

2

Overview of Official Development Assistance from Major Donors in Terms of Disbursement

The OECD-DAC establishes international rules on what cooperation constitutes ODA and how it should be reported. Under the rules set by the DAC, ODA must meet the following three requirements: (i) it is provided by official agencies or their executive agencies; (ii) its main objective is to promote the economic development and welfare of developing countries; and (iii) it is concessional in character (in the case of government loans, the terms of the loan [e.g., interest rate and repayment period] are set in favor of the recipient countries).

DAC countries provide development cooperation under the rules set by the DAC. However, the content of ODA implemented by major donors varies by country. This section outlines the aid provided by DAC donors, focusing on the G7 countries, based on their disbursements in 2022.

■ Aid Disbursements by Major Donors

ODA provided by DAC countries in 2022 (calculated by GE system) amounted to approximately \$210,660 million. By country (GE system, percentage out of total ODA of DAC countries), the United States ranked first (approximately \$60,522 million, 28.7%), Germany second (approximately \$35,640 million, 16.9%), Japan third (approximately \$17,500 million, 8.3%), France fourth (approximately \$16,014 million, 7.6%), the United Kingdom fifth (approximately \$15,762 million, 7.5%), Canada sixth (approximately \$7,836 million, 3.7%), Italy seventh (approximately \$6,646 million, 3.2%), the Netherlands eighth (approximately \$6,470 million, 3.1%), and Sweden ninth (approximately \$5,458 million, 2.6%), with the G7 countries occupying the top spots. ⁶

■ Sectors Aided by Major Donors

Disbursements in 2022 from the United States, the United Kingdom, France, Germany, Italy, and Canada were concentrated in the social infrastructure sectors, including education, health, and water supply and sewerage. The United States allocated more than 30% of total ODA to emergency response (humanitarian aid, etc.) and food aid. On the other hand, in the economic infrastructure sectors, such as roads, bridges, railroads, communications, and electric power, Japan has the highest allocation with 44.4% of its total ODA, followed by France with 28.8%. Economic infrastructure assistance makes up a large share of Japan's cooperation because Japan, with its postwar recovery experience, considers that, in order to achieve poverty reduction and other goals through sustainable economic growth in developing countries, it is essential first and foremost to establish economic infrastructure and support the self-help efforts of developing countries (Chart II-7).

■ Regions Aided by Major Donors

Whereas Japan's ODA is primarily directed at the Asian region (approximately 56.0% of gross disbursements in 2022 [hereinafter the same]) (Chart II-2), Sub-Saharan Africa was the top recipient of aid from the United States, the United Kingdom, France, Germany, and Italy (24.2%, 12.4%, 30.9%, 14.1%, and 13.8%, respectively), and Europe was the top recipient of aid from Canada (32.0%). ⁷ In terms of the percentage of total aid disbursements from major DAC countries by region, the United States was the largest donor to the Middle East and North Africa (25.4%), Sub-Saharan Africa (38.6%), Latin America and the Caribbean (28.6%), and Europe (47.6%). Australia provided 51.9% of total ODA to Oceania. As these figures indicate, the regional priority of each donor is influenced by factors such as geographic proximity and historical background (Chart II-8).

⁶ OECD database (OECD.Stat) (December 2023)

⁷ OECD database (OECD.Stat) (December 2023)

Chart II-7

Bilateral ODA Distribution of Major DAC Countries by Sector (2022)

(Unit: %)

Sector \ Country	Japan	United States	United Kingdom	France	Germany	Italy	Canada	DAC Average
Social infrastructure (education, health, water and sewerage, etc.)	20.8	40.2	30.7	33.0	31.7	32.5	23.7	32.7
Economic infrastructure (transport, communications, electric power, etc.)	44.4	1.4	9.2	28.8	18.2	0.7	11.9	14.4
Agriculture, forestry, and fisheries	3.6	2.7	3.2	2.5	3.8	4.0	3.8	3.4
Manufacturing and other production sectors (mining, environmental protection, etc.)	16.1	1.8	13.8	12.1	17.6	6.1	3.9	9.2
Emergency response (humanitarian aid, etc.) and food aid	3.2	32.7	15.3	2.2	11.2	11.1	14.4	16.8
Program and other assistance (debt relief, administrative costs, etc.)	11.9	21.2	27.8	21.3	17.4	45.7	42.3	23.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

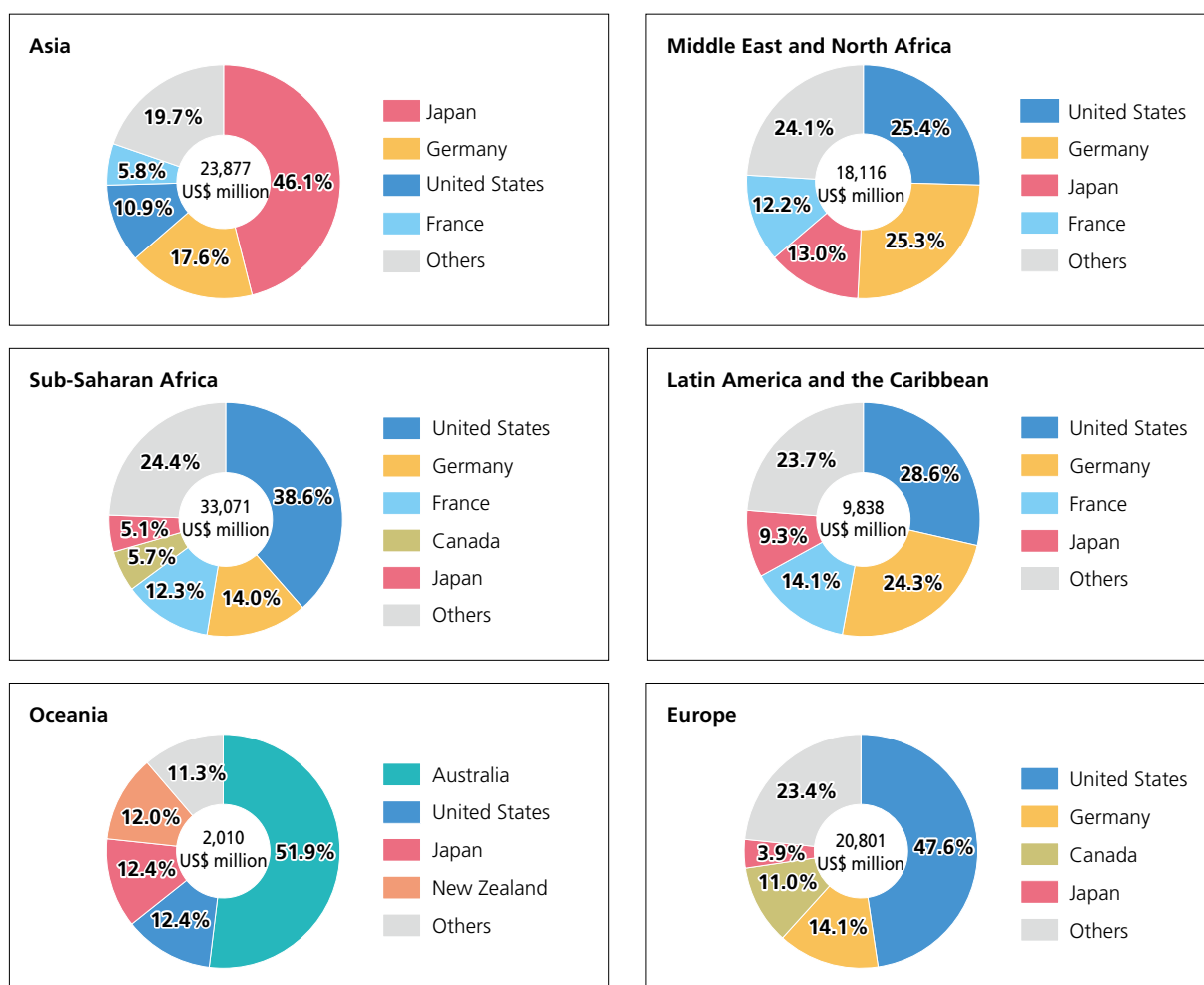
Source: OECD database (OECD.Stat) (December 2023)

Notes:

- Commitment basis
- Due to rounding, the totals for each sector may not add up to 100%.

Chart II-8

Major DAC Countries in ODA by Region (2022)



Source: OECD database (OECD.Stat) (December 2023)

Notes:

- Gross disbursement basis.
- Regional classifications are the same as the Chart IV (page 123).
- The figures in the graphs are the total ODA of DAC countries.

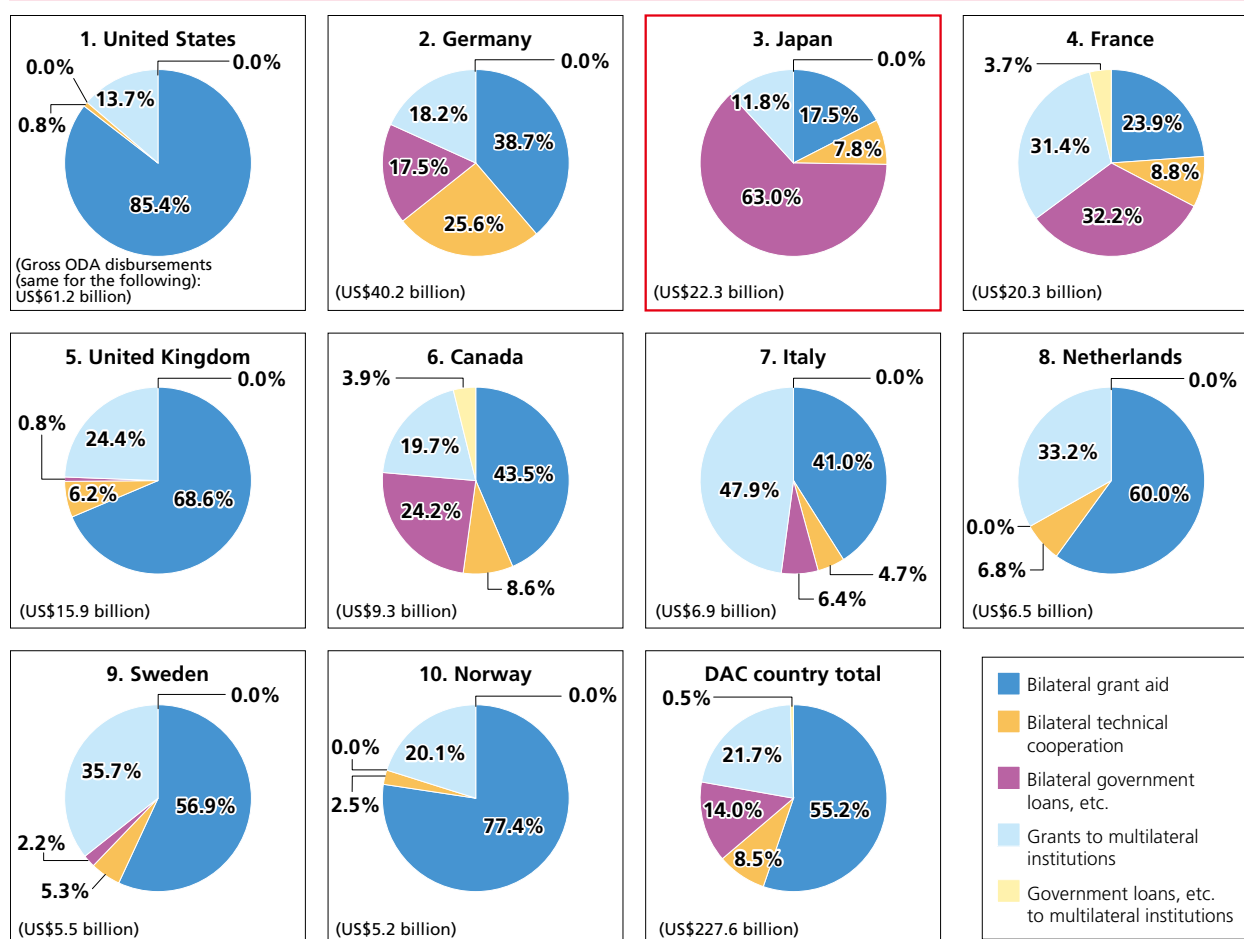
■ Disbursements by Type of Assistance

By type of assistance, approximately 85.5% of ODA provided by all DAC countries in 2022 were grants (bilateral grant aid⁸ : approximately 55.2%; bilateral technical cooperation: approximately 8.5%; grants to multilateral institutions: approximately 21.7%), and approximately 14.5% were government loans, etc. (bilateral loans: approximately 14.0%; loans to multilateral institutions: approximately 0.5%). With the exception of Japan, France, and Canada, the top 10 major DAC countries implemented most of their ODA as grants (bilateral grant aid, bilateral technical cooperation, and grants to multilateral institutions) (Chart II-9).

Loan aid (e.g., yen loan) accounts for a large share of Japan's ODA because Japanese assistance aims to

support developing countries' self-reliant efforts to achieve economic growth. This is based on the idea that effective development cooperation requires awareness raising that development is not granted; rather, it is something developing countries take ownership of. From the viewpoint of developing countries, they carry out projects aimed at their social and economic development with the funds they have borrowed. This in turn encourages the countries to work hard on their projects. Japan's cooperation strives to enable the people of developing countries to sustain and evolve the projects on their own even after Japan's yen loan projects are completed. This approach is unique to Japan, which places importance on self-help efforts.

Chart II-9 ODA of DAC Countries by Type of Assistance (2022)



Source: OECD database (OECD.Stat) (December 2023)

Notes:

- Top 10 DAC countries by ODA for 2022 based on gross disbursements.
- Due to rounding, the total may not add up to 100%.

⁸ Bilateral grant aid refers to grant aid, debt relief, and grants through multilateral institutions, etc., on Chart II-1 on page 13.