### Evolution of Japan’s Aid to Africa: Five Phases

<table>
<thead>
<tr>
<th>Phases</th>
<th>Japan’s Aid Policy</th>
<th>Aid Policy to Africa</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Phase: 1954 (participation in the Colombo Plan) - 1972</td>
<td>• Pursuit of short-term economic interests • Establishment of “request-based” approach</td>
<td>• Concentration of aid in Asia • Absence of aid policy to Africa</td>
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<td>2nd Phase: 1973 (1st oil shock) - 1980</td>
<td>• Expansion of aid linked to economic security</td>
<td>• Growing interest in Africa to secure natural resources and increased aid to Africa • Aid policy to Africa linked to build support for Japan’s role in UN</td>
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<td>3rd Phase: 1981 (5-year Doubling Plan of ODA) - 1988</td>
<td>• Using aid as a means to recycle Japan’s economic surplus and increase its global contribution</td>
<td>• Increased aid to Africa and co-financing of SAL • Supporting hunger relief and food security</td>
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<td>4th Phase: 1989 (top donor) - 2000</td>
<td>• Becoming top donor and using aid for broad policy initiatives as part of global contribution</td>
<td>• Becoming a major donor in Africa • Engagement in political sphere, including the dispatch of SDF • Hosting TICAD and exploring new aid initiative in Africa</td>
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<td>5th Phase: 2001 (US replacing Japan as top donor) - Present</td>
<td>• ODA budget cut and policy changes</td>
<td>• Debt forgiveness to HIPCs • Linking aid to peace building • Development partnerships • Supporting NEPAD/AU</td>
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</tbody>
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### Trends in Japan’s Bilateral ODA by Region

![Trends in Japan’s Bilateral ODA by Region](chart.png)

Notes: (1) In 1970, net disbursement to Latin America was negative (-0.4%).
(2) ODA to Europe since 1990 includes aid to Eastern Europe.
Figure: Development Priority Matrix (DPM)

- Critical assessment of parallel systems & transaction costs
- Critical assessment of SAL conditionality
- Fungibility issue

Case 1: Government with complete functions
- Establishment of (sector-specific) policy and institutional framework
- Improvement of public service delivery (quantity & quality)
- Strengthening of implementation capacity (managerial & technical aspects)
- Macroeconomic stability
- Inter-sectoral budget allocation (e.g., consistency with PRSP priority)
- Establishment of core government functions & systems (e.g., budget mgt, civic service systems)
- Strengthening of implementation capacity (e.g., public financial management, monitoring & evaluation)

Case 2: Government with severely restricted functions
- Macroeconomic Policy

Figure: Two Types of Governments

[Case 1: Government with complete functions] [Case 2: Government with severely restricted functions]
Japan’s Bilateral ODA to Sub-Saharan Africa by Type

Note: The ODA amount is calculated on a net disbursement base.

Geographical Distribution of Japan’s Bilateral ODA (2003)

Composition by Type (2003)
- ODA loans: 59.9%
- Technical cooperation: 39.5%
- Grant aid: 9.6%

China is the 3rd largest recipient of ODA loans (26.3% of the total net disbursement and 18.9% of the total commitment in FY 2003).

Note: The ODA volume is calculated on a net disbursement base.
Japan’s ODA to Ghana

Trends of ODA by Top 5 Bilateral Donor Countries and Japan

Unit: Millions of US Dollars

<table>
<thead>
<tr>
<th>Year</th>
<th>Japan</th>
<th>UK</th>
<th>US</th>
<th>Netherlands</th>
<th>Germany</th>
<th>Loans</th>
<th>Grants</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>140.0</td>
<td>60.0</td>
<td>80.0</td>
<td>40.0</td>
<td>20.0</td>
<td>80.0</td>
<td>60.0</td>
</tr>
<tr>
<td>2000</td>
<td>120.0</td>
<td>60.0</td>
<td>80.0</td>
<td>40.0</td>
<td>20.0</td>
<td>80.0</td>
<td>60.0</td>
</tr>
<tr>
<td>2002</td>
<td>100.0</td>
<td>60.0</td>
<td>80.0</td>
<td>40.0</td>
<td>20.0</td>
<td>80.0</td>
<td>60.0</td>
</tr>
</tbody>
</table>

Notes:
1. Net disbursement is used for grants, while gross disbursement is used for loans.
2. The World Bank is the largest donor in Ghana.