

Chapter 1

Japan's Official Development Assistance (ODA) Budget

Section 1 ODA Budget for FY 2004 (Original Budget)

Major points in the Fiscal Year 2004 ODA Budget

- More efficient support Striving to disburse ODA more efficiently by strategically supporting specific countries, prioritizing national interests based on the ODA Charter.

(¥100million)

Item	FY 2003	FY 2004	Change
ODA	8,578	8,169	-409(-4.8%)

Ministry of Foreign Affairs: ¥ 500.1 billion (-3.2%)

Ministry of Finance: ¥ 219.9 billion (-7.4%)

□ Response to the Current State of International Affairs like Reconstruction of Iraq

1. Prioritizing on important issues such as reconstruction assistance

○ Grant aid

- Substantive increase in emergency grant aid for reconstruction of Iraq and other issues (From ¥ 22.2 billion to 31.7 billion)
- Preservation of Grant Assistance-Grassroots/Human Security Projects (¥ 15 billion)
- Increase in grant aid for conflict prevention and peace building (From ¥ 12 billion to ¥ 16.5 billion)

○ Technical cooperation

- Increase in technical cooperation by JICA to Iraq, Afghanistan, and other countries (+ ¥ 2.5 billion)
- Increase in assistance by JICA countermeasures to protect against infectious diseases such as SARS (+ ¥ 0.9 billion)

2. Contributions to international institutions more efficiently and strategically

○ Stabilize the amount of contributions to major international organizations by extending ODA on a foreign-currency basis

- Voluntary contributions to the United Nations Development Programme (UNDP) (\$86.77 million, from ¥ 10.6 billion to ¥ 9.5 billion)

○ Decrease in or abolition of contributions that are small or are partially unused and carried forward

□ Implementing ODA effectively and efficiently

1. Accelerating the visibility of Japanese aid

- Increase in Grant Assistance for Japanese NGO Projects (From ¥ 2.2 billion to ¥ 2.7 billion)
- Government-financed students (new) 5,325 (an increase of 40), honors scholarships for privately-financed students, etc. 11,400(an increase of 150)

2. Revision of the Unit Cost

- Revising the unit cost by shortening the dispatch period of experts, and improving the existing contract method relating to costs of consultants
(JICA: ¥ -2 billion)

□ Strengthening security of Japanese Embassies and Consulates in overseas

○ Substantive increase in security-related budgets of Japanese Embassies and Consulates in overseas (From ¥ 3.8 billion to ¥ 7.9 billion (Of which, ODA budget increased from ¥ 1.6 billion to ¥ 3.3 billion))

- Drastically increasing the number of security guards to 1,420 (+770)
- Considerably increasing the number of temporary security guards to 211 (+131)
- Hiring special bodyguards (Newly added to embassies in Iraq and Afghanistan)
- Providing safety training programs to officials working overseas (Newly added to 40 Japanese Embassies and Consulates in overseas diplomatic missions)

Chart III-1 Changes in the ODA Budget

(100 million, %)

Item	FY 1998		FY 1999		FY 2000		FY 2001		FY 2002		FY 2003		FY 2004	
	Project budget	General account	Project budget	General account	Project budget	General account	Project budget	General account	Project budget	General account	Project budget	General account	Project budget	General account
I. Grants	8,863 (-14.6)	7,233 (-6.2)	9,284 (4.7)	7,363 (1.8)	9,195 (-1.0)	7,403 (0.5)	9,118 (-0.8)	7,307 (-1.3)	8,766 (-3.9)	6,915 (-5.4)	8,067 (-8.0)	6,575 (-4.9)	7,700 (-4.5)	6,303 (-4.1)
1. Bilateral grants	6,296 (-6.0)	6,043 (-5.8)	6,288 (-0.1)	6,041 (-0.0)	6,305 (0.3)	6,066 (0.4)	6,246 (-0.9)	5,985 (-1.3)	5,992 (-4.1)	5,736 (-4.2)	5,589 (-6.7)	5,476 (-4.5)	5,295 (-5.3)	5,279 (-3.6)
(1)Grant aid for economic development assistance	1,995	1,995	1,998	1,998	2,079	2,079	2,054	2,054	2,086	2,086	1,736	1,736	1,667	1,667
(2)Grant aid for increase of food production	263	263	254	254	214	214	213	213	128	128	51	51	50	50
(3) Food aid (KR)	145	145	127	127	112	112	103	103	107	107	108	108	104	104
(4)Budget for Japan Bank for International Cooperation (JBIC)	-	-	-	-	-	-	-	-	-	-	300	300	300	300
(5)Technical cooperation	3,760	3,507	3,794	3,546	3,795	3,555	3,776	3,516	3,602	3,345	3,341	3,228	3,134	3,118
(6)Others	134	134	116	116	106	106	100	100	70	70	53	53	40	40
2. Contributions and donations, etc. to multilateral institutions	2,567 (-30.3)	1,190 (-8.3)	2,995 (16.7)	1,322 (11.1)	2,890 (-3.5)	1,337 (1.1)	2,872 (-0.6)	1,322 (-1.1)	2,774 (-3.4)	1,180 (-10.8)	2,479 (-10.6)	1,099 (-6.8)	2,405 (-3.0)	1,023 (-6.9)
(1)International organizations including the United Nations (UN), etc.	757	755	806	802	791	788	810	807	768	765	748	745	712	709
(2)Multilateral development banks (MDBs)	1,810	435	2,189	519	2,098	549	2,062	515	2,006	415	1,731	354	1,693	315
II. Loans	5,027 (-21.3)	3,239 (-18.4)	6,168 (22.7)	3,126 (-3.5)	5,920 (-4.0)	3,063 (-2.0)	5,382 (-9.1)	2,845 (-7.1)	4,007 (-25.6)	2,191 (-23.0)	3,503 (-12.6)	2,003 (-8.6)	2,906 (-17.0)	1,866 (-6.8)
(1)Overseas Economic Cooperation Fund (OECF)	4,911	3,239	2,025	1,277	0	0	-	-	-	-	-	-	-	-
(2)JBIC	-	-	3,908	1,849	5,672	3,063	5,205	2,845	3,919	2,191	3,454	2,003	2,886	1,866
(3)Export-Import Bank of Japan	-115	-	-29	-	0	-	-	-	-	-	-	-	-	-
(4)Others	232	-	264	-	248	-	177	-	87	-	49	-	20	-
III. Total	13,891 (-17.1)	10,473 (-10.4)	15,452 (11.2)	10,489 (0.2)	15,115 (-2.2)	10,466 (-0.2)	14,500 (-4.1)	10,152 (-3.0)	12,773 (-11.9)	9,106 (-10.3)	11,570 (-9.4)	8,578 (-5.8)	10,607 (-8.3)	8,169 (-4.8)

Note: Due to rounding the total may not equal the sum of the parts. The figures in brackets show the percentage increase or decrease compared to the previous fiscal year.

Chart III -2 ODA Budget

(100 million, %)

	FY 2003		FY 2004		
	Budget	Growth rate (%)	Budget	Amount of increase/decrease	Growth rate (%)
General account budget	8,578	-5.8	8,169	-409	-4.8
Project budget (net)	11,570	-9.4	10,607	-964	-8.3
Scale of operations (gross)	15,598	-5.9	14,827	-771	-4.9
(Reference) Yen-dollar rate	122	-	110	-	-

Note: As the figures in the table are rounded off, they do not necessarily add up to the totals.

Chart III -3 General Account Budget

Reference: General Account Budget for FY 2004

(100 million, %)

	FY 2003		FY 2004		
	Budget		Budget	Amount of increase/decrease	Growth rate (%)
General expenditure	475,922		476,320	398	0.1
ODA	8,578		8,169	-409	-4.8
Public projects	80,971		78,159	-2,812	-3.5
Defense	49,530		49,030	-500	-1.0
Social security	189,907		197,970	8,063	4.2
Education/science	64,712		61,330	-3,382	-5.2
Others	341,969		344,789	2,820	0.8
Total	817,891		821,109	3,218	0.4

Note: As the figures in the table are rounded off, they do not necessarily add up to the totals.

(General Account ODA Budget)

(100 million, %)

	FY 2003		FY 2004		
	Budget	Growth rate (%)	Budget	Amount of increase/decrease	Growth rate (%)
Bilateral grants	5,476	-4.5	5,279	-196	-3.6
Grant aid for economic development	1,736	-16.8	1,667	-70	-4.0
Aid for increased food production, etc.	159	-32.5	154	-4	-2.6
Transferred to separate trade insurance account	53	-25.0	40	-13	-23.8
Subsidy for JBIC	300	All increase	300	0	0.0
Subtotal	2,247	-6.0	2,161	-86	-3.8
Technical cooperation	3,228	-3.5	3,118	-110	-3.4
Of which, JICA	1,640	-3.6	1,612	-28	-1.7
Investments and contributions to international organizations	1,099	-6.8	1,023	-76	-6.9
UN agencies	745	-2.6	709	-36	-4.8
Multilateral development banks	354	-14.6	315	-40	-11.2
Total grants	6,575	-4.9	6,303	-272	-4.1
Loans (Investments in JBIC)	2,003	-8.6	1,866	-137	-6.8
Total	8,578	-5.8	8,169	-409	-4.8

Note: As the figures in the table are rounded off, they do not necessarily add up to the totals.

Chart III-4 Breakdown of ODA Operating Budget

(100 million, %)

	FY 2003			FY 2004			
	Budget	Growth rate (%)	Composition ratio	Budget	Amount of increase/decrease	Growth rate (%)	Composition ratio
Grants	8,067	-8.0	51.7	7,700	-367	-4.5	51.9
Loans	7,531	-3.5	48.3	7,126	-405	-5.4	48.1
Total scale of operations	15,598	-5.9	100.0	14,827	-771	-4.9	100.0
(Reference)Repayment	-4,028	-	-	-4,220	-	-	-
Net total	11,570	-9.4	-	10,607	-964	-8.3	-

Note: As the figures in the table are rounded off, they do not necessarily add up to the totals.

* In addition to the above, the ODA operating budget includes operations carried out by independent administrative institutions that were previously special corporations.

(Grant)

(100 million, %)

	FY 2003		FY 2004		
	Budget	Growth rate (%)	Budget	Amount of increase/decrease	Growth rate (%)
Bilateral grants	5,589	-6.7	5,295	-294	-5.3
Grant aid for economic development	1,736	-16.8	1,667	-70	-4.0
Aid for increased food production, etc.	159	-32.5	154	-4	-2.6
Transferred to separate trade insurance account	53	-25.0	40	-13	-23.8
Subsidy for JBIC	300	All increase	300	-0	0.0
Subtotal	2,247	-6.0	2,161	-86	-3.8
Technical cooperation	3,341	-7.2	3,134	-207	-6.2
Of which, JICA	1,640	-3.6	1,612	-28	-1.7
Investments and contributions to international organizations	2,479	-10.6	2,405	-73	-3.0
UN agencies	748	-2.6	712	-36	-4.8
Multilateral development banks	1,731	-13.7	1,693	-37	-2.2
Total	8,067	-8.0	7,700	-367	-4.5

Note: As the figures in the table are rounded off, they do not necessarily add up to the totals.

* In addition to the above, the ODA operating budget includes operations carried out by independent administrative institutions that were previously special corporations.

(Loans)

(100 million, %)

	FY 2003		FY 2004		
	Budget	Growth rate (%)	Budget	Amount of increase/decrease	Growth rate (%)
Loans	7,531	-3.5	7,126	-405	-5.4
Of which, JBIC	7,400	-2.6	7,000	-400	-5.4
Repayment	-4,028	6.0	-4,220	-192	4.8
Total	3,503	-12.6	2,906	-597	-17.0

Chart III-5 General Account Budget for ODA (All government agencies)

(100 million, %)

Item	FY 2002			FY 2003			FY 2004		
	Budget	Amount of increase/decrease	Growth rate (%)	Budget	Amount of increase/decrease	Growth rate (%)	Budget	Amount of increase/decrease	Growth rate (%)
I. Grants	6,915	-392	-5.4	6,575	-341	-4.9	6,303	-272	-4.1
1. Bilateral grants	5,736	-249	-4.2	5,476	-260	-4.5	5,279	-196	-3.6
(1) Grant aid for economic development	2,086	32	1.6	1,736	-350	-16.8	1,667	-70	-4.0
(2) Aid for increased food production, etc.	235	-81	-25.6	159	-76	-32.5	154	-4	-2.6
(3) Transferred to separate trade insurance account	70	-30	-30.0	53	-18	-25.0	40	-13	-23.8
(4) Subsidy for JBIC	-	-	-	300	300	All increase	300	0	0.0
(5) Technical cooperation	3,345	-170	-4.8	3,228	-117	-3.5	3,118	-110	-3.4
2. Investments and contributions to international organizations	1,180	-143	-10.8	1,099	-81	-6.8	1,023	-76	-6.9
(1) UN agencies	765	-42	-5.2	745	-20	-2.6	709	-36	-4.8
(2) Multilateral development banks	415	-100	-19.5	354	-61	-14.6	315	-40	-11.2
II. Loans	2,191	-654	-23.0	2,003	-188	-8.6	1,866	-137	-6.8
JBIC	2,191	-654	-23.0	2,003	-188	-8.6	1,866	-137	-6.8
III. Total	9,106	-1,046	-10.3	8,578	-529	-5.8	8,169	-409	-4.8

Note: As the figures in the table are rounded off, they do not necessarily add up to the totals.

Chart III-6 ODA Operating Budget (All government agencies)

Item	FY 2002			FY 2003			FY 2004		
	Budget	Amount of increase/decrease	Growth rate (%)	Budget	Amount of increase/decrease	Growth rate (%)	Budget	Amount of increase/decrease	Growth rate (%)
I. Grants	8,766	-351	-3.9	8,067	-699	-8.0	7,700	-367	-4.5
1. Bilateral grants	5,992	-254	-4.1	5,589	-404	-6.7	5,295	-294	-5.3
(1) Grant aid for economic development	2,086	32	1.6	1,736	-350	-16.8	1,667	-70	-4.0
(2) Aid for increased food production, etc.	235	-81	-25.6	159	-76	-32.5	154	-4	-2.6
(3) Transferred to separate trade insurance account	70	-30	-30.0	53	-18	-25.0	40	-13	-23.8
(4) Subsidy for JBIC	-	-	-	300	300	All increase	300	0	0.0
(5) Technical cooperation	3,602	-175	-4.6	3,341	-260	-7.2	3,134	-207	-6.2
2. Investments and contributions to international organizations	2,774	-98	-3.4	2,479	-295	-10.6	2,405	-73	-3.0
(1) UN agencies	768	-42	-5.2	748	-20	-2.6	712	-36	-4.8
(2) International development banks	2,006	-56	-2.7	1,731	-275	-13.7	1,693	-37	-2.2
II. Loans	7,808	-1,270	-14.0	7,531	-277	-3.5	7,126	-405	-5.4
(1) JBIC	7,600	-1,100	-12.6	7,400	-200	-2.6	7,000	-400	-5.4
(2) Others	208	-170	-45.0	131	-77	-36.9	126	-5	-3.5
III. Total (Scale of operations)	16,574	-1,621	-8.9	15,598	-976	-5.9	14,827	-771	-4.9
(Reference)Repayment	-3,801			-4,028			-4,220		
Net total	12,773	-1,727	-11.9	11,570	-1,203	-9.4	10,607	-964	-8.3

Note: As the figures in the table are rounded off, they do not necessarily add up to the totals.

* In addition to the above, the ODA operating budget includes operations carried out by independent administrative institutions that were previously special corporations.

Section 2 Initial Operating Budget of Each Ministry and the Overview of Their Operations

Chart III-8 Trends in ODA Budget by Ministry (General account budget)

(million, %)

	FY 2003	FY 2004		
	Budget	Budget	Amount of increase/decrease	Growth rate (%)
Cabinet Office	1,106	71	-1,035	-93.6
National Police Agency	60	37	-23	-38.2
Financial Services Agency	125	118	-7	-5.9
Ministry of Internal Affairs and Communications	979	923	-56	-5.7
Ministry of Justice	423	395	-29	-6.8
Ministry of Foreign Affairs	516,526	500,065	-16,460	-3.2
Ministry of Finance	237,466	219,912	-17,554	-7.4
Ministry of Education, Culture, Sports, Science and Technology	46,406	44,274	-2,132	-4.6
Ministry of Health, Labour and Welfare	11,371	10,473	-898	-7.9
Ministry of Agriculture, Forestry and Fisheries	5,796	5,479	-317	-5.5
Ministry of Economy, Trade and Industry	36,117	33,602	-2,515	-7.0
Ministry of Land, Infrastructure and Transport	1,177	1,072	-105	-8.9
Ministry of the Environment	208	445	237	114.3
	857,759	816,864	-40,895	-4.8

Note: As the figures in the table are rounded off, they do not necessarily add up to the totals.

Chart III-9 Trends in ODA Budget by Ministry (ODA operating budget)

(million, %)

	FY 2003	FY 2004		
	Budget	Budget	Amount of increase/decrease	Growth rate (%)
Cabinet Office	1,106	71	-1,035	-93.6
National Police Agency	60	37	-23	-38.2
Financial Services Agency	125	118	-7	-5.9
Ministry of Internal Affairs and Communications	979	923	-56	-5.7
Ministry of Justice	423	395	-29	-6.8
Ministry of Foreign Affairs	518,747	502,636	-16,111	-3.1
Ministry of Finance	913,222	869,374	-43,848	-4.8
Ministry of Education, Culture, Sports, Science and Technology	55,881	44,274	-11,607	-20.8
Ministry of Health, Labour and Welfare	13,307	12,170	-1,137	-8.5
Ministry of Agriculture, Forestry and Fisheries	18,296	17,383	-913	-5.0
The Ministry of Agriculture, Forestry and Fisheries	36,316	33,801	-2,515	-6.9
Ministry of Economy, Trade and Industry	1,177	1,072	-105	-8.9
Ministry of Land, Infrastructure and Transport	208	445	237	114.3
Ministry of the Environment	1,559,846	1,482,696	-77,149	-4.9
Total(Scale of operations)	-402,808	-422,033		
(Reference) Repayment	1,157,037	1,060,664	-96,373	-8.3

Note: As the figures in the table are rounded off, they do not necessarily add up to the totals.

* In addition to the above, the ODA operating budget includes operations carried out by independent administrative institutions that were previously special corporations.