC) and Tunisia's Ministry of Interior's Foreigners and Borders Directorate. The goal of the capacity-building exercise was to enhance the capabilities of analysing threats and risk information at border points. Additionally, Tunisia benefited from training sessions on analysis, investigation and law enforcement at the border points.

Third, Japan and the UK hosted an event in Kenya discussing the role of women in promoting peace and security. The UK delved into the challenges and necessary action points to promote gender equality in the country. Japan, the UK, and Kenya all concluded that it is essential for women to be included in decision-making, stating that it will lead to peace and security in the country.⁵⁸

Moreover, with the growing prevalence of the Internet of Things across all systems and networks, cybersecurity has become a major focus of shared concern. Through the Japan-UK Joint Declaration on Security Cooperation of 2017, both countries agreed to strengthen capacity-building collaboration between themselves and developing countries on this matter. In response to the Japan-UK Joint Declaration on Security Cooperation of 2017, the two nations hosted a capacity-building workshop in Brunei attended by Japan and UK's government representatives, the private sector, and government officials from the ASEAN countries. Both Japan and the UK

⁵⁵ Ministry of Foreign Affairs, [Japan Second Japan-UK Foreign and Defence Ministerial Meeting Joint Statement](#), (Ministry of Foreign Affairs Japan, 2016)

⁵⁶ Ministry of Foreign Affairs Japan, [Japan-UK Collaboration to Clear Landmines in Angola](#), (Ministry of Foreign Affairs Japan, 2016)

⁵⁷ European Institute of the Mediterranean, [Building Partnerships in Challenging Times: The Defence Arrangements of Tunisia](#), (European Institute of the Mediterranean, 2017)

⁵⁸ Ministry of Foreign Affairs Japan, TICAD VI official side event "[Peacebuilding through Promoting Gender Equality and Women's Empowerment](#)" (Japan-UK collaboration project), (Ministry of Foreign Affairs Japan, 2016)

discussed their efforts in the Cybercrime Convention, the cyberspace rule of law, internet governance, and the free flow of information. The ASEAN countries also discussed the challenges they faced concerning the matters above. The collaboration was welcomed as the ASEAN countries were seeking more professionals in the cybersecurity field. At the time, the ASEAN region was facing an acute shortage of cybersecurity professionals.⁵⁹ Unfortunately, a 2021 study by Oracle in the region showed that only 5% of IT professionals in the region have knowledge and experience in cybersecurity.⁶⁰

Security goes beyond cybersecurity and landmines to include maritime security for Japan and the UK. Both sides, therefore, declared their intention to help developing countries with the same through a joint statement.⁶¹ In 2020, Japan and the UK collaborated in providing capacity building to train Kenyan coastguards on operating patrol vessels donated by Japan. The training was aimed at enhancing maritime security, which could lead to improved economic development in the country.⁶²

Japan and the UK also have a Joint Committee on Cooperation in Science and Technology that recently met in October of 2021 and discussed how to further collaborate in science and technology. The Committee agreed to continue conducting joint research programmes and research collaboration on infectious diseases, medicine, marine sensors, and the impact of Artificial Intelligence (AI) on society.⁶³

Last but not least, also in 2021, the two countries concluded a Maritime Security Arrangement between the Royal Navy and the Japan Maritime Self-Defence Forces focused on the Indo-Pacific region. Against the backdrop of this arrangement, the two sent out a British warship to the Indo-Pacific region where they would operate it in a bid to enhance security on their waters.⁶⁴ In addition to this, the UK through the 2021 IR intends to intensify its relationship with the Indo-Pacific acknowledging its economic and geopolitical importance.⁶⁵

4.3 Humanitarian Assistance

As the world experiences more and more natural disasters, Japan and the UK have collaborated to build capacity concerning humanitarian assistance in countries ravaged by natural disasters. This has also been through the Japan-UK Joint Declaration on Security Cooperation of 2017.

Japan and the UK both assisted the ASEAN countries in the wake of various natural disasters. In 2016, the two held a seminar in Manila in the Philippines, discussing Humanitarian

⁵⁹ Council on Foreign Relations, [How Can Japan-UK Cybersecurity Cooperation Help ASEAN Build Cybersecurity Capacity?](#) (Council on Foreign Relations, 2018)

⁶⁰ R Oi, [Massive cybersecurity skills shortage in ASEAN](#), (Tech Wire Asia, 2021)

⁶¹ Ministry of Foreign Affairs, [UK – Japan Joint Statement](#)

⁶² Embassy of Japan, [Japan and the UK Collaborated to Provide Capacity Building Training for the Kenya Coast Guard Service](#), (Embassy of Japan, 2020)

⁶⁴ N Canton, [UK Sends Warship to Indo-Pacific for drills with Japan, enhances opportunities for India](#) (The Times of India, India, 2021)

⁶⁵ LB Holland, [Integrated Review 2021: The Defence tilt to the Indo-Pacific](#) (House of Commons Library, 2021)

Assistance and Disaster Relief (HA/DR). Both Japan and the UK discussed their experiences in HA/DR in the ASEAN region after natural disasters. They noted the importance of investing in disaster relief before the disaster while emphasizing the Build Back Better concept. This concept relies on building better and stronger communities after a disaster. Moreover, the participants discussed the importance of community-level assistance and data in the wake of a catastrophe. Lastly, the participants brainstormed ideas and methods for protecting children after a disaster.

4.4 Climate Change and the Environment

Japan and the UK have tried to work hand in hand to help developing countries address climate change and protect the environment.

First, private organizations – UK’s Azuri Technologies and Japan’s Marubeni Corporation –have been collaborating to provide clean and affordable energy in Africa, especially in Kenya.

Second, domestically, both the UK and Japan aim to reach net-zero on their greenhouse gas emissions by 2050. Recently, the two expressed their willingness to collaborate on making electricity market reforms while collaborating in the auto and wind energy sectors. The two also noted that the transport sector must be a part of this collaboration. In this spirit, in 2021 the UK through Scotland’s National Economic Development Agency, signed a Memorandum of Understanding (MoU) with Japan to explore opportunities in offshore wind and green hydrogen⁶⁶. The MoU aims to:

- a) Decarbonize projects by exploring offshore wind and green hydrogen
- b) Improve supply chain management by the establishment of offshore wind supply and green value chain
- c) Share knowledge by hosting joint educational programmes between university students in Scotland and Japan.

This project has the potential to also turn into development cooperation between Japan and the UK in various regions. For instance, a December 2021 report commissioned by the Africa Natural Resource Centre suggested there is room for renewable energies for island and coastal countries⁶⁷. Many Indo-Pacific states are prone to natural disasters such as earthquakes, cyclones and floods. According to a report by the International Federation of Red Cross and Red Crescent Societies, approximately 57 million people in the region were affected by natural disasters in 2021.⁶⁸

Third, Japan and the UK are working to curb illegal wildlife trade as seen in Malaysia. Here, they hosted a three-day capacity-building session that involved data-driven case studies of seizures and analysis of the sectors that have a role in curbing the illegal trade. Among the mentioned sectors were the transport and logistics sectors that played a role in the seizing of banned goods under the Convention on International Trade in Endangered Species (CITES) in a UK airport.

⁶⁶ Scottish Development International, [Scotland and Japan Collaborate on Green Energy](#), (Scottish Development International, 2021)

⁶⁷ T Smith, [Exploring the potential of Africa’s offshore renewable energy](#), (ESI Africa, 2021)

⁶⁸ International Federation of Red Cross and Red Crescent Societies, [Over 57 million affected by climate disasters across Asia Pacific in 2021](#) (IFRC, 2022)

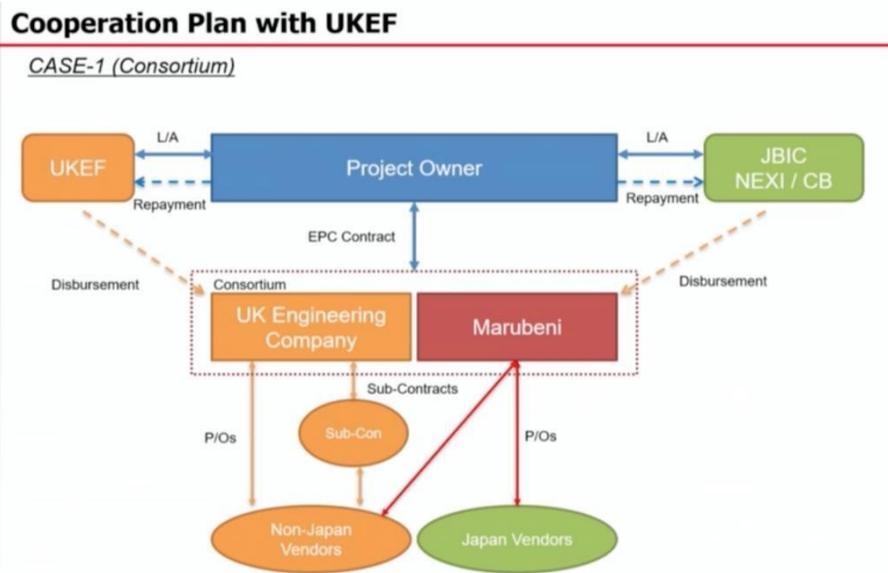
Malaysia has experienced illegal wildlife trade for many years with estimates showing a decline in animal population by 60%, especially pangolins, tigers, and elephants.

4.5 Infrastructure

Following the UK-Japan joint statement in 2019, the British Embassy in Tokyo hosted a series of webinars involving key Japanese stakeholders such as the Overseas Construction Association of Japan (Okajee) to delineate potential ways for infrastructural development in third countries moving forward. For example, a co-financed USD 14.4 billion 2020 LNG Project, Rovuma Offshore Area 1 Block in Mozambique was viewed as having environmental benefits because natural gas produces less greenhouse gases than other fossil fuels⁶⁹. The LNG Project was co-financed by the Japan Bank of International Cooperation (JBIC) and UKEEF (UK Export Finance) among other creditors, including the African Development Bank, US Exim (Export-Import Bank of the United States), Exim Thailand (the Export-Import Bank of Thailand), and 21 other private financial institutions. Part of the co-financing provided by private financial institutions was guaranteed by or insured by NEXI (Nippon Export and Investment Insurance), the Japan-government-owned insurance company. This kind of arrangement enables both countries to invest in large projects in developing countries that they cannot finance individually. **Box 4** sets out three main ways such co-financing arrangements can be made.

Box 4: Options for Japan-UK co-financing infrastructure

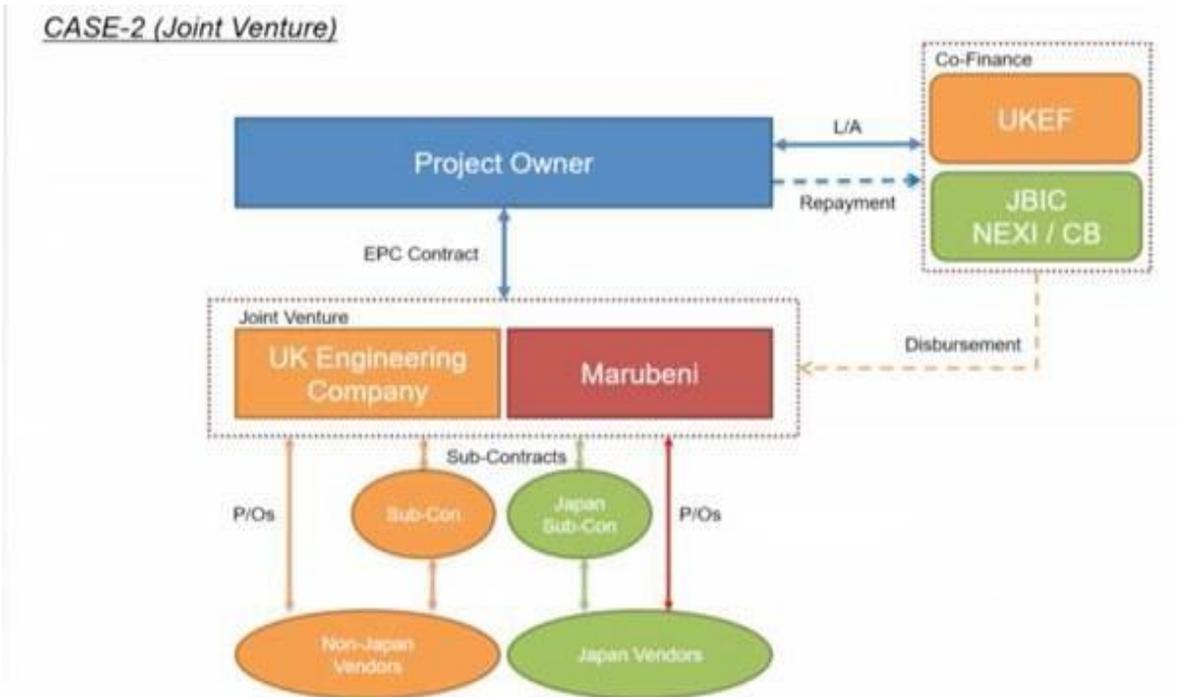
Option 1: Consortium.



⁶⁹ Japan Bank for International Cooperation, [Project Financing for Mozambique LNG Project](#) (Rovuma Offshore Area 1 Block)

Option 2: Joint Ventures

The second option is the formation of a joint venture (JV) between a large Japanese trading company and a UK company. This option is best when a Project Owner requires a JV to be formed but the Japanese and UK companies' roles are similar to the first option.



Case study 6 provides an existing example of a JV including local partners as well (Option 2 above).

Option 2: Reinsurance

The third co-financing arrangement with JBIC, NEXI, and UKEF collaboration can occur through reinsurance. The loan will be made from JBIC to the Project Owner and disbursed to Japanese trading houses or a consortium that includes them. Behind JBIC, commercial banks will make a loan to JBIC that is insured by NEXI. However, in some countries, JBIC and NEXI cannot cover the full amount of the project cost. In such cases, the UKEF can provide reinsurance to the portion that cannot be covered by NEXI. In order to secure this reinsurance from UKEF, Japanese companies can, through negotiation, procure goods and services from UK companies in line with the UK's interests by maximising UK content.

Case Study 6: UK-Japan PPP engagement

In 2019, Shimizu Corporation – a Japanese construction company – and Gaist – a UK digital mapping company – concluded a MoU with the Kampala Capital City Authority and Uganda National Roads Authority. The aim of the MoU was to provide infrastructure maintenance services in the form of a PPP. Additionally, the two companies set out to improve transport infrastructure and enhance Uganda’s highway asset management capability. The project aims at mapping approximately 68,000 km².

4.6 Health

Japan is hailed for its excellent world-class health care system⁷⁰, while the UK has significant experience in universal health care provision. In 2017, the two countries made a joint declaration stating their intention to continue collaborating on matters of health and improving healthcare for their citizens – including tackling current global health challenges.⁷¹ The intention to achieve the first part of this goal was in particular to facilitate the exchange of medical personnel and encourage secondment programmes. **Case Study 7** provides an example.

With regards to global impacts, Japan and the UK currently have 10 research projects⁷² analysing the effects of the pandemic on a) the labour market; b) the public’s trust in institutions; c) the impact of video conferencing on the deaf; and d) on mental health. The University of Aberdeen in the UK has partnered with Kobe University in Japan and is conducting joint research on salvaging intellectual property (IP) rights during pandemic emergencies. This is important to enable generics production and local production⁷³. Both countries could help solve vaccine inequality, including by collaborating with African countries on mRNA technology transfer.⁷⁴

⁷⁰UK Science and Innovation Network Case Study, [UK-Japan: A Partnership in Global Public Health](#)

⁷¹ Ministry of Foreign Affairs, [Japan-UK Joint Declaration on Prosperity Cooperation](#)

⁷² UK Research and Innovation, [UK-Japanese collaboration to address COVID-19 challenges](#), (UK Research and Innovation, 2022)

⁷³ A Furlong, [Compromise reached on COVID-19 vaccine intellectual property rights waiver](#), (Politico, 2022)

⁷⁴ African Development Bank, [Six African countries to receive initial transfer of mRNA vaccine technology](#), (AfDB, 2022)

Case Study 7: Global Health collaboration

The Japan- UK Workshop on Infectious Disease Research was held in Tokyo on 21-22 January 2019 organized by the Japan Agency for Medical Research and Development (AMED) and the UK's Medical Research Council (MRC) in cooperation with the British Embassy in Tokyo. The workshop was held to inform participating scientists about current research on infectious diseases being conducted in major universities and institutes in each country, to explore the potential for scientific collaboration, expand existing collaborative work and establish new collaborative projects. The main focus of the workshop was on untreatable infectious diseases causing damage to the central nervous system, immune system, cell cycle regulation, or overall homeostasis.

While this was not a workshop directly involving developing countries, the advancement of scientific research between British and Japanese scientists can have global ripple effects since both countries are involved in health interventions in developing countries. Additionally, Japan's AMED has projects in over 23 countries and is part of global health initiatives specifically targeting low-income countries, including The Global Research Collaboration for Infectious Disease Preparedness (GloPID-R) and the Global Alliance for Chronic Diseases (GACD).

05

5 UK AND JAPAN'S STRENGTHS AND WEAKNESSES IN DEVELOPMENT

This chapter first compares key overlapping thematic areas of Japan and the UK's ODA and the overlapping interests of each country in various regions and then provides a comparison of the UK and Japan's development effectiveness from recipient perspectives, based on an international monitoring framework. Based on this evidence, the chapter then provides a SWOT analysis of the overall strengths and weaknesses of each country's development approach.

It should be noted that while we have taken as many steps as possible to structure this section as clearly as possible, complications arise due to the UK and Japan using different regional categorisations in particular. However, we attempt to be as consistent as possible.

5.1 Thematic Comparison

This section analyses four overlapping thematic priorities of each country's ODA, as seen below:

Overlapping Thematic Priorities	Investment and Infrastructure
	Global Health
	Climate Change and Green Recovery
	Agriculture and Trade Development

5.1.1 THEMATIC PRIORITY #1. INVESTMENT AND INFRASTRUCTURE

Both the UK and Japan have identified investment and infrastructure cooperation as key ODA priorities.

For the UK, investment in infrastructure is a relatively new priority launched in the IDS. Investment into green infrastructure for sustainable development has been noted as a priority, with USD 3 billion for 2022-2025 for green growth finance. The UK has launched several key initiatives to support infrastructure investments, as noted in **Chapter 2**.

For Japan, as noted in **Chapter 3**, infrastructure investment has been a long-term ODA priority, primarily through loans for projects such as transportation, energy, and natural resource conservation. This is set to continue.

Beyond infrastructure investment, both the UK and Japan have identified private sector engagement and industrial promotion as important to ODA. For the UK, the aforementioned initiatives support British companies to pursue investments in countries which can enable

industrial development. For Japan, JICA supports entrepreneurs from developing countries to lead innovation and develop private businesses.

5.1.2 THEMATIC PRIORITY #2 GLOBAL HEALTH

A second overlapping area of priority for Japan and the UK is ODA related to global health. As shown in **Figure 16**, in absolute terms, the UK is the second-largest global health ODA donor (USD 2.9 billion)⁷⁵. Compared to the UK, Japan has spent markedly less, with 5% of ODA on global health (USD 1 billion), however, the country remains the fourth top donor.⁷⁶

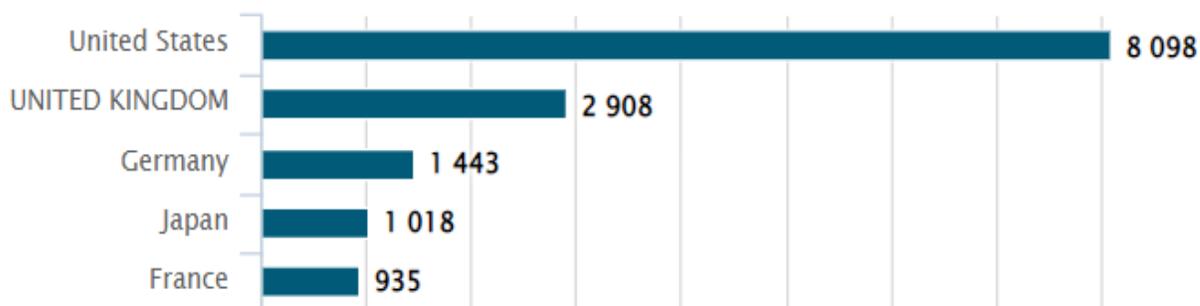


Figure 16: Top Donors to Health, including bilateral and multilateral ODA, USD million, 2019.

Furthermore, the UK and Japan’s ODA health spending accounted for 41% and 39% of each country’s bilateral ODA, respectively. As shown in **Table 6**, both countries prioritise similar activities in health ODA, with both countries focusing on Infectious Disease Control, Reproductive Health Care and Health Policy and Administrative Management.

UK's bilateral health ODA	Japan's bilateral health ODA
Medical Research 25%	Basic Health Infrastructure 15%
Family Planning 17%	Health Policy and Administrative Management 15%
Infectious Disease Control 12%	Medical Services 25%
Health Policy and Administrative Management 10%	Infectious Disease Control 19%
Reproductive Healthcare 10%	Reproductive Health Care 7%

Both the UK and Japan also engage with multilateral health initiatives, with the UK pledging USD 1.8 billion to the Global Fund for 2020-2022 and USD 2.9 billion to GAVI for 2021-2025, making the UK the third and first largest public donor to these initiatives, respectively.⁷⁷ During COVID-19, the UK increased its WHO core contribution of USD 434 million from 2021-2025, a 30% increase from previous funding, intending to increase the capacity of health systems in recipient

⁷⁵ Donor Tracker, [UK - Health](#)

⁷⁶ Donor Tracker, [Japan Global Health](#)

⁷⁷ Donor Tracker, [UK - Health](#)

countries⁷⁸. The Japanese government has supported the Access to Covid-19 Tools Accelerator (ACT-A) with USD 1.2 billion, of which USD 1 billion is allocated to GAVI COVAX⁷⁹.

5.1.3 THEMATIC PRIORITY #3. CLIMATE CHANGE AND GREEN RECOVERY

Both the UK and Japan have made significant efforts to scale up their ODA to tackle climate change and environmental impacts. As shown in **Figure 17**, in 2019, Japan was the second-largest bilateral climate ODA donor, equivalent to 46% of Japan’s bilateral ODA⁸⁰. Comparatively, the UK was the 5th largest climate change bilateral ODA donor with its contributions accounting for 23% of UK bilateral ODA⁸¹.

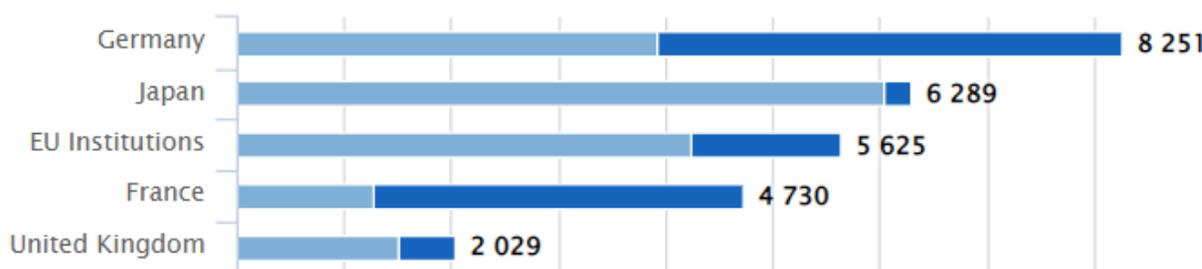


Figure 17: Top Five Donors for climate-related bilateral ODA, USD millions, 2019.

Although both countries prioritise climate ODA, their activities vary substantially. The spending on climate-related projects by the UK and Japan can be seen in **Figures 18a and 18b**. Key focal points for Japan’s climate-ODA include mitigation-based projects, especially low-carbon energy and infrastructure⁸², followed by multisector and water and sanitation, which are primarily adaptation focused. For example, JICA focuses significantly on DRR to reduce casualties and economic damage due to natural hazards through the promotion of pre-disaster investment, through mitigation measures.

Conversely, the UK’s bilateral ODA targets a wider range of activities, with a stronger focus on humanitarian aid (22.3%). Indeed, the UK has an emphasis on adaption interventions, accounting for 52.1% of bilateral ODA, compared to mitigation interventions which account for 26.6% (21.3% are cross-cutting).⁸³

⁷⁸ Donor Tracker, [UK, Global Health](#)

⁷⁹ Donor Tracker, [Japan, Global Health](#)

⁸⁰ Donor Tracker, [Japan, Climate](#)

⁸¹ Donor Tracker – [United Kingdom, Climate](#)

⁸² Donor Tracker, [Japan, Climate](#)

⁸³ Donor Tracker – [United Kingdom, Climate](#)

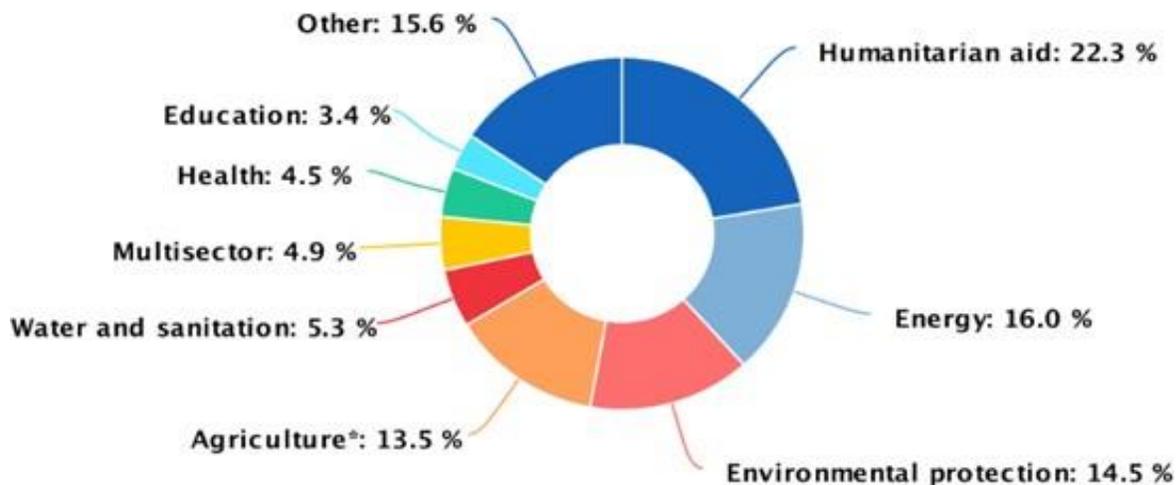


Figure 19a: UK's bilateral climate ODA by sector, USD million, 2019.

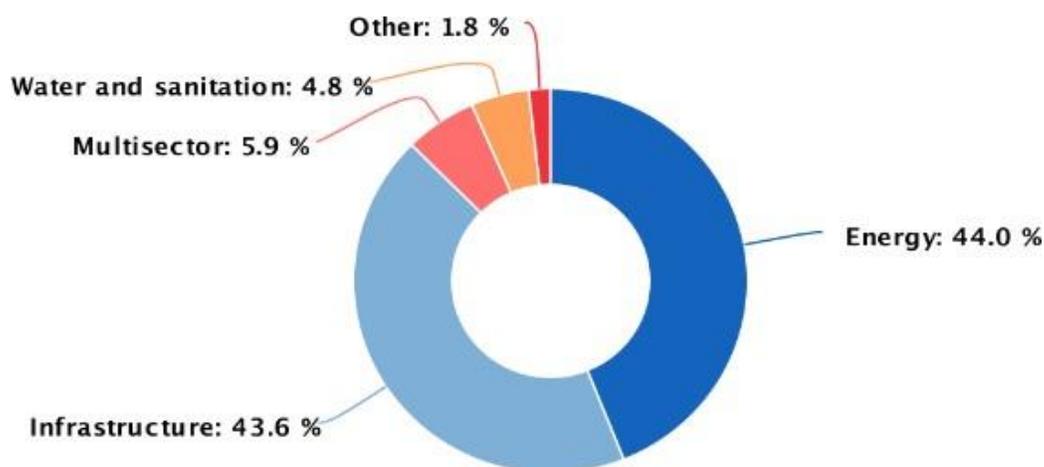


Figure 18: Japan's bilateral climate ODA by sector, USD million, 2019.

As explained in earlier chapters, both countries also provide significant amounts of ODA to climate-focused multilateral institutions. The UK is the second-largest contributor to the Climate Investment Funds⁸⁴, while Japan is the largest contributor to the Global Environment Facility (GEF) Trust Fund. Japan has also made several key climate pledges during 2021, including:

- G7 Summit 2021: USD 60 billion (USD 12 billion annually) from 2021-2025 for low- and middle-income economies in climate finance (both public and private sources)
- COP26: Japan provided a climate finance pledge of USD 10 billion (public and private)
- Within the total USD 70 billion in climate finance, USD 14.8 billion is in adaptation, for countries to enforce preventative disaster measures and adapt to climate change challenges.⁸⁵

⁸⁴ Donor Tracker – [United Kingdom, Climate](#)

⁸⁵ Donor Tracker, [Japan - Climate](#)

5.1.4 THEMATIC PRIORITY #4 AGRICULTURE AND TRADE DEVELOPMENT

The fourth key priority identified is agriculture ODA. While the UK contributes only 5% of its ODA to specific agricultural activities (USD 971 million), agriculture is incorporated across many other priorities – including climate change, economic development and trade promotion⁸⁶. For example, under a new seven-year climate project, Climate Action for a Resilient Asia (CARA), the UK will provide USD 368 million in ICF to support resilience building for communities vulnerable to climate change across Asia, including fostering greater resilience for agriculture from climate-related impacts⁸⁷.

Comparatively, Japan places a larger emphasis on agriculture-specific cooperation and is the second-largest funder of ODA to agriculture. In 2019, Japan’s ODA for agriculture stood at USD 1.2billion⁸⁸ - a 16% increase compared to 2018 levels. Japan’s bilateral agricultural ODA stood at USD 833 million, and funding can be broken down by activity as follows:

- Agricultural water resources (20% in 2019),
- Fishery development (18%)
- Rural development (9%)
- Industrial crops/export crops (9%)
- Agricultural financial services (8%).

JICA regards agricultural cooperation as under the DCC’s “quality growth” framework. To promote agriculture and related industries, JICA worked on quality control improvement in terms of access to seeds and fertilizers and proper use of agrochemicals as well as on diversifying sales channels. The aim was to strengthen food value chains and enhance value addition through the stages of production, processing, and distribution. JICA also continued to promote Smallholder Horticulture Empowerment and Promotion (SHEP), an approach to increasing farmers’ revenues, which attracted private companies and international organizations to become involved. In 2020, JICA offered online training in cooperation with Japanese farmers and agricultural cooperatives. These are ideas that the UK could link into and build on.

5.2 Regional Comparison

This section compares the UK and Japan’s regional ODA priorities to identify priority regional cooperation.

As shown in **Figure 19**, Africa received the largest share of the UK’s bilateral country/region-specific ODA in 2021⁸⁹, followed by Asia and the Americas.

⁸⁶ Donor Tracker, [UK, Agriculture](#)

⁸⁷ Donor Tracker, [UK, Agriculture](#)

⁸⁸ Donor Tracker, [Japan, Agriculture](#)

⁸⁹ UK Government. [National statistics: Statistics on International Development: Provisional UK Aid Spend 2021](#). April 2022

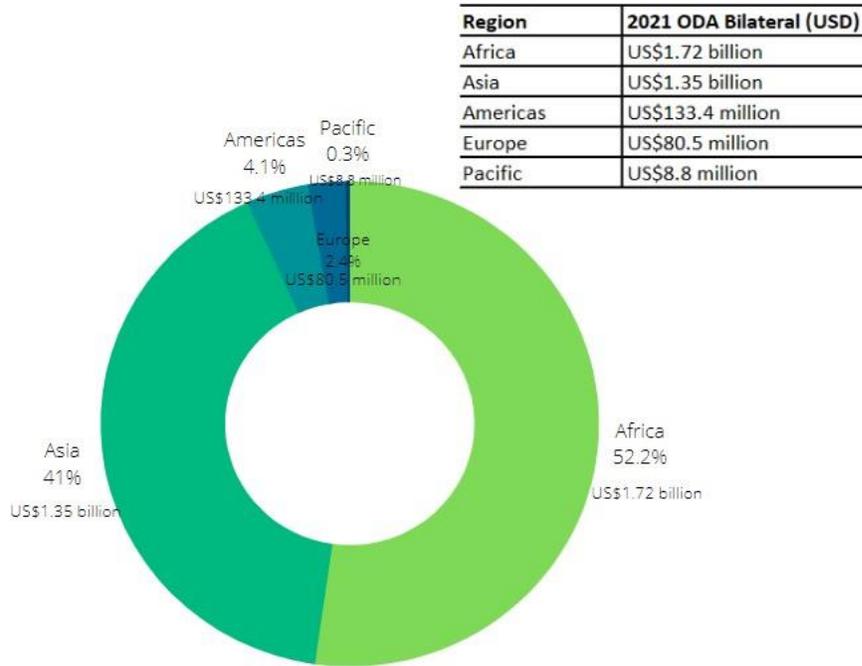


Figure 20: UK bilateral ODA by region (2021).

Conversely, for Japan, as shown in **Figure 20**, South Asia and South-East Asia account for the largest value of JICA programmes⁹⁰, with a small proportion to Africa.

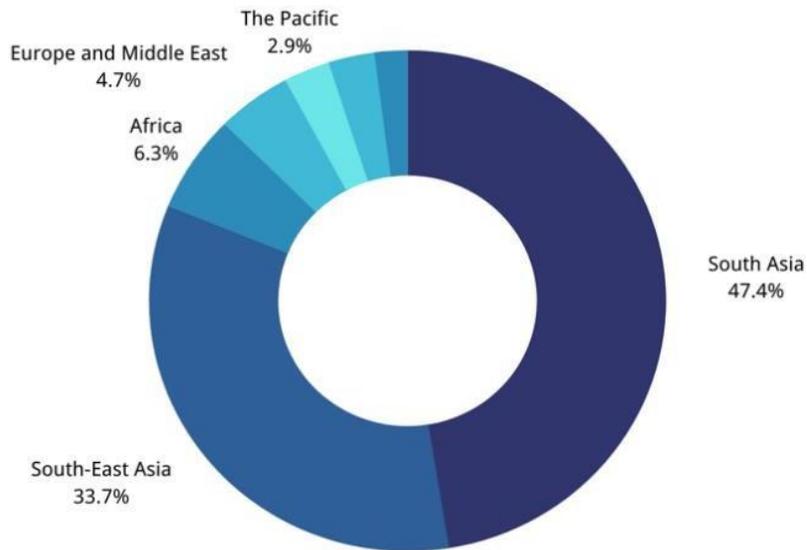


Figure 21: JICA Programs by Region (2020).

⁹⁰ ODA Data for Japan is only available for FY2020.

This comparison suggests three regional joint priorities: Africa, Asia and the Arab region explained below. This leaves out two key regions – the Latin American and Caribbean (LAC) region and the Pacific.

The first deprioritisation is easy to explain. ODA to the LAC region makes up a fairly small proportion of both the UK’s (4.1%) and Japan’s total ODA (2%⁹¹) with relatively more focus on the Caribbean islands for the UK, and Brazil, Paraguay and Mexico accounting for more than two-thirds of the latter. Hence, this region is not proposed as a priority for joint engagement, even for areas such as climate change. The leverage required would simply be too challenging.

However, the rationale for not prioritising the Pacific is less clear, given the Indo-Pacific strategies expected to continue and accelerate by the UK and Japan. However, given that the Pacific makes up the UK’s smallest proportion of ODA, accounting for just 0.3% of its total (USD 8.8 million), and also a fairly small proportion of Japan’s ODA (2.9%) with Papua New Guinea being the recipient of over 60% of Japan’s finance in the region, as shown in **Figure 21**, and with very limited scope for overlapping activities in the region, our view is that the scope for direct bilateral collaboration is limited.

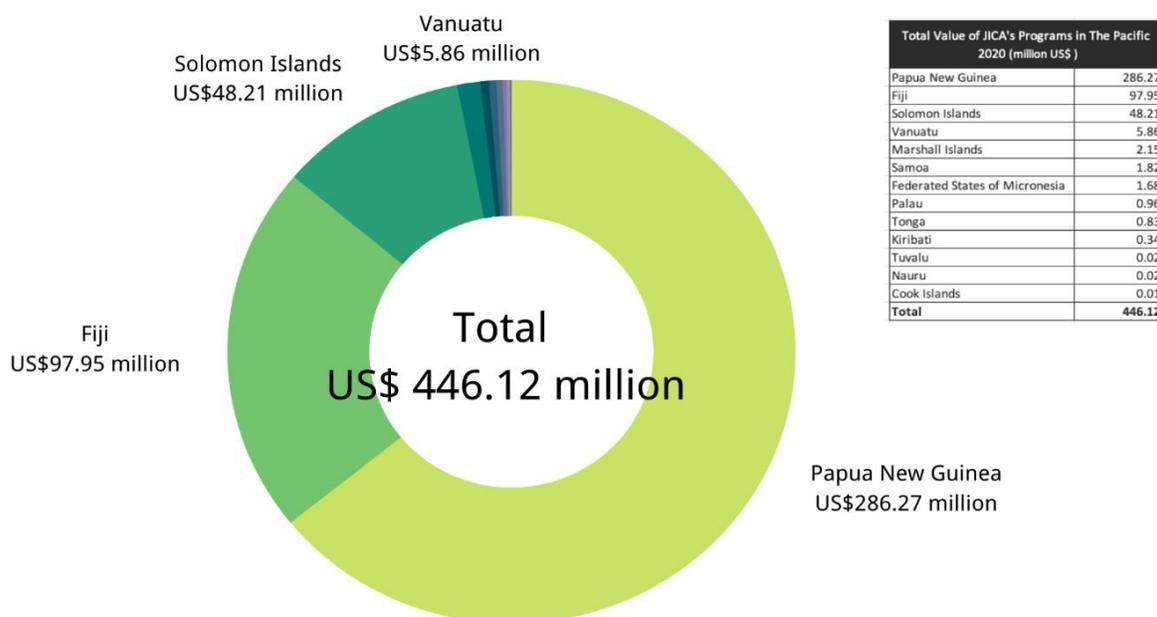


Figure 22: Value of JICA Programs in The Pacific by Country.

Hence, we propose that the UK and Japan take a more “oblique” route to collaboration “around” the Pacific region through prioritised engagement in Asia, rather than directly.

5.2.1 REGIONAL PRIORITY #1: AFRICA

Within Africa, in 2020, Ethiopia, Nigeria and Somalia were the top three recipients of UK bilateral ODA, at USD 320 million, USD 303 million and USD 292 million respectively, reflective of the

⁹¹ Data for 2020.

UK’s emphasis on East Africa and strategic partners.^{92 93} For Japan, and as shown in **Figure 22**, while Kenya received the top value of JICA’s Africa programmes in 2020, followed by Senegal and Djibouti⁹⁴, Japan’s Africa ODA is very broadly disbursed.

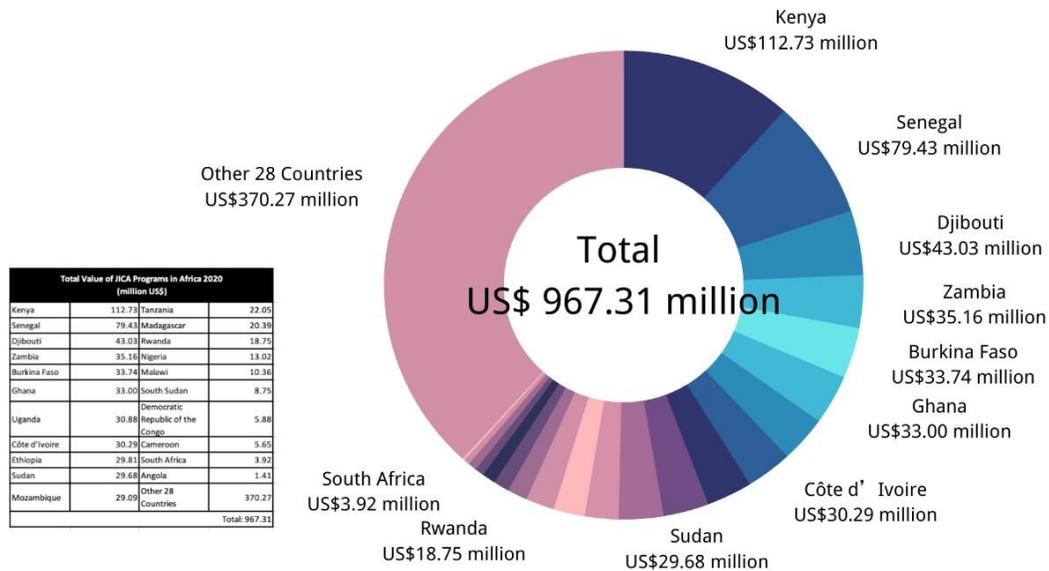


Figure 23: Value of JICA Programs in Africa by Country, 2020.

However, while the amounts differ, the emphasis of activity in the African region delivered by the UK and Japan are fairly similar, as shown in **Table 6**.

Table 6: UK and Japan priorities in the African region compared.

UK Priorities in Africa	Japan Priorities in Africa
Focus ODA on East Africa and key economic partners	TICAD framework’s three pillars are 1) economy, 2) society and 3) peace and stability
Investment and trade, with investment into infrastructure and green energy a priority	Promoting balanced, quality growth which benefits spread throughout society
Enhance British private sector involvement, (supported by BII) and other investment initiatives	Promoting the expansion of private companies into Africa in collaboration with public and private sectors
Sharing British expertise in disaster risk financing and insurance	Enhancing human security by strengthening individuals and participation in society

⁹² House of Lords, *International Development Strategy Library Briefing*, December 2021. P.10

⁹³ Country-level data unavailable for 2021

⁹⁴ JICA - *Annual Reports 2021*

5.2.1.1 Comparing Africa’s Priorities with the Overlapping Thematic Priorities of the UK and Japan

While analysing the priorities of the UK and Japan is important in terms of understanding in which areas ODA is being spent, it is equally vital to examine if the general thematic priorities of the UK and Japan align with Africa’s regional priority areas and whether there is room for further alignment.

The table below provides a list of Africa’s top 10 goals/priorities as outlined in the African Agenda 2063⁹⁵ and compares these goals to the overlapping thematic priorities of the UK and Japan analysed in section 5.1.

Table 7: Africa’s Priorities vs UK and Japan’s Priorities.

Africa’s Top 10 Regional Goals/Priorities	UK and Japan’s Overlapping Thematic Priorities (as outlined in Section 5.1.)
Goal 1: Poverty Reduction and Societal Improvements	☒
Goal 2: Educational Improvement	
Goal 3: Health Improvement	☒
Goal 4: Transformed Economies via Manufacturing/Industrialisation, Economic Diversification, Hospitality/Tourism	
Goal 5: Modern Agriculture	☒
Goal 6: Blue/ Ocean Economy	
Goal 7: Environmentally Sustainable and Climate-Resilient Economies	☒
Goal 8: United Africa (Federal or Confederate)	
Goal 9: Infrastructure Investments and Regional Connectivity	☒
Goal 10: Democracy, Good Governance and Peace and Security	

As seen in the table above, the UK and Japan’s overlapping thematic priorities within the context of development do align to some extent with Africa’s regional goals. For example, health and climate change are common priority areas for all three actors involved while poverty reduction and societal improvements are an ultimate goal within all of their initiatives. However, there are other areas such as education, democracy /good governance and blue economies that, despite being on Africa’s top priorities, do not align with the overlapping thematic priorities of the UK and Japan. This illustrates that there is certainly room for further support from the UK and

⁹⁵ African Union. African Agenda 2063: Goals and Priority Areas

Japan in the African region and if both countries aim to provide assistance and ODA to the region, they have an opportunity to further link to the region’s priorities as a starting point.

5.2.2 REGIONAL PRIORITY #2: ASIA

Asia is Japan’s top ODA recipient region, with the top 5 JICA recipient countries in Asia shown in **Figures 23a and 23b** below. Asia is the second-largest regional recipient of UK ODA, accounting for 41% (USD 1.35 billion).⁹⁶ Thus, overall spending amounts in the region are fairly similar.

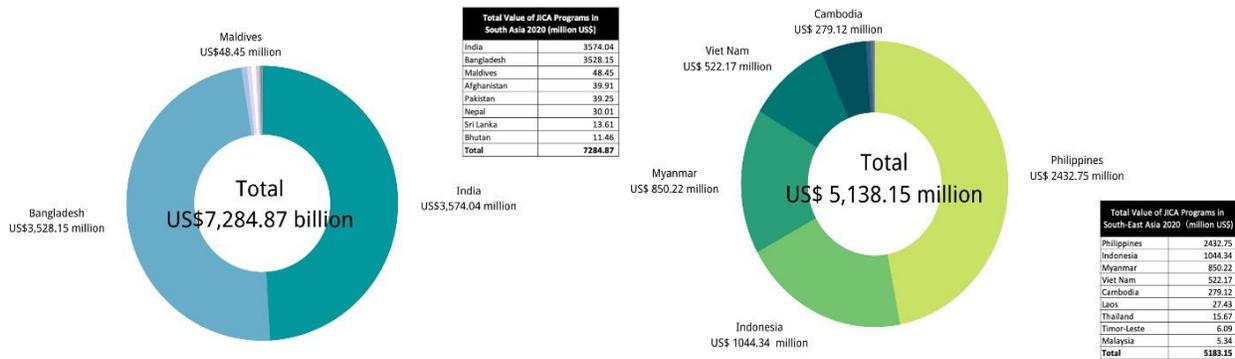


Figure 25: Top 5 JICA Recipient countries in South and South-East Asia, 2020.

Japan’s ODA in the Asian region has several priorities. South Asia is one of the most affected regions in the world by the pandemic, impacted by strained health-care resources and stagnant economies, alongside constantly changing social and security conditions as well as vulnerability to natural disasters. As shown in Table 8, JICA’s cooperation in the region focuses on six broad areas.

1. Strengthening health systems
2. Improving access to basic human needs and a decent living environment
3. Reinvigorating the economy and supporting employment stability
4. Increasing industrial competitiveness by improving the investment environment
5. Strengthening regional connectivity
6. Maintaining peace, stability, and security in the region

Figure 24: JICA’s priorities in the Asian region.

⁹⁶ UK Government. National statistics: Statistics on International Development: Provisional UK Aid Spend 2021 April 2022

Strategically, as explained in **Chapter 3**, Japan formally launched the FOIP with the US government in 2019 which aims to tackle challenges such as “piracy, terrorism, the proliferation of WMD, natural disasters and attempts to change the status quo”, as well as protecting trade routes, and promoting peace and stability.⁹⁷ The FOIP plans to work with East Africa and the Association of Southeast Asian Nations (ASEAN) to promote stability and prosperity across the region. To support ASEAN, the Japanese government supports the 2019 “ASEAN Outlook on the Indo-Pacific (AOIP),” which aims to promote cooperation in maritime cooperation, connectivity, the SDGs, and the economy.

Similarly, as mentioned in **Chapter 2**, the UK’s new Indo-Pacific Strategy includes pursuing strategic bilateral relations, especially in trade and investment, such as the UK-India 2030 Roadmap and the UK-Indonesia Roadmap, new Free Trade Agreements and relationships with ASEAN⁹⁸. These partnerships aim to develop more resilient supply chains, whilst also providing humanitarian aid and progressing democratic values.

These varied yet aligned activities in the Asian region by the UK and Japan thus provide significant potential for collaboration, including in the areas of health and climate change as well as economic engagement.

5.2.2.1 Comparing Asia’s Priorities with the Overlapping Thematic Priorities of the UK and Japan

Table 9 below provides a list of the most up-to-date Asian priorities outlined in the agendas of the main organisations operating in the Asian region such as the ASEAN, the Asian Pacific Economic Cooperation (APEC)⁹⁹ and the United Nations Economic & Social Commission for Asia & the Pacific (ESCAP)¹⁰⁰.



⁹⁷MOFA Japan [Free and Open Indo-Pacific](#)

⁹⁸ UK Government [The UK Government’s Strategy for International Development](#) May 2022 p.25

⁹⁹ APEC, 2022: [Priorities 2022](#)

¹⁰⁰ UNESCAP, [Priorities](#)

Table 8: Asia’s Priorities vs UK and Japan’s Priorities.

Asia’s Top 10 Regional Goals/Priorities	UK’s and Japan’s Overlapping Thematic Priorities (as outlined in Section 5.1.)
Goal 1: Trade and Investment	☒
Goal 2: Digitalisation and Innovation	
Goal 3: Health Improvement	☒
Goal 4: Gender Equality and Women’s Economic Empowerment	
Goal 5: Climate Change and Sustainable Development	☒
Goal 6: Social Development	☒
Goal 7: Disaster Risk Reduction and Resilience	
Goal 8: Regional Connectivity and Infrastructure Investments	☒
Goal 9: Educational Improvement	
Goal 10: Regional Peace and Stability	

As seen above, while the overlapping thematic priorities of the UK and Japan align to some extent with the priorities of the Asian region in areas such as trade and investment, health, and infrastructure investments, there are certainly areas in the UK and Japan could support in, should they wish to further promote the region’s interests. More specifically, UK and Japan could, among others, focus on educational improvements, as well as on measures to reduce disaster risks and promote peace and stability within the Asian region which have been highlighted as key priorities by the largest organisations operating in the region.

5.2.3 REGIONAL PRIORITY #3: THE ARAB REGION (WEST AND CENTRAL ASIA)

The Arab region is of significant importance to the UK in particular, due to its humanitarian aid focus. In 2020, Afghanistan and Yemen were the fourth and fifth largest recipients of total UK bilateral ODA, at USD 285 million and USD 278 million, respectively¹⁰¹. In contrast, Japan’s top ODA recipients in the region were Morocco and Egypt, with USD 361 million and USD 294 million, respectively. The UK’s priorities in the region beyond humanitarian aid include promoting economic and social reform, investment through BIPs and developing relationships to address security challenges such as terrorism, crime and irregular migration. In a similar vein, JICA’s cooperation in the region includes promoting regional stability, including support for refugees, cooperation in the environment and energy sectors to develop quality growth, and the sharing of Japan’s development experience (including promoting Japanese-style education). The comparison is shown in **Table 10**. The UK and Japan arrive at these initiatives through fairly different theories of change, however, the complementarity presents itself clearly.

¹⁰¹ House of Lords, [International Development Strategy Library Briefing](#), December 2021. P.10

Table 9: UK and Japan priorities in the Arab region compared.

UK Priorities	Japan Priorities
Humanitarian aid for countries facing crises such as Syria and Yemen	Support for Syrian and Palestinian refugees and reconstruction assistance for Iraq
Promoting economic and social reform for self-reliant, open economies	Promotion of regional initiatives (i.e. cooperation in regional disaster risk reduction and effective utilization of regional tourism resources) Strengthening governance through developing the legal system, including improving the investment environment
Deepening relationships with allies in the Gulf to provide an alternative source of investment for developing countries through BIPs	Cooperation in environment and energy sectors to develop quality growth Infrastructure development to enhance connectivity and reduce disparities across the region
Develop security relationships to address security challenges such as terrorism, crime, and irregular migration	Support industrial diversification through capacity development for farmers and financial institutions, alongside supporting SMEs Promote JICA's scholarship programs (i.e. promote Japanese-style education)

5.2.3.1 Comparing the Arab's Region Priorities with the Overlapping Thematic Priorities of UK and Japan

While there is no united organisation operating in the Arab region (similar to the African Union or ASEAN)– and therefore we are unable to assess the collective priorities of the countries located in the region, it is well known that the Arab region lacks peace and security and therefore, it could be assumed that the UK and Japan's support in humanitarian aid, peacebuilding and security align with what is needed in the region. However, there are certainly other areas that the UK and Japan could = partner with local actors around.

5.3 UK and Japan's approach to development cooperation in light of a new UK Government

In the above section, we analysed the UK and Japan's overlapping thematic and regional priorities at the current stage. However, while the next general election in the UK, formally set to take place in 2024, is still some way off, it is vital to examine whether the UK and Japan's increasing congruence in development policies would be negatively impacted should a different government (e.g., Labour) with a different political and development agenda (e.g., de-merge FCDO) was elected.

While there is no clear answer to this, the countries' current practices suggest that the congruence between Japan and the UK's development policies is unlikely to be negatively impacted under such a scenario for several reasons.

Firstly, it is expected that Japan will likely work closely with G7 countries, including the U.S, France, and Germany, to counter the geopolitical influence of China and Russia in the global

arena and ensure economic and political security globally. As such, a long-term alliance with Western countries, including the UK, is key for Japan regardless of who is governing the UK and regardless of the changes in specific UK development policies and structures. Secondly, Japan is a key stakeholder located in Asia within the Build Back Better World (B3W) initiative launched by the G7 countries which implies that there is a symbolic strength in Japan partnering with the UK in the future regardless of which government is elected. Finally, although current evidence shows that the majority of Japan's development projects are concentrated in the Asian region, many believe that the African region, where the UK is well established, will have strong future potential for Japan. Therefore, Japan's cooperation with the UK moving forward will likely enable it to do more in countries that it is unable to reach or has relatively limited experience, like Africa, through co-financing, expert exchanges, knowledge sharing, and more.

5.4 Assessing UK and Japan's development effectiveness from recipient perspectives

Although the data provided above reveal that overall, both UK and Japan play a vital role in providing development assistance to low- and middle-income countries, tackling key challenges from health to climate change and humanitarian challenges, the question that arises is how recipient countries experience the UK and Japan as development partners, and how can collaboration provide opportunities for both countries to improve the way they work in and with recipient countries from a recipient perspective, not just improve *what* they do.

To shed light on their performance to date, there are two key data sets available, as well as various literature sources summarised below. This section also draws on interviews conducted for this report.

The first relevant data set is published by the Global Partnership for Effective Development Cooperation (GPEDC). The GPEDC attempts to assess the effectiveness of aid provided by development partners from a recipient perspective, based on four key principles which donors (such as Japan and the UK) have in the past made several international commitments to align with. These principles are promoting: (i) country ownership; (ii) transparency and mutual accountability; (iii) inclusive partnerships; and (iv) focusing on results. These principles are monitored using certain indicators set out in **Table 11** below.

Table 10: GPEDC's monitoring indicators and relevant effectiveness principles.

Indicator No.	Description of Indicator	Most relevant development effectiveness principle
1a	Development partners use country-led results frameworks	Results
4b	Transparent information on development co-operation is publicly available	Transparency
5a	Development cooperation funding is disbursed within the fiscal year based on what was scheduled by the development provider (annual predictability)	Country Ownership
5b	Proportion of development cooperation funding is covered by indicative forward spending plans (medium-term predictability)	Country ownership
9b	Development partners use country-owned public financial management and procurement systems	Country Ownership
10	Development partners provide untied aid	Country Ownership
CRS assessment	Creditor Reporting System	Transparency
FSS assessment	Forward Spending Survey /Assessment	Transparency
IATI assessment	International Aid Transparency Initiative Standard/assessment	Transparency

The latest GPEDC monitoring round – with data collected from both provider and recipient countries depending on the indicator- was completed in 2017, and the results of the assessment for the UK and Japan's effectiveness as development partners are shown below. To understand the context, the UK and Japan results are compared with the average of the indicators of all other bilateral providers, which in most cases is traditional bilateral donor countries but in some cases and with regards to some returns from recipients can also include emerging economies such as China and India (most emerging economies do not submit data to GPEDC for these purposes). A traffic light system is used as follows:

UK /Japan better than average
UK /Japan same as average
UK /Japan worse than average

Table 12 below provides the results:

Indicator No.	Description of Indicator	Average of other providers	UK	Japan
1a	Development partners use country-led results frameworks	0,63	0,38	N/A
4b	Transparent information on development cooperation is publicly available	0,78	0,79	N/A
5a	Development cooperation funding is disbursed within the fiscal year based on what was scheduled by the development provider (annual predictability)	0,80	0,97	0,98
5b	Proportion of development cooperation funding is covered by indicative forward spending plans (medium-term predictability)	0,49	0,31	0,79
9b	Development partners use country-owned public financial management and procurement systems	0,34	0,26	0,70
10	Development partners provide untied aid	0,78	1	0,73
CRS assessment	Creditor Reporting System	-	Fair	Excellent
FSS assessment	Forward Spending Survey /assessment	-	Needs Improvement	Fair
IATI assessment	International Aid Transparency Initiative Standard/assessment	-	Good	N/A

While there is a lack of data on certain indicators for Japan, the GPEDC results suggest that when it comes to providing untied aid, Japan lags compared to other aid providers, but performs well on some metrics of development effectiveness compared to other development partners including the UK, especially on annual predictability, forward spending plans and promoting country ownership (perhaps contrary to expectations given tying – but we will explain this further below). Furthermore, Japan scores better than the UK on some transparency indicators, though not all.

In addition, the analysis indicates that the UK performs well on some metrics of development effectiveness compared to other development partners, especially on annual predictability, transparency on budget and providing untied aid. However, the UK lags behind in focusing on results and promoting country ownership. These points are reinforced in other literature, for example, the UK's latest OECD Development Co-operation Peer Review (2020) which highlights that “*partners appreciate UK's multi-annual, predictable and evidence-based funding however they feel that dialogue is currently focused on their role as implementers*”. Regarding country ownership, the Peer Review states that by “*recognising partnerships and building partners' institutional capacity and country ownership*” the UK could play a better role in encouraging more

systematic transformation in its partner countries¹⁰². Note that this *may* change for the UK, however. Its new IDA included language which emphasises the importance of local ownership, stating:

*The difficult reforms and good policies that drive progress must be locally owned. Our country partnerships will be anchored in our respect for the rights of our partners to self-determination. Our support will strengthen their sovereignty.*¹⁰³

However, it is unclear how the strategy will ensure funds are channelled to local partners to ensure local ownership, with the strategy lacking clear benchmarks or quantitative targets. Further, it is unclear how this strategy for local ownership will work with the emphasis on “British expertise”, which goes against the notion of decolonizing and localising development by centring British perspectives and firms.

A second relevant dataset to shed light on the UK and Japan’s performance as development partners is the Commitment to Development Index (CDI) published by the Centre for Global Development (CGD)¹⁰⁴. The CDI ranks the world’s 40 richest countries based on their overall financial transfers to low- and middle-income countries (i.e. both aid, loans, and finance in other categories such as export credits) as well as broader, non-aid policies that impact development¹⁰⁵. The complete eight themes covered in the CDI are development finance, investment, migration, trade, environment, health, security, and technology. In this way, the CDI provides a means to explore whether the overall “footprint” of countries such as the UK or Japan in low- and middle-income countries is “positive”, and whether non-aid policies are complementary or not to aid.

In the latest CDI using data from 2021, the UK ranks 5th out of the 40 countries in the CDI, and when assessed relative to expectations based on its income level, the UK’s rank rises to 4th place.

Notably, the UK ranks 1st on the global security component - suggesting the UK contributes to a great extent to international peacekeeping efforts, participates strongly in international security treaties, and avoids damaging arms sales. The UK also scores strongly (6th) in both trade and development finance whilst being within the top 10 countries for both the quantity and the quality of its development finance. In addition, the share of the UK’s development projects aligned with recipient country priorities is close to the CDI average of 44 per cent. When examining the investment, migration, environment and health components, the UK ranks 3rd, 26th, 10th, and 20th respectively.

The CDI suggests significant room for improvement when it comes to policies aiming to help migrants integrate through education, employment, and health, as it ranks only 18th, and only 17th when it comes to accepting migrants relative to its population size. Furthermore, with regard to global health, the UK is one of the worst performers in terms of its trade restrictions on food and medical goods. This can exacerbate crises and lead to reduced global supply and increased

¹⁰² UK OECD DAC Peer Review (2020)

¹⁰³ FCDO. *The UK Government’s Strategy for International Development* May 2022 p.29

¹⁰⁴ [Center for Global Development](#)

¹⁰⁵ Also known as “policy coherence” impact.

prices as happened in the 2007-08 and 2010-11 food price crises¹⁰⁶, and hoarding of vaccines during COVID19.¹⁰⁷ For the technology component, the UK ranks 20th showing that the UK should allocate more funding to incentivise new technology generation. Interestingly, in a recent study, 51% of Japanese residents living in the UK believed that the UK was leading in technology advancements while 71% of UK residents living in Japan believed that Japan was leading.¹⁰⁸

In contrast, Japan ranks 17th in the CDI out of the 40 countries overall, and when assessed relative to expectations based on its income level, Japan's rank falls one place to 18th.

However, health and trade are the highest-ranking components with a rank of 3rd and 8th respectively while the investment component follows with a rank of 13th. However, there is an important nuance to this, relevant to the UK. According to the CGD,

“Japan shows strength in affording its counterparts a high degree of policy space to pursue their development objectives in its international investment agreements placing it 2nd on the indicator while at the same time, it has significant scope for improvement on financial secrecy, where it ranks 32nd.”¹⁰⁹

In contrast, development finance, migration and environment are the lowest-ranking components as Japan ranks 24th, 28th and 25th respectively. Regarding the development finance component and while Japan contributes 0.28 per cent of its GNI in Finance for International Development (just under the CDI average), it has significant room for improvement in the quality of its finances as it ranks only 31st. Furthermore, as per the environment component and even though Japan is not a major fossil fuel producer and provides limited subsidies, the CDI suggests Japan has significant scope to increase its ambition on carbon pricing as it ranks 26th. Improving this area will undoubtedly contribute towards the reduction of its CO₂ emissions and henceforth towards the reduction of the severe climate change impacts on other countries (mainly low- and middle-income) ultimately supporting their development. Moreover, Japan ranks 26th in the security component. Although it lifted its domestic arms exports ban in 2014, Japan's arms exports are less than 0.01 per cent of GNI. However, CDI analysts suggest these arms are more likely to be sold to poor, militaristic, and undemocratic countries compared to the CDI average. Finally, Japan ranks 13th in the technology component. It performs well in providing tax incentives for business research and development as well as in research collaboration with low- and middle-income countries, but it does not perform well in diffusing technology into other countries (e.g. via foreign students who come to study in Japan). We draw implications of all this analysis in the section below.

5.5 Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis

As the analysis in earlier chapters and the two data sets above indicates, both the UK and Japan have a long history of providing development cooperation and each brings different strengths and weaknesses based on their experience and their ways of working in low and middle-income countries, while their new directions provide new opportunities as well as threats.

¹⁰⁶ World Bank 2011 [Estimating the Short-Run Poverty Impacts of the 2010–11 Surge in Food Prices](#)

¹⁰⁷ [Foreign Policy: Rich Countries Are Ignoring the Global Vaccine System](#)

¹⁰⁸ British Council, 2021 [A resilient future: innovative UK-Japan cultural and technological collaboration](#)

¹⁰⁹ Center for Global Development: [Japan Country Report](#)

The subsequent section outlines a SWOT analysis of both the UK and Japan’s development cooperation approach. This section also draws on interviews conducted for this report, where we took the opportunity to test some of our emerging conclusions based on the literature and data reviews.

5.5.1 SWOT ANALYSIS OF THE UK AS A DEVELOPMENT PARTNER

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ● The UK combines great development expertise and a large international diplomatic network/ally which, if used strategically, can lead to global impacts ● The UK has a competitive advantage in science and technology and is the home to world-leading research institutions (i.e., “British Expertise”) ● UK’s thematic priorities outlined in the new IDS are key towards supporting countries’ long-term and sustainable development, including climate change via innovative bilateral programmes ● Much experience and ideas on women’s empowerment – still a top priority in UK’s IDS ● Large multilateral donor – contributes to infrastructure spend (to a degree) ● Aid transparency (IATI only) 	<ul style="list-style-type: none"> ● Poor on-country ownership and “effectively” tied aid (even if legally untied) – lack of say by partner governments ● Mainly focusing on social infrastructure, less on economic infrastructure, industrialisation ● Provides advice not well linked to UK or other development experience – can be wrong/poor advice ● The decision to unite development and foreign policy into one department could result in focusing on promoting the UK’s economic and geopolitical interests rather than the interest of developing countries ● UK is the sixth-largest donor when examining its ODA as a proportion of its GNI ● UK lags in providing bilateral ODA
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ● UK’s new emphasis on enhancing local ownership could strengthen countries’ sovereignty and capacity building – depending on how implemented ● With the rise of other emerging development partners (i.e., China), there is an opportunity for the UK to work together with them to further support countries’ development 	<ul style="list-style-type: none"> ● The outbreak of other pandemics similar to COVID-19 could further reduce UK’s ODA spending on official, bilateral and multilateral sources ● The new decision outlined in IDS to shift towards more bilateral aid could result in aligning ODA with UK’s geopolitical goals – vs actual development need ● Evidence that domestic spending concerns cut UK’s ability to provide ODA – can’t be consistent

5.5.2 SWOT ANALYSIS OF JAPAN AS A DEVELOPMENT PARTNER

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> ● Unique and effective model to manage development cooperation ● ODA objectives are based on its own development experience and national interests ● Emphasis on regional connectivity (corridor development) instead of focusing on one particular country ● Tend to partner with the government of recipient countries to build a long-term master plan for development cooperation – more ownership ● Emphasize the role of government and capacity building of counterpart agency ● Focus on projects in the field with a hands-on and practical approach ● Strong focus on economic infrastructure as a driver for industrial development ● Emphasis on the private sector, business development and smallholder-farmers ● Scores high in aid transparency (not IATI) ● Strong focus on bilateral ODA over multilateral 	<ul style="list-style-type: none"> ● Mainly focusing on economic infrastructure, and less on social infrastructure ● Heavy focus on Asian region instead of meeting global needs when providing development assistance ● Lack of development cooperation at policy-shaping and governance level ● Unbalanced bilateral aid and multilateral aid ● Limited business partnerships and development engagement outside the Asian region ● Commercial and mercantilist cooperation takes a large proportion ● Japan lags in providing untied aid – removes space for local actors and local benefits ● Grants in Japan take a small proportion and have been decreasing over the past 10 years
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> ● Create an innovative model for development cooperation for late-comer donors ● Fast economic growth in ASEAN and Africa regions to deepen the cooperation of the Free and Open Indo-Pacific strategy ● Japan has increased development focus in Africa ● China has similar systems and philosophy of foreign aid to Japan (non-interference, no political conditions, focus on infrastructure) and thus could be a potential cooperation partner, especially in Africa and Asia 	<ul style="list-style-type: none"> ● Competition in the same areas of assistance with others in the Indo-Pacific region – esp. South Korea, China and India (not UK) ● As the only two of the non-western DAC/OECD members, Japan has been struggling to balance its aid objectives and DAC principles while facing pressure from other donor nations ● Division of international architecture (G7 countries and new emerging powers like China and Russia) will be a threat to global development cooperation ● The death of Former Prime Minister Shinzo Abe has challenged the stability of aid policy in Japan ● Escalating tension between China and Taiwan, together with China's territorial dispute with its neighbouring countries could threaten Japan's maritime security cooperation in the Pacific Ocean.

06

6 CONCLUSIONS AND RECOMMENDATIONS

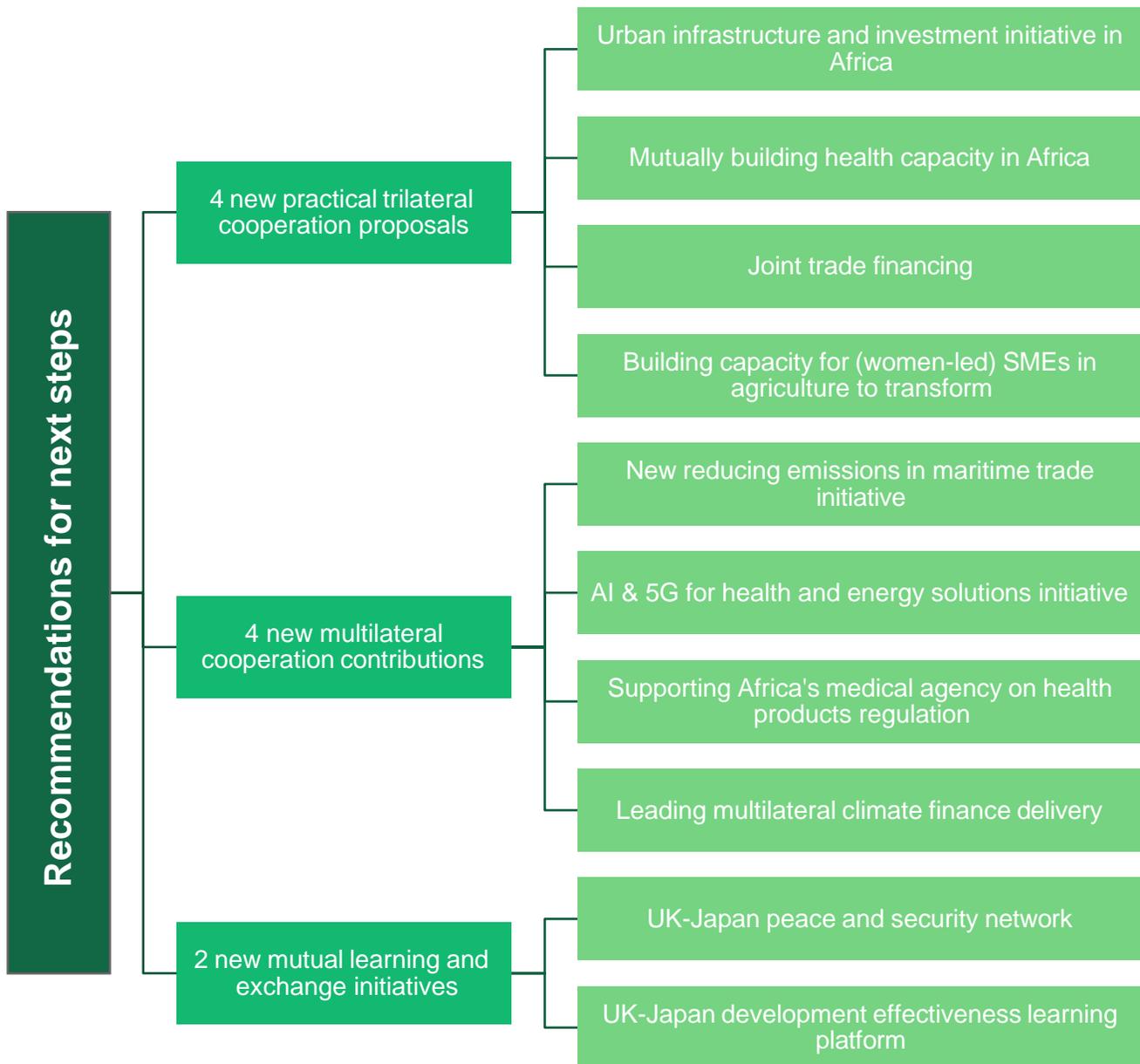
This report was developed to explore how the UK and Japan can increase their collaboration most effectively to work towards long-term sustainable development in low- and middle-income countries.

This report, based on a wide range of literature, data analysis, interview results and SWOT analysis of each partner suggests the following key conclusions:

1. Both the UK and Japan have established, long-term development programmes, and have established different thematic and regional priorities, as well as strengths and weaknesses in their approaches to development. In collaborating, both parties can advantage of their strengths, while trying to address weaknesses including through mutual learning.
2. The UK has significant strengths in bilateral and multilateral programming around trade, women and girls, climate change, and FDI (private sector development), especially in the African region. The UK has also experimented with trilateral cooperation programmes in the area of health, as an example. However, the UK has significant gaps in infrastructure engagement and agriculture cooperation. The UK is seen as a fairly effective donor, especially concerning timeliness and transparency of its aid and multilateral spending, as well as links to broader non-aid policies such as trade and security. However, the UK's new push for bilateral spending including on infrastructure and continued humanitarian assistance could create further challenges around country ownership and delivery, and UK's non-aid policy on areas such as health, technology transfer and migration has significant room for improvement.
3. Japan has significant strengths in bilateral programmes, especially in Asia. Japan's work on global health and agricultural development, especially capacity building is also strong and unique. Japan's experience and future plans on high-quality infrastructure development (including in urban settings) as well as private sector engagement provide new opportunities for development impact, especially given Japan's fairly positive record on a demand-led approach to prioritising country needs. That said, Japan's non-aid policy is not yet sufficiently complimentary to its development policy, including in the areas of security and trade/technology transfer, and more can be done to untie Japan's aid.
4. The UK and Japan have already embarked on cooperation in five areas – security, humanitarian assistance, climate change and the environment, infrastructure and health. These can and should continue, however, the form of the cooperation could be extended and improved to deliver more impact.
5. The UK's new IDS (2022) and Japan's DCC (2015) provide new opportunities for collaboration, especially due to the progressive bilateral focus from the UK and Japan's increasing focus on private sector development, and both countries strengthened focus on global health and climate change (as global public goods).
6. The UK and Japan have clear overlapping strengths and experience in four key thematic areas: investment and infrastructure (especially to benefit women); global health; climate change and green recovery; agriculture and trade development.

7. The UK and Japan have focused their development assistance on key regions, and the strongest overlaps for their potential collaboration are in three out of five possible regions: Africa, Asia and the Arab region.
8. The areas where the UK and Japan have more room to learn and develop is around prioritising the needs of recipient countries while meeting national interests – in infrastructure, investment and trade programmes in particular –, while at the same time avoiding “tying” aid, and, perhaps most significantly, improving their non-aid policies to increase their development impacts.

Based on these eight findings, our recommendations for the next steps are therefore divided into three sections, with a “4-4-2” format - 4 initiatives each for trilateral and multilateral engagement, and 2 initiatives for mutual learning and exchange.



6.1 Recommendations for new areas of trilateral cooperation

Bilateral engagement will remain a key priority for Japan and the UK. Trilateral cooperation can be a useful modality for Japan and the UK to learn from each other and complement approaches from a recipient point of view. However, evidence explored in this report suggests the UK and Japan have not made sufficient efforts in this regard. As explained in **Chapter 4**, collaborations have been focused more on dialogue or joint financial investment.

In this respect, and given the overlaps explained earlier, building on the experience and themes of (the five identified areas of joint cooperation to date, assuming these will continue, we propose **four new trilateral cooperation programmes** that could be pursued in the coming years, most with a strong focus on Africa, given the region's future importance in terms of SDG achievement in particular.

Practical Trilateral Cooperation Proposal 1 envisions a joint initiative in the area of infrastructure and investment – leveraging both UK and Japan's experience, targeting urban infrastructure in African countries, and building on existing UK programmes with Japanese expertise, financing and private sector engagement.

Practical Proposal 1: Urban infrastructure and investment cooperation in Africa

Drawing on Japan's experience, but also seeing through its ambition to do more in the African region, there are specific infrastructure-focused UK programmes in which Japan can look to add financing too and engage its firms in. This will help the UK better understand how to structure concessional infrastructure finance in flexible ways and create an engaging offer to recipients on this. The UK can also learn from Japan in delivering eco-friendly, non-extractive related infrastructure (e.g. Philippines airport example). Potential programmes include the Cities and Infrastructure for Growth (CIG) project (2017-2023, GBP 165.9 million budget), which focuses on cities in Myanmar, Ghana, Mauritius, Uganda and Zambia to "become more productive, deliver access to reliable, affordable, renewable power for businesses and households, and strengthen investment into infrastructure services". Japan can contribute its expertise and private sector support on smart cities to such programmes.

Further, there are country-specific projects under the TMEA umbrella in which Japan could provide specific expertise and/or financing support. For example, the Malawi Trade and Investment Programme (MTIP) (2020-2026, GBP 82 million budget), aims to increase trade competitiveness, regional connectivity, investment and provide finance for medium-sized firms. Here, Japan could share expertise and/or financing to support this project. The MTIP annual report identified further attention required in 1) government capacity building to ensure sustainable handover once the project is complete, and 2) enabling the local country office and staffing under the TMEA after the budget was confirmed. Government capacity building alongside an emphasis on local ownership/capacity are aspects in which Japan could help ensure the programme is more locally owned for maximum impact.

Practical Trilateral Cooperation Proposal 2 envisions joint work on global health— given this is a priority for both countries, and given the 2017 MOU, again building on existing UK and Japanese programmes in African countries, with expertise and financing contributed by both sides.

Practical Proposal 2: Mutually Building Health Capacity in Africa

A specific area where Japanese funding/expertise can be of value to UK projects is within technical support/capacity building in health projects. For example, as aforementioned (Case study 4) Japan built the NMIMR in Ghana, and Japan has continued to provide technical training for the centre throughout its 40-year history, including during COVID-19. The UK could add financial support to this and link its research institutes to it in order to encourage their localisation, while providing policy experience, medical knowledge and services - as Japan does.

In the other direction, Japan's technical support expertise, combined with its emphasis on sustainability through capacity building within health cooperation could support the UK's country-level health projects. Such projects include the Better Lives for Somali Women and Children project (2022-2028, GBP 120 million budget) which focuses on delivering essential health services – but has noted the importance of strengthening the Somali Health Authorities oversight of service provision to increase local accountability. Japan could contribute expertise and financing to this project as a means to deliver on global health while also supporting the UK to improve its ways of working.

Third, given that companies in both the UK and Japan have created thousands of jobs, with trade between the two in 2019 estimated to be at USD 39 billion,¹¹⁰ initiatives in this area could be fruitful. However, while the UK benefited from the pre-Brexit UK – Japan – EU tripartite relationship, it cannot singlehandedly attain maximum benefits with the Comprehensive Economic Partnership Agreement (CEPA) in 2019. Research has shown that there is potential in developing markets as they seek to be players in international trade and business.¹¹¹

Practical Proposal 3, therefore, envisions practical cooperation to engage Japan more strongly in trade cooperation, building on existing UK programmes, while simultaneously extending the UK's knowledge base of what works and what doesn't through Japanese (and therefore Asian) engagement.

¹¹⁰ Asia House, Japan-UK Relations [After Brexit: Looking Towards A Closer Economic Partnership](#).

¹¹¹ *ibid*

Practical Proposal 3: Joint trade financing

The UK has for a long time promoted aid-for-trade in developing countries, a strength Japan can tap into, while also seeking to change its trade policy to open to more products from low- and middle-income countries, as the UK plans to do. Specifically, Japan can look to make financial contributions to the TMEA strategy and increase its understanding of the African context in order to engage its private sector more in African countries. At the same time, Japan can support the TMEA strategy to evolve by facilitating experience-sharing with regard to the implementation of transport infrastructure projects by private sector entities as this has been a significant focus of the country's ODA.

Fourth and finally, the UK is hardly involved in agriculture and rural development – especially compared to Japan. At the same time, while Japan's ODA goes to agriculture and rural development, not much is linked to value addition or trade, or targeted at women's empowerment, all factors that reduce its sustainable impact.

Practical Proposal 4, therefore, envisions practical cooperation to help the UK understand how to engage better in this area.

Practical Proposal 4: Building Capacity for SMEs (especially women-led) in agriculture to transform

Japan has experience in capacity building and industrial promotion in agriculture through technical workshops, for example the Smallholder Horticulture Empowerment and Promotion (SHEP) approach, first introduced in Kenya in 2006. The UK can contribute financing to this as well as share experience to help target women and girls through this project going forwards, given its strong experience in mainstreaming gender. In turn, the UK will gain valuable experience on delivering capacity building based on demand-led needs – i.e. how to work more directly with local entrepreneurs, strengthen value chains, work with SMEs, as well as formulate industrial policies. Moreover, JICA has been working on microfinance provision for women-owned businesses in several countries, which could be expanded and incorporated into this proposal for SME capacity building, with the UK. This could later be expanded as an area of joint engagement in the Asia-Pacific region, where Japan has more experience.

6.2 Recommendations for new multilateral contributions and cooperation

While bilateral engagement will remain a key priority for Japan and the UK, there is strong evidence of Japan's and the UK's positive impacts through multilateral work. Priorities in this respect are climate change action and global health, as global public goods.

In this respect, we propose **four particular new multilateral cooperation contributions or initiatives** that could be pursued in the coming years, some with a focus on Asia and others on Africa in particular.

First, to fight climate change, Japan and the UK could work together to lead a new (global) initiative to reduce emissions from trade - for example focused on the shipping industry - which is responsible for annual emissions of CO₂ equivalent to 940 million tons. It would aim to reduce the carbon impact of trade, increasing the coherence of both countries' trade policy with climate policy, while still seeking to grow trade globally. This kind of collaboration has the potential to be beneficial in third countries especially those that are vulnerable due to climate change and rising sea levels such as Indo-Pacific states. With the rising sea levels that are also putting small island nations at risk, some of which are in the Asian region, this can also help address security concerns, while preserving trade routes. British and Japanese technology and research institutes and stakeholders could also contribute to this initiative and further promote their work

Second, Japan and the UK could work together on a new research and technology transfer-related initiative around managing infectious disease outbreaks with technology such as AI and 5G¹¹², which are both advanced in Japan and the UK. This could be particularly useful for countries in the Indo-Pacific, as the promotion of technological advancements could help the countries in the region adapt to new developing settings. A further application of these technologies could also be the renewable energy industry within developing and low-income countries as seen in the example of Kenya¹¹³.

Third, the UK and Japan could collaborate with the newly established African Medicines Agency to harmonize regulations that will make medicines and medical devices – mostly produced in the G7 and the Asian region - more accessible in the African region. Both countries already collaborate in this field which signifies that their partnership can be strengthened in a post-Brexit, post-COVID-era, and in a region important to both. For example, in October 2010, the UK Medicines and Healthcare Products Regulatory Agency, together with Japan's Ministry of Health, Labour, and Welfare (MHLW), signed a Confidentiality Agreement to cooperate to facilitate increased access to safe, effective, and high-quality medicine and healthcare products, and share information related to these products. Despite this bilateral agreement, there are still gaps that can be addressed in future collaboration on regulation harmonization. As stated by the APPG Report on the Access to Medicines and Medical Devices (2022) the two countries can work together to create unique regulatory pathways for a number of medicines and medical practices such as biologicals, innovative therapies using AI, cell and gene therapy, and digital health. Given Japan's geographical expertise in Asia and the UK's commonwealth network, collaboration could have a significant impact, and also support private sector engagement by Japanese and British firms in the region.

Fourth, given the UK's and Japan's existing leadership roles in contributing to climate funds such as the CIFs and GEF, the UK and Japan should work together to encourage a "race to the top" by the G7, pushing for stronger climate finance delivery through multilateral contributions, setting clear benchmarks for volumes and transparency. This could even include contributions to regional development banks – for instance, Japan's recent pledge to the African Development Bank at

¹¹² F Ahmed, [How Technology Can Help Combat The Spread Of Disease](#), (Forbes, 2020)

¹¹³ R Power, UK & Europe, 2021. "[Artificial Intelligence and energy justice in Africa](#)." Clyde & Co.

TICAD8 could be focused on green growth. The UK and Japan can also use their voice and power as major shareholders of the World Bank and IMF to push them to be more ambitious with climate-related targets, leveraging their capital in dynamic ways to increase total global climate finance.

6.3 Recommendations for mutual learning and exchange

Building on existing cooperation initiatives, we propose **two areas for structured dialogues** to enhance mutual learning as well as ensure that existing cooperation is not just *ad hoc* and builds towards national policies and global public goods.

First, given that peace and security are a top priority for both Japan in the DCC and the UK in the IDS, the two countries should establish a **new peacebuilding network** – primarily but not confined to the Indo-Pacific region - focused on non-military peacekeeping support and aid, preventive actions as well as developing human resources that will foster civilian peacebuilders at home. Dialogue within this network could be structured in particular around the practicalities of humanitarian assistance and maritime engagement or particular themes such as the linkages between cyber-security and development, exchanging experience of what has and hasn't worked in different settings while at the same time ensuring that future initiatives in this area will bring about clear development outcomes. For instance, the exchange of knowledge around lessons learnt from rebuilding Ukraine (e.g. from the UK side) and protection of the South China Sea (e.g. from the Japanese side) could be mutually beneficial and informative.

Second, and finally, a regular dialogue on **how to improve the two countries' development policies** would be very helpful. Stakeholders from both countries would invite recipient stakeholders – especially from the African, Asian and Arab regions – to feedback, comparing and contrasting UK and Japan impacts and approaches, providing new ideas, and thereby supporting both the UK and Japan to deliver and work together in ways that are congruent with recipient countries' priorities and effectiveness ideals. Based on this report, topics for initial exchange could include how to enhance country ownership, how to deliver technology transfer and improve migration policies. As an outcome of each dialogue the UK and Japan could deliver short reports with guidelines and principles to explain a particular identified strength of the country. For example, the UK could provide guidelines on the steps it takes to enhance aid transparency or provide untied aid while Japan could provide guidelines on what actions it takes to best promote the ownership of recipient countries. Progress made by the two countries could be discussed in future dialogues and continuously tracked for impact.

These latter dialogues could be held every quarter, perhaps in settings outside of the UK and Japan (e.g. various recipient countries in the Arab, Asian and African regions) to promote the “equality” of learning between Japan and the UK, alongside the primacy of low- and middle-income countries in all of this.

ANNEX: GLOSSARY OF TERMS

Aid transparency

The extent to which aid programmes are publicly disclosed so that it can be more easily accessed, shared, and published.

Association of Southeast Asian Nations (ASEAN) countries

ASEAN brings together ten Southeast Asian states – Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam – into one organisation.

Accredited Entities (for Green Climate Fund)

Accredited Entities partner with Green Climate Fund (GCF) to implement projects.

Build Back Better Concept

The Build Back Better concept sets out the UK government's plans to support growth through significant investment in infrastructure, skills and innovation, and to pursue growth that levels up every part of the UK, enables the transition to net zero, and supports the vision for Global Britain.

Build Back Better World (B3W)

President Biden and G7 partners agreed to launch the bold new global infrastructure initiative Build Back Better World (B3W), a values-driven, high-standard, and transparent infrastructure partnership led by major democracies to help narrow the \$40+ trillion infrastructure need in the developing world, which has been exacerbated by the COVID-19 pandemic.

Co-financing

Co-financing is defined as the joint financing of a programme or intervention by two or more budget holders that have different sectoral objectives to jointly achieve their separate goals more efficiently.

Country ownership

Country ownership means that there is sufficient political support within a country to implement its developmental strategy, including the projects, programs, and policies for which external partners provide assistance.

Concessional loans

A loan offered by multilateral and bilateral official creditors is usually at a very low cost for the borrower; the grant element of a concessional loan is around 35%.

Debt relief

Debt relief is the reorganization of debt in any shape or form to provide the indebted party with a measure of respite, either fully or partially.

Debt sustainability

The condition under which a country (or its government) does not, in the future, need to default or renegotiate or restructure its debt or make implausibly large policy adjustments that imply sacrificing its development goals.

Development Cooperation Charter (DCC)

The Development Cooperation Charter (DCC) sets out Japan's approach to development cooperation, including listing basic underlying policies, identifying priority issues, and policies regarding ODA implementation.

Debt Service Suspension Initiative (DSSI)

The Debt Service Suspension Initiative (DSSI) was endorsed by the World Bank's Development Committee and the G20 Finance Ministers in April to respond to grant debt-service suspension to the poorest countries to help them manage the severe impact of the COVID-19 pandemic.

Department for International Development (DFID)

The Department for International Development (DFID) was a department of His Majesty's Government responsible for administering foreign aid from 1997 to 2020. In 2020, DFID was to be merged with the Foreign Office to create the Foreign, Commonwealth and Development Office (FCDO).

Disaster Risk Reduction (DRR)

Disaster risk reduction is the concept and practice of reducing disaster risks through systematic efforts to analyse and reduce the causal factors of disasters.

Export Credit Agency (ECA)

An export credit agency offers trade finance and other services to facilitate domestic companies' international exports.

Foreign, Commonwealth and Development Office (FCDO)

The FCDO is a department of His Majesty's Government. Equivalent to other countries' ministries of foreign affairs, it was created through the merger of the Foreign & Commonwealth Office and the Department for International Development.

Free and Open- Indo-Pacific (FOIP)

FOIP is a vision to achieve a rules-based international order in the Indo-Pacific region. Financing and investment cooperation was formally launched as a strategy by Japan in 2016.

Grants

ODA Grants are financial assistance to support construction works or services with no obligation for repayment, it targets mainly developing countries with low-income levels.

Gross National Income (GNI)

The sum of GDP and net foreign income generated by production activities abroad. GNI was GNP in pre-1993 versions of the SNA.

Green Climate Fund (GCF)

The Green Climate Fund is a fund established within the framework of the UNFCCC as an operating entity of the Financial Mechanism to assist developing countries in adaptation and mitigation practices to counter climate change.

Green infrastructure

Green infrastructure is an infrastructure or land use plan which contributes to sustainable social and economic development using a variety of natural functions.

Green financing

Green financing is to increase the level of financial flows (from banking, micro-credit, insurance and investment) from the public, private and not-for-profit sectors to sustainable development priorities.

Green Value Chain Development

Green Value Chain Development also refers to the promotion of green market opportunities, where economic benefits from the use of renewable resources are maximized while environmental harm is minimized.

Gender-Based Violence (GBV)

Gender-Based violence refers to harmful acts directed at an individual based on their gender. It is rooted in gender inequality, the abuse of power and harmful norms.

Green Recovery

Green recovery means measures that combat the social, economic and environmental impacts of climate change and the coronavirus crisis. It facilitates change that is sustainable, resilient and climate-neutral.

Heavily Indebted Poor Countries (HIPC) Initiative

The HIPC Initiative was launched in 1996 by the IMF and World Bank, to ensure that no poor country faces a debt burden it cannot manage.

International Development Strategy (IDS)

The IDS sets out what the UK's approach to development will be and highlights the priorities for the FCDO going forward.

Internally Displaced People (IDPs)

Internally displaced people (IDPs) have not crossed a border to find safety. Unlike refugees, they are on the run at home

Japan International Cooperation Agency (JICA)

Founded in 1974, The Japan International Cooperation Agency is a governmental agency that delivers the bulk of Official Development Assistance for the government of Japan.

Japan Bank of International Cooperation (JBIC)

The Japan Bank for International Cooperation, JBIC, is a Japanese public financial institution and export credit agency that was created on October 1, 1999.

Japan Agency for Medical Research and Development (AMED)

AMED (The Japan Agency for Medical Research and Development) is the funding agency for Japanese medical research, analogous to the NIH in the USA and the MRC in the UK.

Joint Venture

A joint venture (JV) is a business arrangement in which two or more parties agree to pool their resources to accomplish a specific task.

Medical Research Council (MRC)

The Medical Research Council is responsible for co-coordinating and funding medical research in the United Kingdom.

NEXI (Nippon Export and Investment Insurance)

The Nippon Export and Investment Insurance, NEXI, is a Japanese insurance corporation owned by the Japanese government.

Official Development Assistance

ODA is defined as government aid that promotes and specifically targets the economic development and welfare of developing countries.

ODA to GNI Ratio

A long-standing United Nations target is that developed countries should devote 0.7% of their gross national income to ODA.

Public-private partnerships (PPP)

A public-private partnership is a long-term arrangement between a government and private sector institutions.

Tokyo International Conference on African Development (TICAD)

An international conference organized by the Japanese government held every three years which facilitates high-level dialogue between African and Japanese officials and key stakeholders, with a significant presence by Japanese companies.

Trilateral cooperation

Trilateral Cooperation offers a unique approach to development where multiple actors join hands in creating innovative solutions that build on international best practices and concrete experiences.

Technical cooperation

The task of technical cooperation is to cultivate the human resources that will shoulder the burden of nation-building activities in developing countries.

Untied aid

Untied Aid is the assistance given to developing countries which can be used to purchase goods and services in virtually all countries. It is contrasted with tied aid which stipulates that goods and services bought with it can only be purchased from the donor country or from a limited selection of countries.

Vaccine inequality

Within the first year of distribution of vaccines against COVID-19, high-income countries (HICs) have achieved vaccination rates of 75-80%, whilst low-income countries (LICs) vaccinated <10%. This disparity in access has been one of the greatest failures of international cooperation during the SARS-CoV-2 pandemic.