

## KEY QUESTION



### How much ODA does Japan provide?

Japan’s net official development assistance (ODA) stood at US\$10.4 billion in 2016 (in 2016 prices, US\$10.4 billion in 2014 prices),<sup>1</sup> making it the fourth-largest donor country within the OECD’s Development Assistance Committee (DAC). It is the largest donor in Asia. Between 2014 and 2015, ODA increased by 12% due to a rise in bilateral ODA to low-income countries, largely in sub-Saharan African. In 2016, Japan spent 0.20% of its gross national income (GNI) on ODA, making it only the 20th-largest DAC donor relative to its GNI. Japan’s ODA temporarily peaked in 2013 (see figure), due to US\$5 billion in debt relief and bilateral loans to Myanmar.

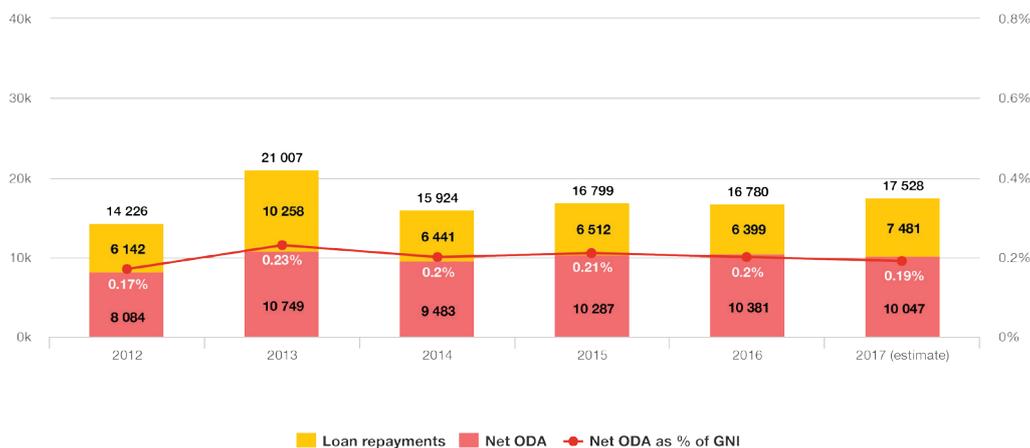
Estimates on Japan’s total ODA in fiscal year 2017 (April 2017-March 2018) are not available yet. However, the

budget of the Ministry of Foreign Affairs foresees only a slight increase (+0.3%) in ODA-related spending compared to FY2016. This is an indication that the overall budget environment for development assistance remains difficult.

The OECD is expected to start using a new reporting system for ODA in 2018 whereby loan repayments will no longer be subtracted out of total ODA numbers, i.e. only the ‘grant element’ of loans will be reported as ODA. Loan repayments currently account for the large difference between gross and net ODA (see figure). The reform is thus expected to have a high impact on Japan’s ODA levels. As Japan’s loans are largely highly-concessional, Japan’s total ODA levels are expected to significantly increase.<sup>2</sup>

JAPAN'S GROSS/NET ODA DISBURSEMENTS

US\$ millions; in 2014 prices



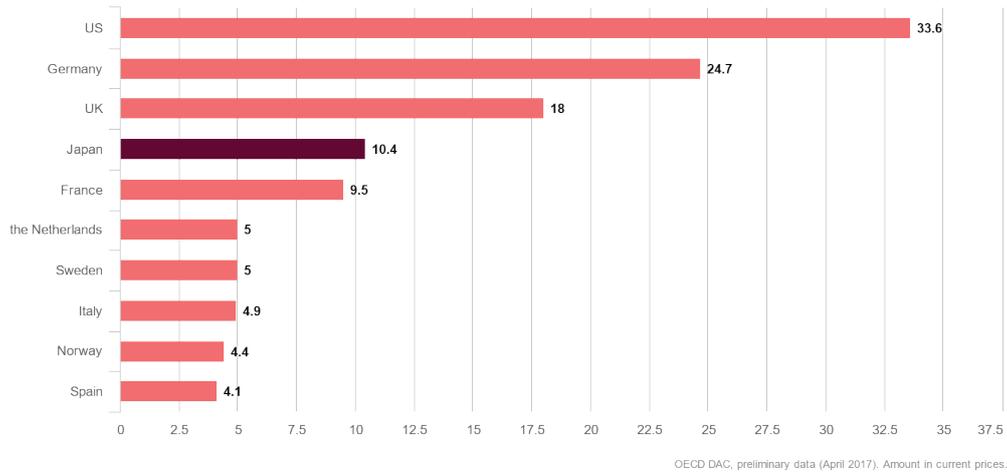
OECD DAC. 2016 data according to OECD preliminary data (April 2017). ODA estimates for 2017 are based on government data.

<sup>1</sup> ‘2016 prices’ refers to the actual ODA amount disbursed in 2016. This figure is commonly used when comparing ODA across donors in 2016. To compare ODA levels in 2016 with ODA levels provided in previous years, figures need to be measured in constant prices. This means that the ODA amounts for each year are adjusted to take into account the effect of inflation and of exchange rate fluctuations. In this profile, we generally state ODA figures in ‘2014 prices’, meaning that we use 2014 as a base year, to ensure data is comparable over time.

<sup>2</sup> Loan repayments denote the difference between gross and net ODA, and include offsetting entries for debt relief.

TOP 10 DAC DONOR COUNTRIES, 2016

Net ODA disbursements; US\$ billions; 2016 prices



TOP 20 DAC DONOR COUNTRIES, 2016

Net ODA as % of GNI

