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Japan's OSA Initiative: Implications for Asia-Pacific and Pakistan

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SYNOPSIS

Japan's third consecutive OSA grant to the Philippines in 2025 underscores Tokyo's strategic pivot to counter China's assertiveness via non-lethal defence aid to Southeast Asian partners. OSA, introduced in Japan's 2022 National Security Strategy, prioritizes maritime security and rules-based order but faces limitations in deterrence due to its modest budget (¥8 billion in 2025) and focus on surveillance over advanced weaponry. While China condemns OSA as a contravention of Japan's post-war pacifist principles, ASEAN remains divided, with the Philippines embracing it as a deterrent and others hedging. OSA's expansion into the Indian Ocean risks exacerbating Indo-Pakistan tensions as India gains maritime edge. For Pakistan, OSA offers opportunities to diversify partnerships via counterterrorism, disaster response, and peacekeeping, but requires addressing Beijing's sensitivities through non-provocative projects.

OSA Overview: Strategic Shift from ODA to Comprehensive Defense

[Philippines is once again set to receive defense aid from](#) Tokyo in 2025 under the Official Security Assistance (OSA) scheme, third year in a row. Introduced in Japan's National Security Strategy (NSS) in December 2022, the OSA aims to bolster security and deterrence capabilities of "like minded countries". The Kishida administration's NSS seeks greater security cooperation, particularly with Southeast Asian countries, to ensure a "free, open, and stable international order". It identifies the Ukraine war and Chinese attempts to subvert the status quo in South and East China seas by force as the key drivers of this shift.

Since the NSS revision, Japan has pursued a [more assertive defense posture](#), including procurement and development of advanced weapons, repositioning troops closer to regional



hotspots, easing defense export restrictions, and deepening military ties with the U.S. and regional partners. This marks a significant departure from Japan's post-war reliance on diplomatic engagement and Official Development Assistance (ODA), which focused on socio-economic aid. OSA represents a strategic evolution of Japan's response to rising geopolitical tensions, complementing the more targeted use of ODA to address both developmental and security challenges in its neighborhood.



OSA is a major instrument of [Comprehensive Defense Architecture](#) which recognizes defense capability as the ultimate guarantor of Japan's national security. [Under OSA](#), Japan will provide equipment and supplies as well as infrastructure development assistance to "armed forces and related organizations" of partner countries. However, such grand aid must follow the [Three Principles on Transfer of Defense Equipment and Technology](#). Although relaxed in 2014 to permit the transfers contributing to International peace, Japan's security and cooperation with allies, it still prohibits transfers to UNSC designated conflict parties or in violation of international treaties and UN resolutions.

In alignment with three principles, OSA framework allows the military aid for purposes such as peace keeping, disaster relief, counterterrorism, maritime security, and capacity-building of partner countries, while ensuring strict controls on extra-purpose use and third-party transfers. The [primary recipients](#) are developing countries, particularly those in regions critical to Japan's security environment, such as Southeast Asia and the Pacific, where enhancing their capacities contributes to a stable and rules-based international order.

Starting in April 2023, Bangladesh, Fiji, Malaysia, and the Philippines participated in the first fiscal year of OSA, with Indonesia, Mongolia, and Djibouti added in the second round in 2024. While the assistance to Philippines, Malaysia, and Indonesia aligns with their shared territorial disputes with China and proximity to key maritime routes, the grants to Djibouti and Mongolia sparked curiosity. A senior [Japanese official clarified](#) that Djibouti, home to Japan's only overseas Self-Defense Forces facility, is a critical partner for stability in the Gulf of Aden and Indian Ocean, particularly in countering piracy, noting that it made sense to "strengthen an already very important security partnership." As for Mongolia, Japan supports Ulaanbaatar's "third neighbor policy" to reduce its reliance on Russia and China. The nations being [considered for the third OSA tranche](#) in 2025 are largely the same -Malaysia, Indonesia and the Philippines- with the addition of Papua New Guinea.

Operational Limitations

The [non-lethal military equipment](#) Japan has provided Southeast Asian partners under the OSA scheme- such as coastal surveillance radars, inflatable boats, and air-traffic control systems-



remains insufficient to deter meaningful interstate aggression.

Japan's Official Security Assistance (OSA) Allocations

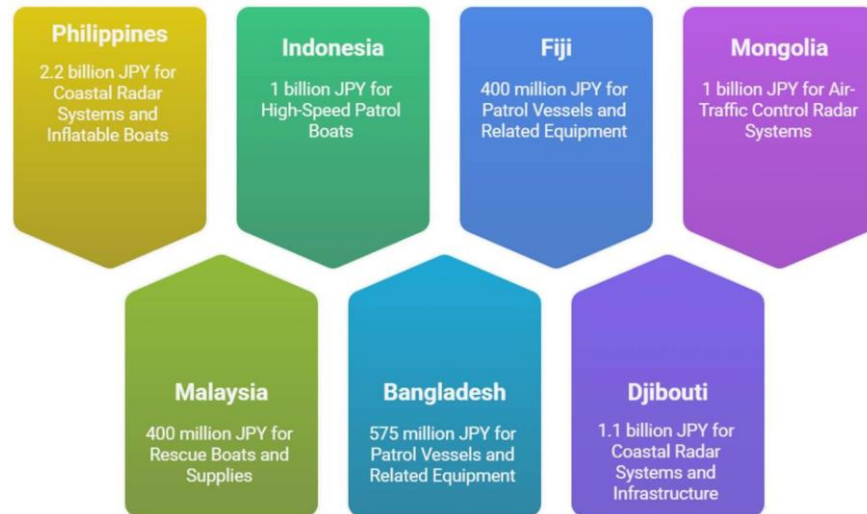


Figure 1: Source: Created by author using data from [The Japan Times](#), [Reuters](#) and MOFA Japan (1) and (2)

OSA's narrow focus, lacking the advanced weapon systems needed to counterbalance assertive regional actors like China compounded by the program's modest budget. [Projected to reach ¥8 billion in 2025](#), it does not match Japan's ambitions. For comparison, a single Mogami-class frigate Japan hopes to sell to Indonesia [costs around ¥50 billion](#). The [revision of Development Cooperation Charter in 2023](#), introduced "co-creation initiative" for enhanced strategic allocation of funds, further raising concerns about overlap with OSA. Furthermore, [ODA has already funded non-lethal security projects](#), such as patrol vessels and coastal radars, and continues to play a central role in regional security.

Given these limitations, what justifies OSA's existence? First, it allows Japan to gradually transition its maritime security assistance to more defense related roles without provoking China and facing a widespread fear of retaliation by Japan's Southeast Asian partners. Secondly, it has symbolic value, as it signals clear military intentions of Japan in the role of regional security partner unambiguously, unlike ODA. And finally, By building a track record of successful transfers, OSA could pave the way for future defense sales, potentially subsidized by OSA or combined with export loans.

Regional Security Implications



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Despite the non-lethal nature of equipment provided under the OSA, it has drawn measured criticism from China. [It has alleged](#) that OSA violates article 9 of the Japanese constitution and contradicts “positive pacifism” doctrine Japan claims. Chinese expert maintain Japan is intentionally provoking conflict, using Philippines as proxy, in a bid to contain China with tacit US approval.

While Southeast Asian responses remain divided—with the Philippines embracing OSA as a deterrent and others like Vietnam hedging to avoid antagonizing China—the initiative risks deepening regional

fragmentation. ASEAN's centrality weakens as states increasingly adopt bilateral security partnerships over collective diplomacy, complicating efforts to manage Sino-U.S. rivalry.

OSA operationalizes Japan's Free and Open Indo-Pacific (FOIP) vision by bolstering maritime states' capacity to counter coercion. Grant trends to Indian Ocean partners (e.g., Djibouti, Bangladesh) point to potential OSA-funded coastal surveillance systems in India's Andaman Islands which could enhance New Delhi's ability to monitor Chinese naval activity, altering Indian Ocean dynamics. This risks unsettling Pakistan, which may perceive India's maritime empowerment as a threat, prompting Islamabad to accelerate naval cooperation with China—a cycle that could exacerbate Indo-Pakistan tensions and destabilize the power balance in the region.

Opportunities for Pakistan

Japan aims to incrementally raise the budget for its OSA program and add “new partners, and eventually work with eight or nine countries next fiscal year.” This expansion presents a strategic opportunity for Pakistan, which already [benefits from Japan's Official Development Assistance](#) (ODA), totalling

¥299.41 billion in grants and ¥65.43 billion in technical cooperation up to 2021. By aligning with [OSA's three core pillars](#), Pakistan can further diversify its partnerships and address critical security and humanitarian needs.

First, within security under the rule of law, Pakistan qualifies for OSA support in counterterrorism and anti-piracy efforts, particularly in securing the Arabian Sea and critical maritime routes. Second, its vulnerability to natural disasters positions it well for humanitarian assistance, including disaster response and medical care, areas where Japan has historically provided aid. Third, Pakistan's extensive participation in UN peacekeeping missions aligns with OSA's international peace cooperation pillar, offering opportunities for capacity-building in peacekeeping and related logistics.

Pakistan's eligibility is further strengthened by OSA's emphasis on reducing strategic overdependence (on China), mirroring Japan's rationale for assisting Mongolia. With OSA's



budget projected to rise to ¥8 billion in 2025, Pakistan can leverage its existing ODA framework to formalize OSA engagement, focusing on non-sensitive, dual-use projects that avoid provoking China. While OSA's limited scale precludes transformative gains, its institutional benefits -enhanced technical cooperation, trust-building with Japan, and diversification of strategic partnerships-offer a pragmatic opportunity for Pakistan.

Challenges persist, notably China's sensitivity to third-party partnerships and OSA's limited fiscal scale. However, Pakistan can mitigate risks by framing OSA as a supplementary, human-security driven focused on technical and humanitarian domains such disaster relief and anti- piracy capacity building. Prioritizing projects with dual civilian-military utility would allow incremental gains while balancing relations with Beijing. Japan's [broader military budget growth signals](#) sustained commitment to OSA, offering Pakistan a low-cost avenue to deepen trust with Tokyo and signal its role as a stabilizing actor in Indo-Pacific security architecture.

Recommendations for Pakistan

- **Quiet Diplomacy with Technical Precision**

Establish a dedicated bilateral working group with Japan to identify OSA-compatible projects (e.g., Karachi coastal surveillance radars, counterterrorism technology sharing programs). Carefully prioritize non-weaponized technologies to align with OSA's humanitarian mandate and avoid triggering Chinese concerns.

- **Diversify via Trilateral Humanitarian Frameworks**

Propose trilateral disaster-response drills with Japan and ASEAN states (e.g., Indonesia, Malaysia) to demonstrate Pakistan's value beyond South Asia. This builds on Pakistan's UN peacekeeping expertise and aligns with Japan's FOIP emphasis on non-traditional security. Concurrently, engage Gulf partners (e.g., UAE, Saudi Arabia) as financiers for HADR projects, mitigating fiscal constraints while diluting perceptions of alignment.

- **Preempt Chinese Concerns via Transparent Bargaining**

Reassure Beijing through structured dialogues, emphasizing OSA's focus on anti-piracy and flood resilience- domains where China lacks strategic interest. Offer to share OSA-derived maritime data on Gwadar Port security, framing it as complementary to CPEC's economic goals. This "dual engagement" strategy mirrors Vietnam's balancing of U.S. and Chinese interests.

- **Institutionalize Monitoring of Indo-Pacific Militarization**

Create a cross-service task force to analyze OSA's spillover effects, particularly India's potential access to Japanese surveillance tech in the Indian Ocean. Collaborate with regional think tanks to publish white papers on OSA's implications for Indian Ocean deterrence, positioning Pakistan as a thought leader in Indo-Pacific security discourse.



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