

# Japan's support programmes in economic diversification of developing countries

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# Categories of Development Assistance

## Public sector

- Official Development Assistance (ODA)  
Both bilateral and multilateral aid
- Other Official Flows (OOF)  
Official export credits, direct investment and financing multilateral institutions

## Private sector

- Private Flows (PF)  
Private export credits, direct investment and financing to multilateral institutions



# ODA

**Total 9,847 million \$ (2001),**

**Japan contributes to 19% of ODA in the world**

- **Bilateral**
  - (1) Grant aid
  - (2) Technical Cooperation
  - (3) Concessional (Yen) Loans
- **Multilateral**
  - (1) Contribution to UN agencies
  - (2) Contributions to multilateral development bank



## Bilateral ODA

- Grant Aid
- Technical Cooperation
- Concessional (Yen) Loans



## Grant Aid

- General grant aid \*
- Grant aid for fishery
- Cultural grant aid
- Emergency grant aid
- Food aid (KR)
- Grant aid for increase food production (2KR)
- \* sub-divided into:
  - Aid for general projects
  - Non-project grant aid for economic structural adjustment
  - Grant assistance for grass roots human security projects
  - Grant aid for Japanese NGO's project
  - Grant aid for scholarship and research



## Non-project grant aid for economic structural adjustment support

- Sector program grants for economic adjustment effort and important sector in recipient countries.
- It allows the focused utilization of counterpart funds in sector-specific plans for economic and social development purpose.
- It addresses environmental issues, resolution of which recipient countries are pursuing.



## Case 1

### Japan Grant Aid to Madagascar

- requiring that the procurement of goods under the Non-Project Grant Aid (NPGA) be undertaken by an independent and outside procurement agent.



### Case 1

#### Japan Grant Aid to Madagascar

- The imported goods are used for manufacturing and/or resale on the local market, thereby generating an income.

Amount to 12.4 billion yen  
(about 100 million \$)



### Case 2 Technical Cooperation

#### The Saudi Japanese Automobile High Institute Project (SJAHI) in BRIEF

- promoting Saudization in the field of automotive service engineering.



### Case 2 Technical Cooperation

#### The Saudi Japanese Automobile High Institute Project (SJAHI) in BRIEF

- SJAHI shall provide practical technical training for the automotive service technicians and graduate Saudi national technicians to the local automotive industry.



### Case 3 Technical Cooperation

#### I. R. Iran Haraz Agricultural Human Resources Development Center

- The center functions as technology center for developing human resources concerning land consolidation and rice production in consolidated land.



### Case 3 Technical Cooperation

#### I. R. Iran Haraz Agricultural Human Resources Development Center

- 1) Elaboration of textbooks and manuals by Japanese experts, and Iranian counterpart personnel.
- 2) Training of teaching staff and trainees by Iranian counterpart personnel assisted by Japanese experts.
- 3) Pilot Model Farms showing ideal mechanized cultivation in Haraz basin area could be developed.



### Case 4 Yen Loan

#### ODA Loan to "Tourism Sector Development Project" in the Hashemite Kingdom of Jordan

- The revenue from foreign tourists is crucial to help overcome the trade account deficit of Jordan, which makes the tourism promotion a pressing need.



### Case 4 Yen Loan

#### ODA Loan to "Tourism Sector Development Project" in the Hashemite Kingdom of Jordan

- The project consists of six sub-projects:
    - the Amman Downtown Tourist Zone,
    - National Museum,
    - the Dead Sea Parkway,
    - the Dead Sea Panoramic Complex,
    - Karak Tourism Development,
    - Historic Old Salt Development.
- Amount 7,199 million yen  
(about 60 million \$)



### Conclusion

- Many programmes have been encouraging economic diversification
  - Bilateral ODA
    - (1) Grant aid
    - (2) Technical Cooperation
    - (3) Concessional (Yen) Loans
- Assisting projects have been decided through the consultation between recipient countries and Japan



Thank You

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