

# Chapter 1

## Japan's ODA in Terms of Disbursements



"Sihanoukville Port Urgent Expansion Project" (Cambodia) in which a clause for HIV/AIDS prevention was included in a construction contract for a Yen loan project. Since there is a concern that the number of HIV carriers will increase due to converging of laborers when implementing the project, Japan is working on preventive measures. (Photo: JBIC)

### Key Points

- Japan's ODA disbursement in 2003 (calendar year) has decreased for the third consecutive year since 2000, but Japan was still the second largest donor in the world as in the previous year.
- Yen loans, etc. (on a net disbursement basis by deducting the amount repaid from the amount of loans) largely decreased reflecting that the amount of past Yen loans repaid has constantly accumulated.

Japan's ODA (Official Development Assistance) disbursement<sup>1</sup> in 2003 as a whole decreased by 4.3% from the previous year to approximately 8,879.66 million dollars (decrease by 11.4% from the previous year to approximately 1.0292 trillion yen on a yen basis). Specifically, bilateral ODA decreased by 5.4% from the previous year to approximately 6,334.23 million dollars, and ODA through international organizations decreased by 1.7% from the previous year to approximately 2,545.43 million dollars. Bilateral ODA

accounts for approximately 70% of the Japan's entire ODA while ODA through international organizations accounts for approximately 30%, indicating that bilateral ODA comprises a central part. In general, bilateral ODA is expected to contribute to enhancing the amicable relationship between Japan and recipient countries through people-to-people ties formed by implementation of assistance projects formulated after consultation with developing countries. On the other hand, ODA through international organizations has advantages, such as being able to use the expertise and political neutrality of international organizations and being capable of providing support to countries and regions to which government-based assistance hardly reaches. Thus, Japan has taken a flexible approach in collaboration with international organizations.

Looking at bilateral ODA by scheme, in terms of grants, grant aid decreased by 1.2% from the previous year to approximately 1,695.72 million dollars (accounting for 26.8% of the entire bilateral ODA), and technical cooperation increased by 3.4% from the previous year to approximately 2,747.38 million dollars (43.4% of the same). Yen loans, etc. decreased by 18.5% from the previous year to approximately 1,891.13 million dollars (29.9% of the same). These schemes have different characteristics, and Japan has adopted these various schemes in a balanced manner in consideration of the actual conditions and assistance needs of recipient countries. Japan has historically provided support with the emphasis on human resources development and institution building through technical cooperation, which is also being reflected in disbursements in fiscal year 2003. In addition, a large decrease in Yen loans reflects that the figure is indicated on a net disbursement basis by deducting the amount repaid from the amount of loans and that the amount of past Yen loans repaid by developing countries, mainly those in Asia, has constantly accumulated.

Viewing bilateral ODA disbursements by region, assistance to Asia decreased by 21.0% from the previous year to approximately 3,226.09 million dollars, accounting for approximately 53.6% of the entire bilateral ODA. Assistance to Africa decreased by 9.2% from the previous year to approximately 529.98 million dollars (8.8% of bilateral ODA), that to the Middle East increased by 99.5% from the previous year to approximately 416.48 million dollars (6.9% of the same), that to Latin America decreased by 21.7% to approximately 463.87 million dollars (7.7% of the same), that to Oceania

1. Net disbursement basis; not including contributions to Eastern Europe, graduated countries, and the European Bank for Reconstruction and Development (EBRD); DAC statistics are used in this chapter, so data are those in calendar year 2003.

decreased by 44.2% to approximately 52.14 million dollars (0.9%), and that to Europe increased by 80.2% to approximately 215.47 million dollars (3.6%). In this way, approximately 50% of Japan's bilateral ODA is extended to the developing countries in Asia. When seen from the long historical span, economic cooperation to Asia has been gradually

decreasing due to recent economic development. However, Asia, which is closely linked to Japan, continues to receive the highest proportion of Japan's ODA even today.

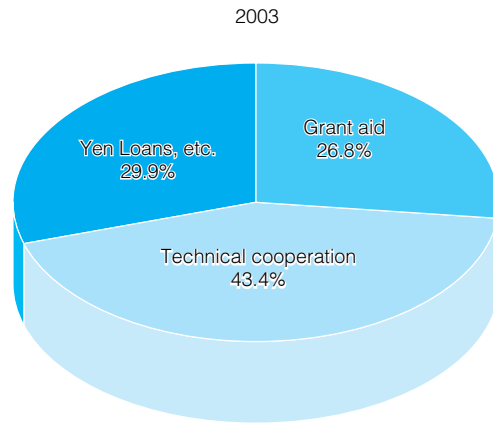
Chart II -1 Japan's ODA Disbursements of FY 2003

(Net disbursement basis)

Assistance disbursement (2003)		Dollar basis (\$ million)			Yen basis (¥100 million)			Percent distribution (%)	
		Disbursement	Disbursement in the previous year	Year-on-year rate (%)	Disbursement	Disbursement in the previous year	Year-on-year rate (%)	Total ODA	Bilateral ODA
Grant aid		1,699.03	1,718.28	-1.1	1,969.18	2,151.26	-8.5	19.7	28.3
	(Excludes disbursement to Eastern Europe and graduated countries)	1,695.72	1,715.99	-1.2	1,965.34	2,148.42	-8.5	19.1	26.8
Technical cooperation		2,845.18	2,754.49	3.3	3,297.56	3,448.62	-4.4	32.9	47.3
	(Excludes disbursement to Eastern Europe and graduated countries)	2,747.38	2,656.66	3.4	3,184.22	3,326.14	-4.3	30.9	43.4
Total grants		4,544.21	4,472.75	1.6	5,266.74	5,599.88	-5.9	52.6	75.6
	(Excludes disbursement to Eastern Europe and graduated countries)	4,443.10	4,372.65	1.6	5,149.55	5,474.55	-5.9	50.0	70.1
Yen Loans, etc.		1,469.44	2,253.17	-34.8	1,703.08	2,820.96	-39.6	17.0	24.4
	(Loans actually made)	(6069.78)	(5315.59)	(14.2)	(7034.88)	(6655.12)	(5.7)	(70.3)	(100.9)
	(Loans repaid)	(4600.34)	(3062.42)	(50.2)	(5331.80)	(3834.15)	(39.1)	(53.3)	(76.5)
	(Excludes disbursement to Eastern Europe and graduated countries)	1,891.13	2,319.64	-18.5	2,191.82	2,904.19	-24.5	21.3	29.9
Total bilateral ODA		6,013.65	6,725.91	-10.6	6,969.82	8,420.85	-17.2	69.6	100.0
	(Excludes disbursement to Eastern Europe and graduated countries)	6,334.23	6,692.29	-5.4	7,341.38	8,378.75	-12.4	71.3	100.0
Contributions to and investments in international organizations, etc.		2,624.46	2,633.29	-0.3	3,041.75	3,296.88	-7.7	30.4	
	(Excludes contributions to the EBRD)	2,545.43	2,590.67	-1.7	2,950.15	3,243.52	-9.0	28.7	
Total ODA (Includes Eastern Europe, graduated countries and the EBRD)		8,638.11	9,359.21	-7.7	10,011.56	11,717.73	-14.6	100.0	
	(Excludes disbursement to Eastern Europe, graduated countries and the EBRD)	8,879.66	9,282.96	-4.3	10,291.53	11,622.27	-11.4	100.0	
	(Excludes disbursement to Eastern Europe, graduated countries and the EBRD)	4,375.70	4,043.89	8.2	507,144.10	506,295.40	0.2		
Nominal GNI (preliminary figures) (\$billion / ¥billion)		0.20	0.23		0.20	0.23			
Ratio to GNI (%): (Includes Eastern Europe, graduated countries and the EBRD)		0.20	0.23		0.20	0.23			

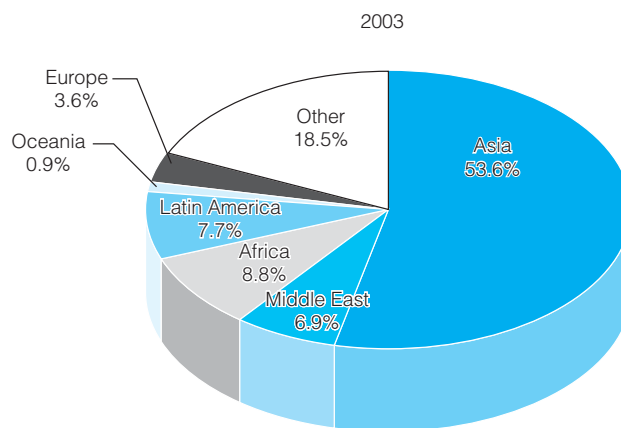
- Notes: (1) Japan made disbursement to the following 13 graduated countries/regions: Brunei, Kuwait, Qatar, Singapore, UAE (United Arab Emirates), Israel, Hong Kong, Cyprus, Republic of Korea (ROK), Macau, Libya, Malta, and Slovenia.  
(2) Rate designated by DAC in 2003: \$1 = ¥115.9 (yen appreciated by ¥9.30 compared to 2002)  
(3) As the figures in the table are rounded off, they do not necessarily add up to the totals.  
(4) EBRD = European Bank for Reconstruction and Development

Chart II-2 Japan's Bilateral ODA Disbursement by Scheme



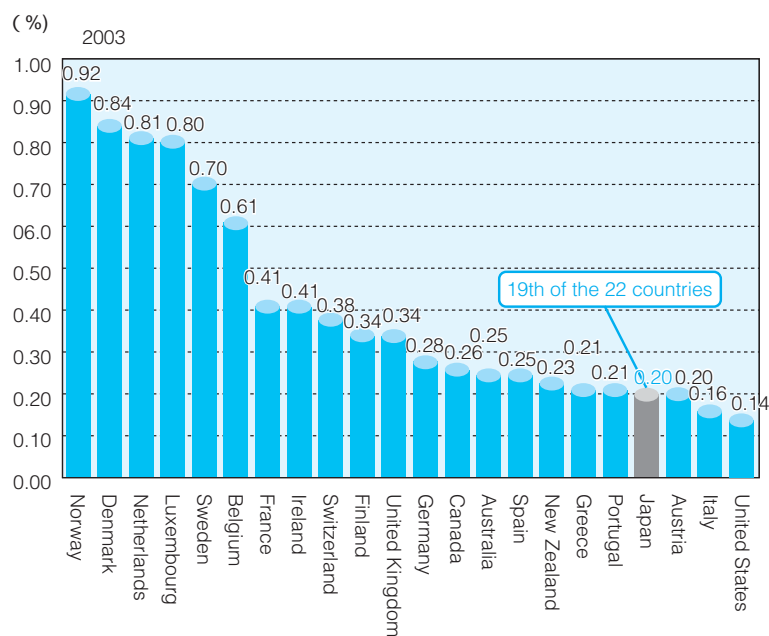
Notes: (1) As the figures in the table are rounded off, they do not necessarily add up to the totals.  
(2) Excludes aid to Eastern Europe and graduated countries

Chart II-3 Japan's Bilateral ODA Disbursement by Region



Notes: (1) As the figures in the table are rounded off, they do not necessarily add up to the totals.  
(2) Includes aid to Eastern Europe and graduated

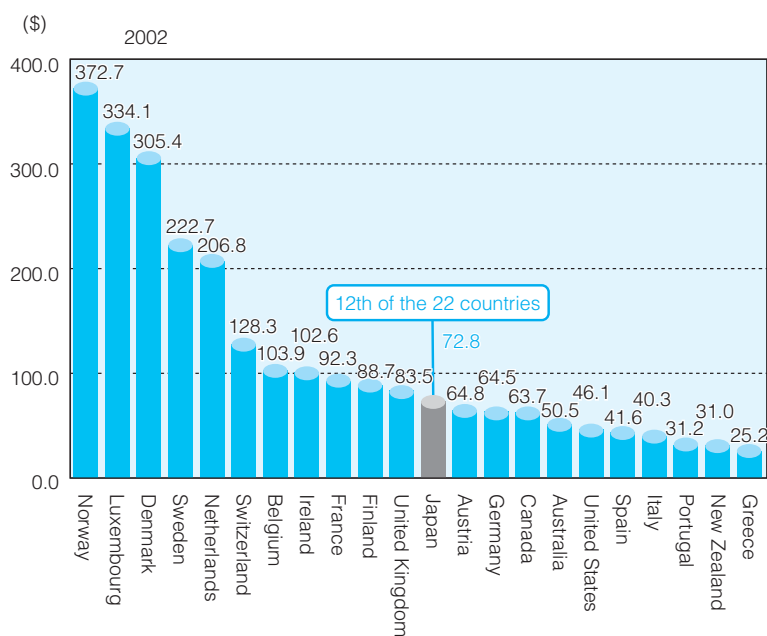
Chart II-4 ODA to GNI Ratio of DAC Countries



Source: DAC press release, 2004, DAC Journal

Notes: (1) Excludes aid to Eastern Europe and graduated countries  
 (2) Figures for countries other than Japan are estimates.

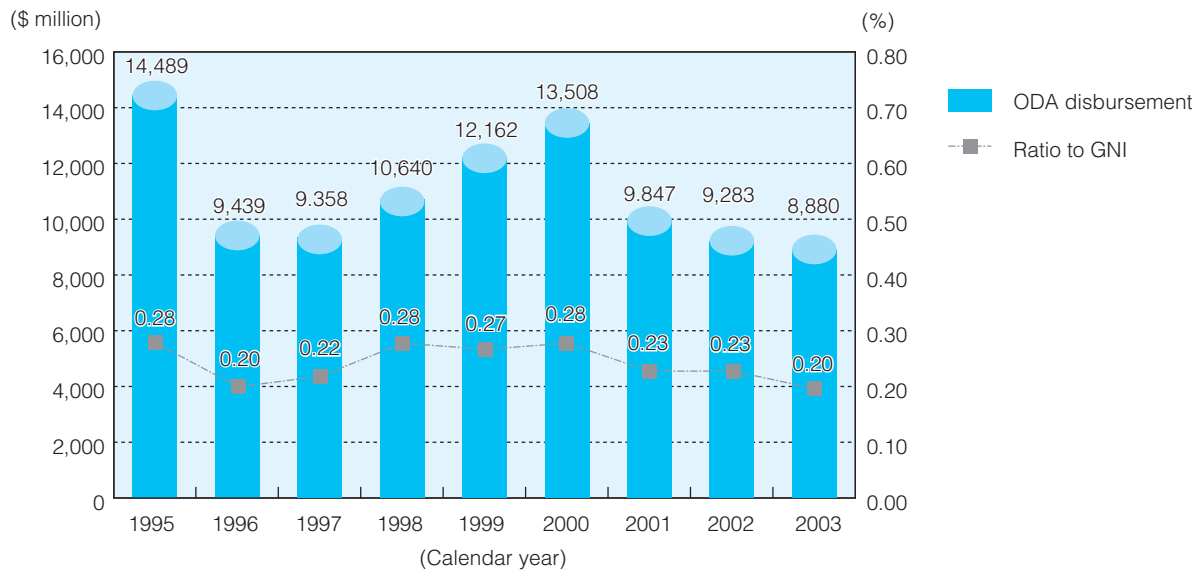
Chart II-5 Burden of ODA Disbursement Per National in DAC Countries



Source: Development Cooperation 2003 Report

Note: Excludes aid to Eastern Europe and graduated countries

Chart II-6 Trends in Japan's ODA Disbursement and ODA to GNI Ratio



Notes: (1) Uses ratios to GNP for years up to 1998 and ratios to GNI for years from 1990 onwards (GNP: gross national product; GNI: gross national income)  
 (2) Net disbursement basis for ODA disbursement; excludes aid to Eastern Europe and graduated countries.

Chart II-7 Amount of Assistance to LDC in Japan's Bilateral Assistance

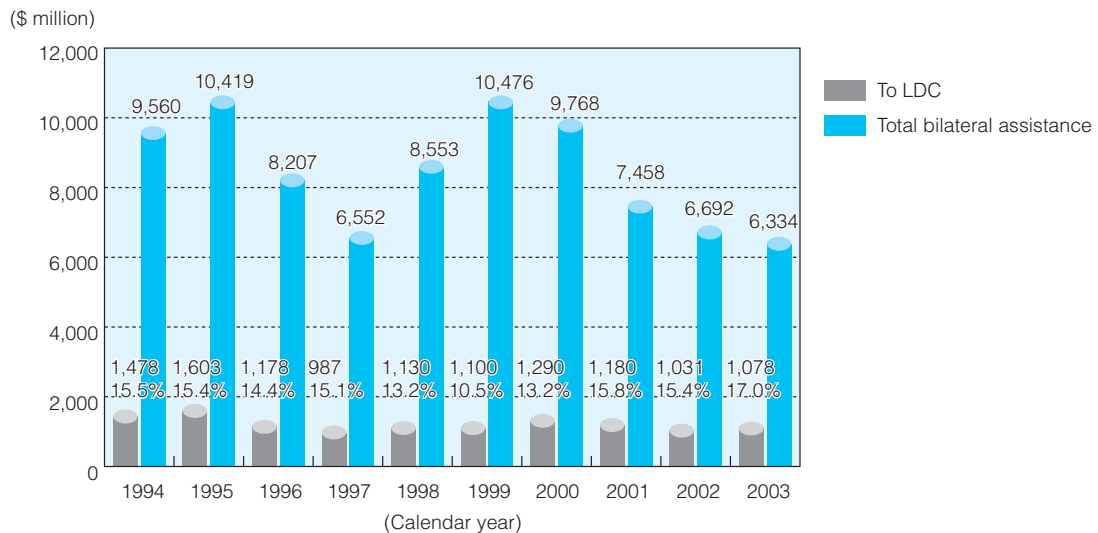
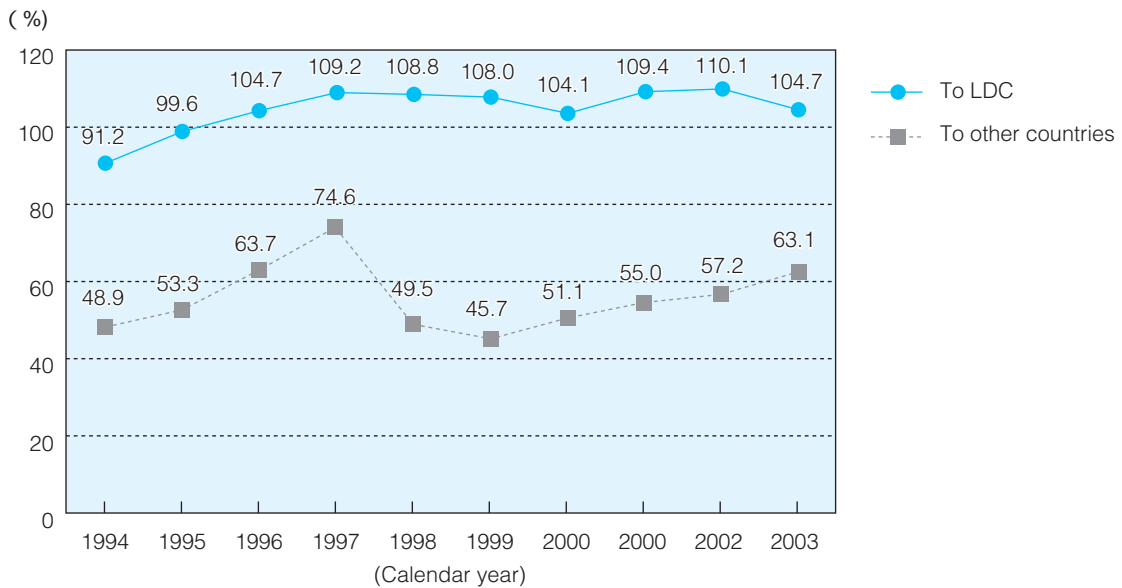


Chart II-8 Ratio of Grants to LDC in Japan's Bilateral Assistance



Notes: The formula for calculating the grant ratio is as follows: Total grants/total bilateral ODA x 100(%).  
If Yen loans, etc. repaid exceed those provided, total grants (grant aid + technical cooperation) exceeds total bilateral ODA, so the grant ratio exceeds 100%.

Chart II-9 Trends in Japan's ODA Budget and Other Major Expenditures

