

Part III

OFFICIAL DEVELOPMENT ASSISTANCE IN FY2007

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Chapter 1

Japan's Official Development Assistance in Terms of Disbursement



(Source: AFP=Jiji)

Japan's net bilateral ODA disbursements¹ in 2007 totaled approximately US\$5,777.97 million (approximately ¥680.6 billion). Japan's contributions to international organizations totaled approximately US\$1,900.80 million (approximately ¥223.9 billion)² in 2007. These figures make for a 31% reduction to approximately US\$7,678.76 million in 2007, compared with overall ODA disbursements in the previous fiscal year (approximately a 30.2% decrease compared to the previous year on a yen base, to approximately ¥904.6 billion).³

With regard to gross disbursements excluding received loan aid, bilateral ODA disbursements⁴ totaled approximately US\$13,566.11 million (approximately ¥1,598.1 billion). This represented a decline by roughly 20.5% (approximately a 19.5% decrease on a yen base) on the previous year.

<Disbursement Analysis>

Japan's 2007 ODA net disbursements ranked fifth, behind the United States, Germany, France, and the United Kingdom, amongst the members of OECD-DAC⁵ member countries.⁶ The main causes for the decrease included contributions to international organizations and a shrink in debt relief. Contributions to international organizations decreased due to decreased lending to international institutions. Decrease of debt relief is explained mainly by a lack of massive debt relief in 2007 as Japan did for Nigeria in 2006, for instance.

A breakdown of 2007 ODA disbursements (net base) shows that bilateral ODA accounted for roughly 75.2% of overall disbursements, while ODA via international organizations accounted for approximately 24.8%. Bilateral ODA is to contribute for strengthening of the relationship between Japan and developing countries, as assistance is

1 Excluding assistance to Eastern Europe and graduated countries.

2 Excluding contributions to the European Bank for Reconstruction and Development (EBRD).

3 Due to rounding the total may not equal the sum of the figures in the charts.

4 Excluding assistance to East Europe and graduated countries and contributions to the EBRD.

5 OECD-DAC: Organisation for Economic Co-operation and Development-Development Assistance Committee.

6 Figures from countries other than Japan are provisional.

Chart III-1. ODA by Type

ODA by Type (definite value)

(Net disbursement basis)

ODA disbursements in 2007 (calendar year)	Dollar basis (US\$1 million)			Yen basis (¥100 million)			Percent of total (%)
	Type	Current year	Previous year	Change from the previous year (%)	Current year	Previous year	
Grant aid	3,416.10	5,050.26	-32.4	4,024.16	5,878.51	-31.5	44.1
debt relief	1,941.35	3,544.08	-45.2	2,286.91	4,125.31	-44.6	25.1
grants provided through multilateral institutions	395.45	376.82	4.9	465.84	438.62	6.2	5.1
grant aid excluding the above	1,079.30	1,129.36	-4.4	1,271.42	1,314.58	-3.3	13.9
Grant aid (excluding disbursements for Eastern Europe and graduated countries)	3,413.91	5,047.10	-32.4	4,021.59	5,874.83	-31.5	44.5
debt relief	1,941.35	3,544.08	-45.2	2,286.91	4,125.31	-44.6	25.3
grants provided through multilateral institutions	395.03	376.50	4.9	465.35	438.25	6.2	5.1
grant aid excluding the above	1,077.53	1,126.52	-4.3	1,269.33	1,311.27	-3.2	14.0
Technical cooperation	2,630.01	2,672.24	-1.6	3,098.15	3,110.49	-0.4	33.9
Technical cooperation (excluding disbursements for Eastern Europe and graduated countries)	2,568.91	2,603.20	-1.3	3,026.17	3,030.13	-0.1	33.5
Total grants	6,046.10	7,722.51	-21.7	7,122.31	8,989.00	-20.8	78.0
Total grants (excluding disbursements for Eastern Europe and graduated countries)	5,982.82	7,650.30	-21.8	7,047.76	8,904.95	-20.9	77.9
Loan aid	-206.06	-292.82		-242.74	-340.84		-2.7
(loop aid, excluding debt relief)	159.46	248.72	-35.89	187.84	289.51	-35.12	
(amount disbursed)	5,747.36	5,706.61	0.71	6,770.39	6,642.49	1.93	
(amount received)	5,953.43	5,999.43	-0.77	7,013.14	6,983.33	0.43	
(amount received excluding debt relief)	5,587.90	5,457.89	2.38	6,582.55	6,352.98	3.61	
Loan aid (excluding disbursements for Eastern Europe and graduated countries)	-204.67	-388.55		-241.10	-452.27		-2.7
(loop aid, excluding debt relief)	160.85	152.99	5.14	189.48	178.08	6.40	
(amount disbursed)	5,682.67	5,539.66	2.6	6,694.19	6,448.16	3.8	
(amount received)	5,887.34	5,928.21	-0.7	6,935.29	6,900.44	0.5	
(amount received excluding debt relief)	5,521.82	5,386.67	2.5	6,504.71	6,270.09	3.7	
Total bilateral ODA	5,840.04	7,429.69	-21.4	6,879.56	8,648.15	-20.5	75.4
Total bilateral ODA (excluding disbursements for Eastern Europe and graduated countries)	5,778.15	7,261.75	-20.4	6,806.66	8,452.68	-19.5	75.2
Contributions and subscriptions to multilateral institutions	1,907.35	3,877.89	-50.8	2,246.86	4,513.87	-50.2	24.6
Contributions and subscriptions to multilateral institutions (excluding contributions to the EBRD)	1,900.80	3,873.98	-50.9	2,239.14	4,509.32	-50.3	24.8
Total ODA (net disbursement)	7,747.39	11,307.58	-31.5	9,126.42	13,162.02	-30.7	100.0
Total ODA (net disbursement) (excluding disbursements for Eastern Europe, graduated countries and the EBRD)	7,678.95	11,135.74	-31.0	9,045.80	12,962.00	-30.2	100.0
Total ODA (gross disbursement)	13,700.81	17,307.00	-20.8	16,139.56	20,145.35	-19.9	
Total ODA (gross disbursement) (excluding disbursements for Eastern Europe, graduated countries and the EBRD)	13,566.29	17,063.95	-20.5	15,981.09	19,862.43	-19.5	
Preliminary estimate of nominal Gross National Income (GNI) (US\$1 billion, ¥1 billion)	4,524.08	4,486.03	0.8	532,936.30	522,174.00	2.1	
% of GNI	0.17	0.25		0.17	0.25		
% of GNI (excluding disbursements for Eastern Europe, graduated countries and the EBRD)	0.17	0.25		0.17	0.25		

Notes: (1) Japan has a record of disbursements to the following 10 graduated countries and regions: Brunei, Singapore, the United Arab Emirates, Israel, Hong Kong, the Republic of Korea (ROK), Macao, Slovenia, Bahrain and the Bahamas.

(2) The 2007 exchange rate designated by the Development Assistance Committee (DAC): US\$1 = ¥117.8 (¥1.4 depreciation compared to 2006).

(3) Due to rounding the total may not equal the sum of each type of assistance.

(4) EBRD = European Bank for Reconstruction and Development.

(5) Debt relief includes debt cancellation of yen loans and debt reduction of insured commercial claims. It does not include debt rescheduling.

(6) Grants provided through multilateral institutions have conventionally been reported as "Contributions and subscriptions to international organizations, etc."

However, since 2006, expenditures clearly addressing a country at the point of disbursement are considered as bilateral ODA and therefore newly reported as "Grant aid."

provided after discussions are held with these countries. Provision of ODA via international organizations carries the benefits of being able to utilize specialized knowledge, to ensure political neutrality, and to allow for assistance for countries and regions that are difficult to deliver to on a governmental level. Therefore, Japan flexibly distinguishes between bilateral assistance and assistance via international organizations, while instituting collaborations between these two means and ensuring the manner of assistance is adequate.

<Bilateral ODA Disbursement>

● Breakdown by method⁷

A breakdown of bilateral ODA indicates that disbursements calculated as grant aid totaled approximately US\$3,413.91 million, amounting to roughly 44.5% of overall net ODA disbursements. Of this amount, debt relief accounted for US\$1,941.35 million at roughly 25.3%; grant aid through international organizations accounted for around 5.1% at US\$395.03 million; and funds provided by Japan for grant aid excluding other aforementioned categories accounted for about 14% at US\$1,077.53 million.

Additionally, technical cooperation accounted for

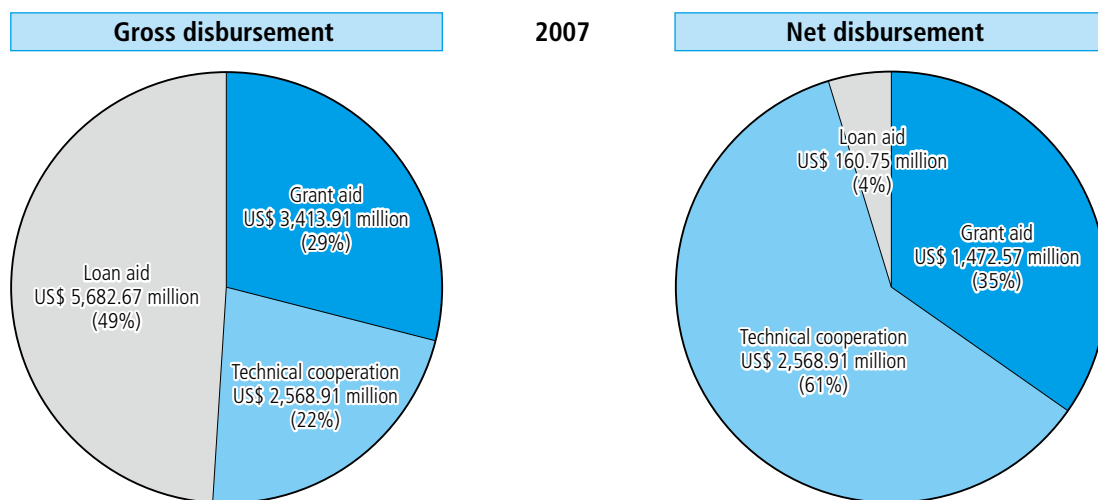
around 33.5% at roughly US\$2,568.73 million; loan aid amounted to approximately -US\$204.67 million;⁸ and loan aid excluding debt relief amounted to approximately US\$160.85 million.

● Breakdown by region

When looking at bilateral ODA by region, Asia⁹ accounts for 28.3% at approximately US\$1,633.58 million (approximately ¥192.4 billion). Africa accounts for 29.4% at US\$1,700.53 million (approximately ¥200.3 billion) and the Middle East accounts for 16.4% at US\$948.28 million (approximately ¥111.7 billion). Latin America accounts for 3.9% at US\$225.60 million (approximately ¥266.6 billion); Oceania comprises 1.2% at US\$70.29 million (approximately ¥8.3 billion); and Europe 0.8% at US\$47.55 million (approximately ¥5.6 billion). Assistance covering multiple regions accounts for the rest, at about US\$1,152.32 million (approximately ¥135.7 billion).

Looking at debt relief by region, Asia¹⁰ accounts for about US\$10.78 million (approximately ¥1.3 billion), Africa for US\$815.60 million (approximately ¥96.1 billion), and the Middle East for US\$749.44 million (approximately ¥88.3 billion).

Chart III-2. Japan's Bilateral Official Development Assistance by Type



Notes: (1) Due to rounding, the total figure may not match the sum of individual parts.
(2) Excluding assistance to Eastern Europe and graduated countries.

Notes: (1) Due to rounding, the total figure may not match the sum of individual parts.
(2) Excluding debt relief and assistance to Eastern Europe and graduated countries.

7 Excluding assistance to Eastern Europe and graduated countries.

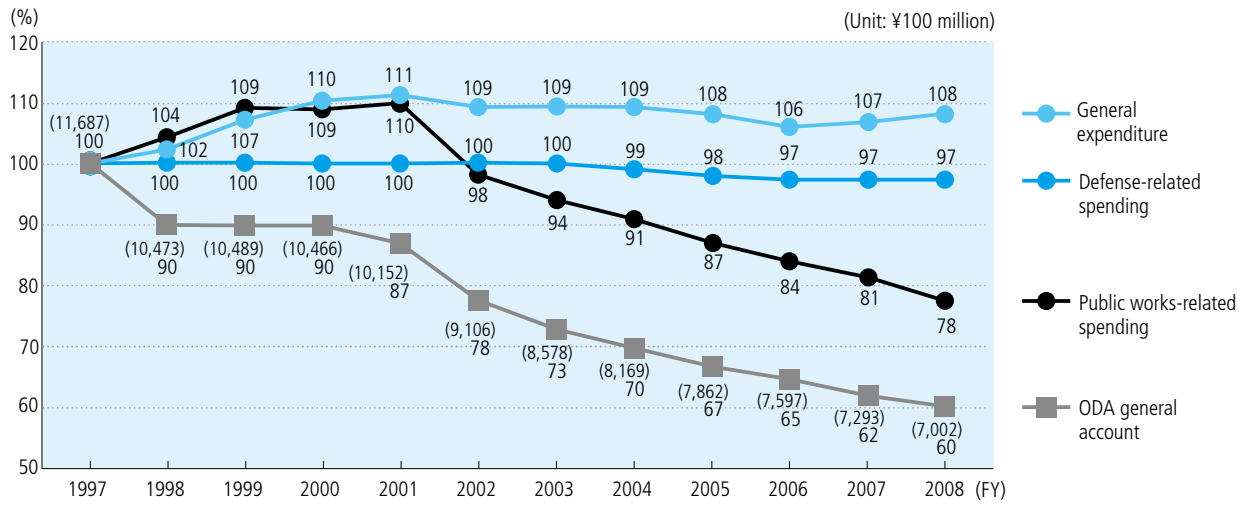
8 Loan aid can be a negative figure due to the following calculation:

[(loans to developing countries (disbursed amount)) minus [repaid funds from developing countries (collected funds))] plus [(past loan amounts to countries covered by debt relief] minus [funds balanced out for debt relief]).

9 Including Central Asia and the Caucasus.

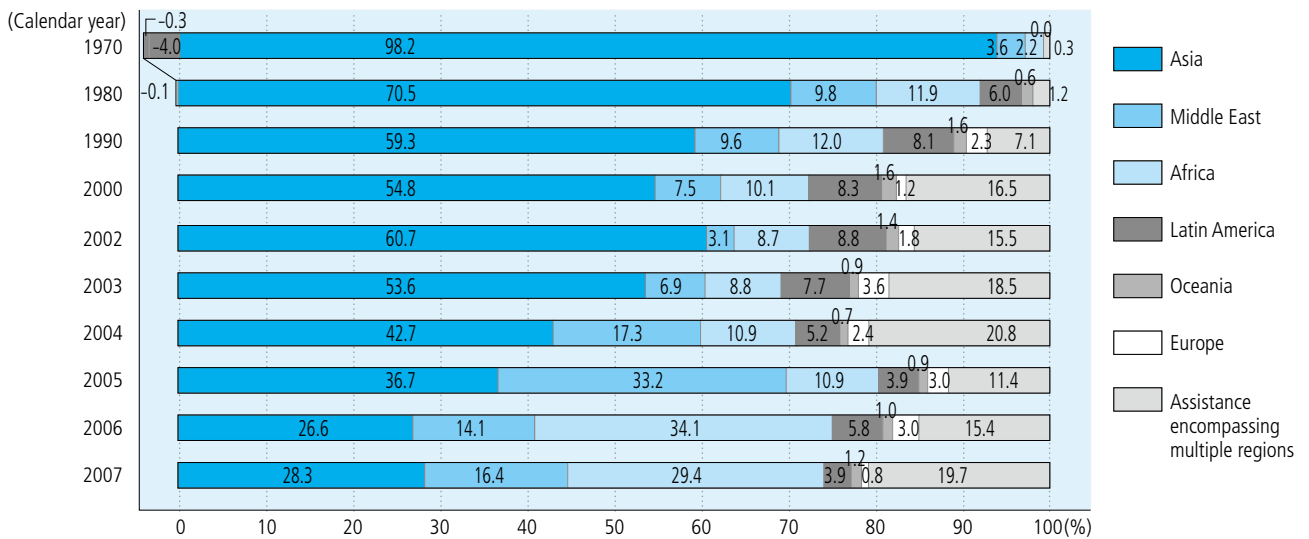
10 South Asia only. No debt relief in other Asian regions.

Chart III-3. Trends in Japan's ODA Budget and Other Major Expenditures



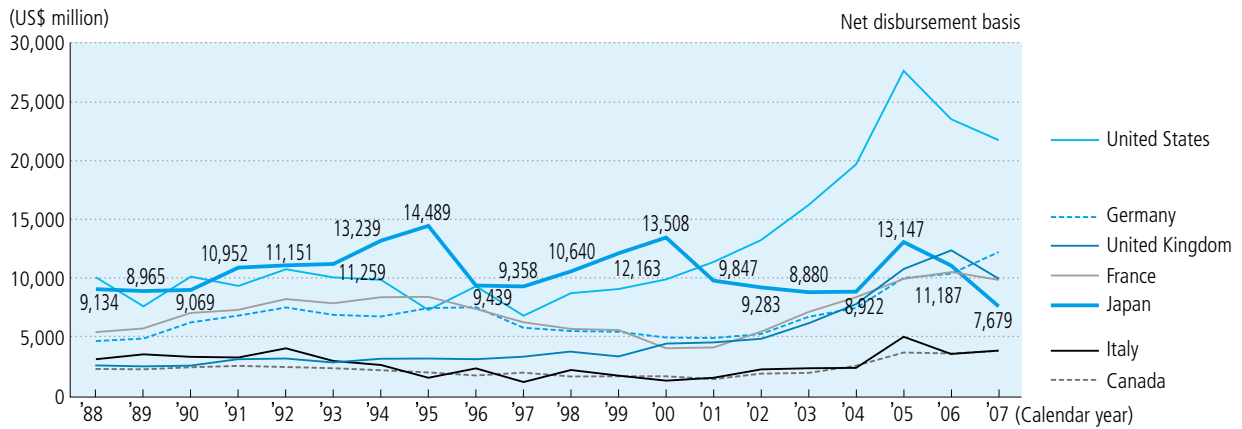
Note: Numbers in parentheses are budget figures.

Chart III-4. Trends in Bilateral ODA by Region (Net Disbursement)



Notes: (1) ODA to the European region from 1990-2006 includes aid to the Eastern Europe.
 (2) If the amount received of loan aid exceeds its disbursements, the figure can be negative.
 (3) Assistance encompassing multiple regions includes the dispatch of survey groups, administrative costs and promotion of development awareness, all encompassing multiple regions.

Chart III-5. Trends in the ODA of Major DAC Countries (Net Disbursement)



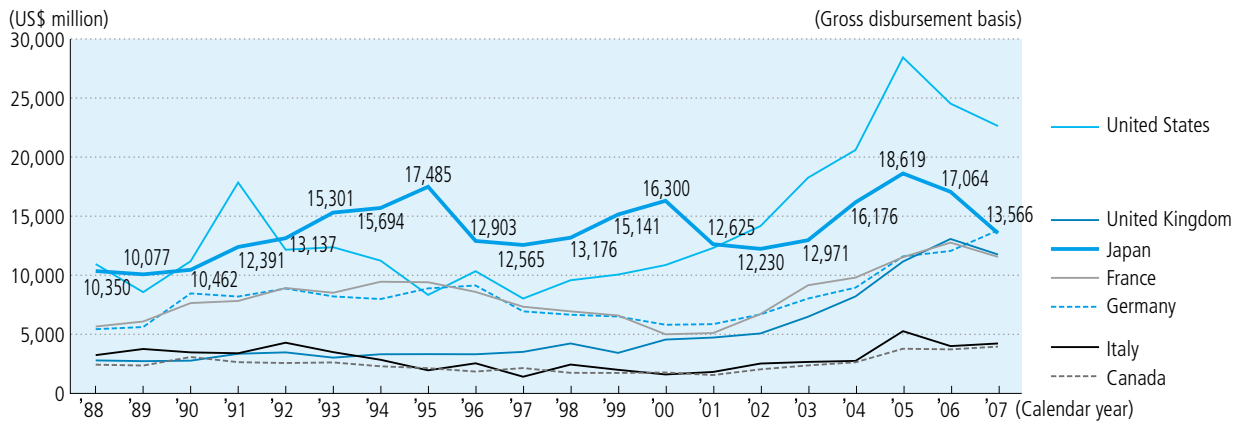
Source: DAC Press Release 2008; *Development Co-operation Report 2007*

Notes: (1) Excluding assistance to Eastern Europe and graduated countries.

(2) US figures for 1990-1992 exclude military debt relief.

(3) Provisional value for 2007, except Japan.

Chart III-6. Trends in the ODA of Major DAC Countries (Gross Disbursement)



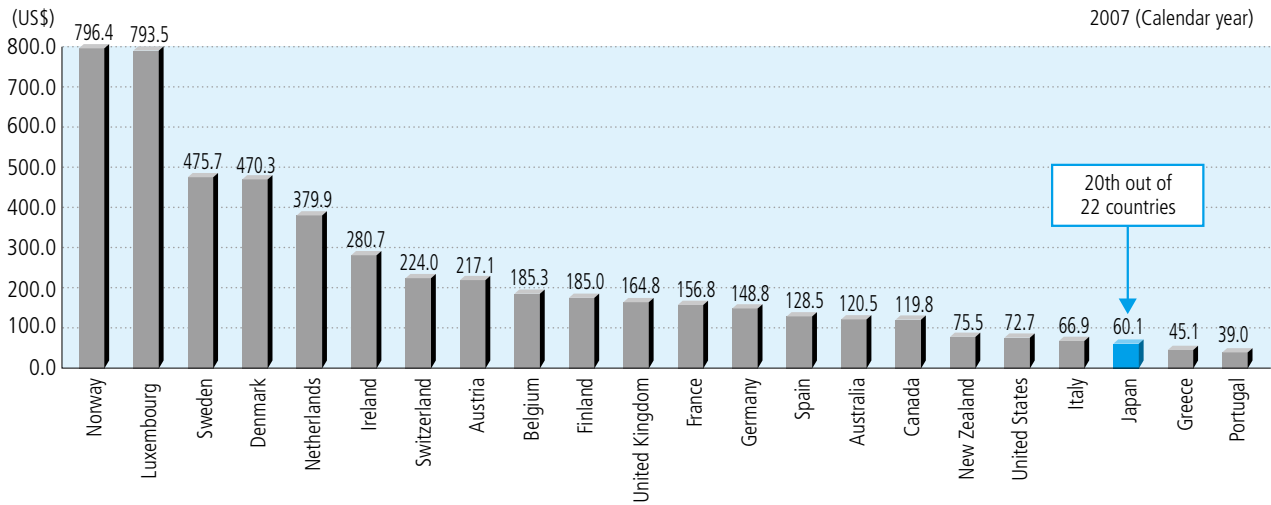
Source: DAC Press Release 2008; *Development Co-operation Report 2007*

Notes: (1) Excluding assistance to Eastern Europe and graduated countries.

(2) US figures for 1990-1992 exclude military debt relief.

(3) Provisional value for 2007, except Japan.

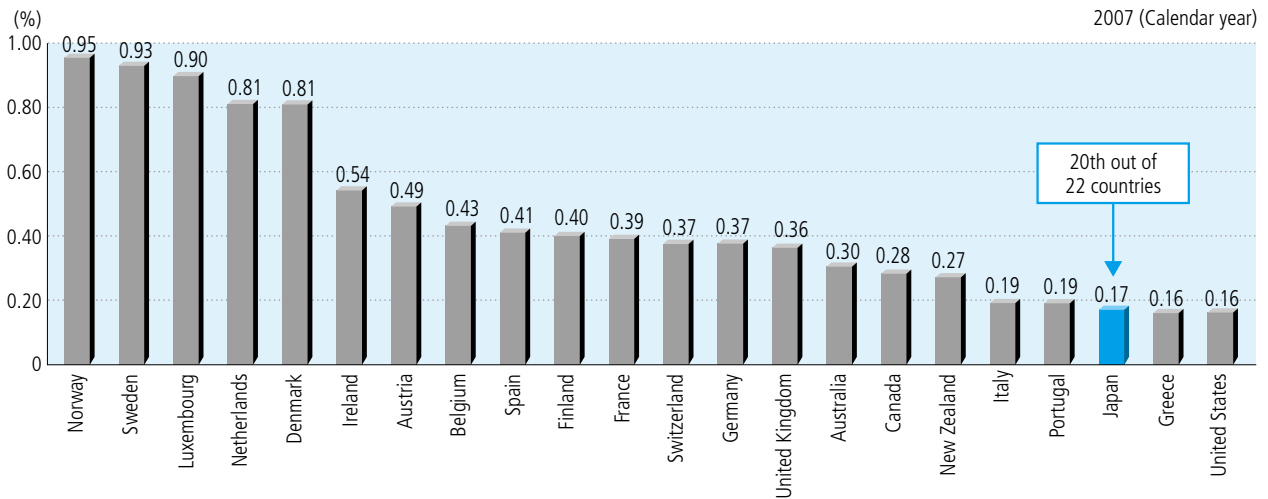
Chart III-7. Per Capita ODA in DAC Countries



Source: DAC Press Release 2008 (2007 disbursements) was used for disbursement figures, and the *Development Co-operation Report 2007* (2006 figures) for the population figures.

Notes: (1) Excluding assistance to Eastern Europe and graduated countries.
(2) Provisional values, except for Japan.

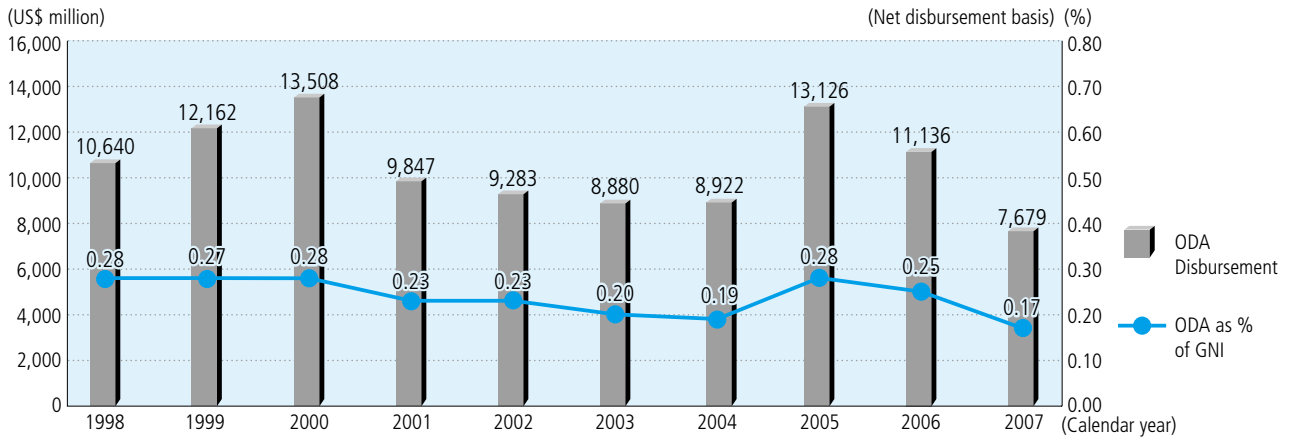
Chart III-8. Ratio of ODA to GNI in DAC Countries



Source: DAC Press Release 2008; *Development Co-operation Report 2007*

Notes: (1) Countries are placed in descending order of their ratios of ODA to GNI in 2007.
(2) Provisional values, except for Japan

Chart III-9. Trends in Japan's ODA and as Percent of GNI



Notes: (1) Up until 1998 the figures show ODA Disbursements as percent of GNP, from 1999 onward they show it as percent of GNI.
 (2) Excluding assistance to Eastern Europe and graduated countries.

Chart III-10. Amount of Assistance to Least Developed Countries in Japan's Bilateral Assistance

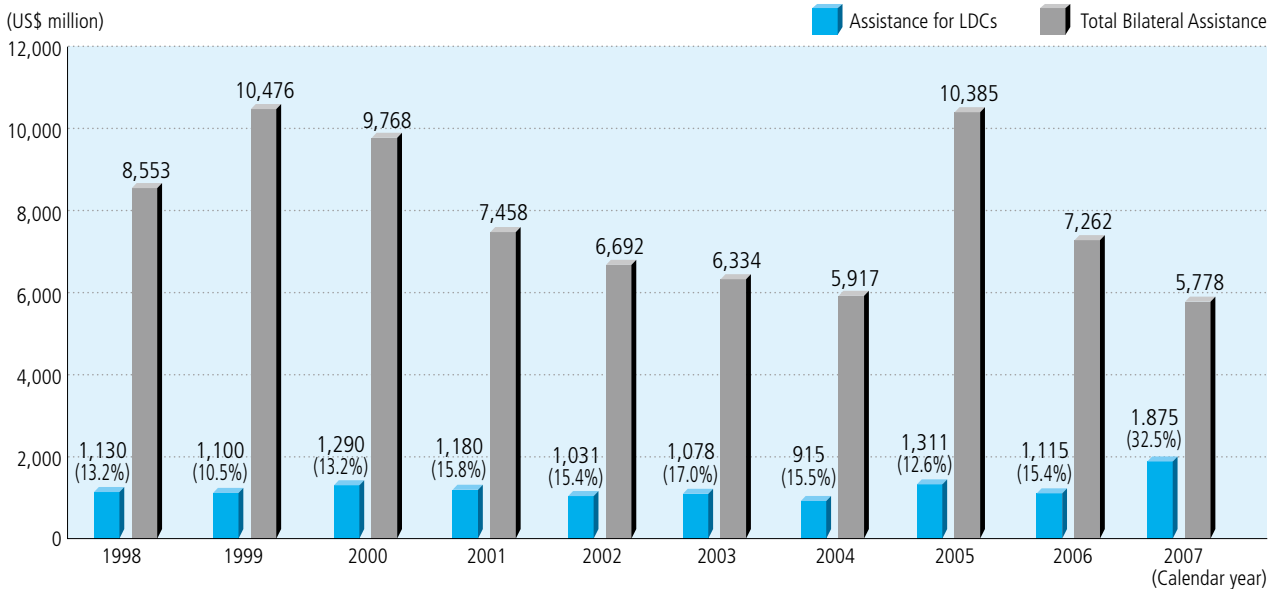
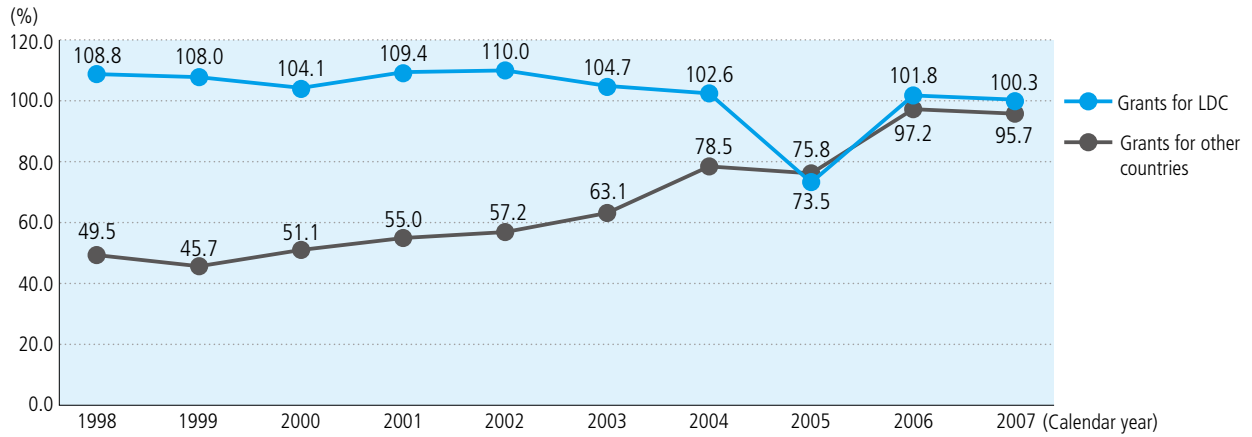


Chart III-11. Ratio of Grants to LDC in Japan's Bilateral Assistance



Notes: (1) Calculation for the ratio of grants:

$$\frac{\text{Total Grants}}{\text{Total Bilateral ODA}} \times 100 (\%)$$

If the repaid amount exceeds the value of ODA loans and other ODA credits, the grant rate is greater than 100%.

(2) Excluding debt cancellation.

(3) Excluding assistance to Eastern Europe and graduated countries.