

## KEY QUESTIONS

### the big six

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## What are important milestones in Japan's annual budget process?

**Initial ODA budget allocations are determined from April to August; Cabinet makes final decisions in December and January**

Japan's fiscal year runs from 1 April to 30 March. However, certain budget allocations are decided throughout the year (see 'supplementary budgets' below).

- **Ministries prepare their budget requests:** From April to August, all ministries draft their funding requests for the upcoming fiscal year. This includes the Ministry of Foreign Affairs' (MOFA) grant aid budget, and technical cooperation channeled through the Japan Agency for International Cooperation (JICA). Key stakeholders during this phase are senior officials at MOFA's International Cooperation Bureau.
- **MOF assesses ministerial budget request:** Between September and December, once the ministries submit their budget requests, the Ministry of Finance (MOF) assesses them and forwards them to the Cabinet. This process is complete by December.
- **Cabinet makes final decision on draft budget bill:** Around December, the Cabinet makes its final decision on ministries' budget requests and presents the

draft budget bill to Parliament (the 'Diet'), usually by mid-January.

- **The Diet debates the draft budget:** From January to March, ministerial budgets are discussed by the House of Representatives' Budget Committee. Amendments to funding lines are rare at this stage, particularly under the current Liberal Democratic Party-led coalition, which holds a majority in both chambers of the Diet. Once approved by the Diet, the budget bill is adopted.
- **Supplementary budgets:** In addition to this annual budget cycle, ministries can submit supplementary budget requests for the ongoing fiscal year between August and November. These are assessed by the MOF, negotiated in the Diet, and approved by the Cabinet and the Parliament between December and January.

Apart from year-to-year allocations, the prime minister has ample discretion to commit new funding to multi-year initiatives. For example, Prime Minister Abe announced a commitment of US\$2.9 billion in funding for global health in December 2017 at the universal health coverage (UHC) Conference.

