



# **Survey on International Support Measures specific to the Least Developed Countries (LDCs) related to Bilateral Official Development Assistance (ODA)**

## **Japan**

### **SUMMARY RESULTS**

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#### **A. ODA Commitments and flows**

The Programmes of Action for the Least-Developed Countries (LDCs) aim at improving human conditions of the population of the LDCs and provide frameworks for partnership between LDCs and their development partners.<sup>a</sup>

At the first United Nations Conference on the LDCs in 1981, the members of the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) committed themselves to allocating 0.15 per cent of their total gross national income (GNI) (including funds channelled through international organizations) to LDCs.<sup>b</sup> In the 2001 Conference, all donor countries reaffirmed their commitment to make their best efforts to accelerate their endeavours to reach the target. Meanwhile, donor countries that had already met the 0.15 per cent target undertook to reach the 0.20 per cent target promptly.<sup>c</sup>

\* This summary was prepared by the DESA/CDP Secretariat, based on the survey response submitted by Japan. The content, findings, interpretations, and conclusions as expressed in this summary reflect the views of its authors, and do not necessarily represent the views of the United Nations or Japan. The views presented in this document should not be considered as the official position of neither the United Nations nor Japan.

a See [General Assembly, A/CONF.191/13](#), 20 September 2001.

b See [Strengthening International Support Measures for the Least Developed Countries](#), Policy Note, UN/DESA/CDP, August 2010, p.13-14.

c [Goal 28-30, A/61/82](#), p.25.

Annex Table 1 describes Japan's total net ODA flows, the ODA flows to LDCs as a share of total ODA, and the net ODA-to-GNI ratio.

## Country response

Japan has not made any particular commitment regarding LDC-specific ODA targets.

## B. LDC status and ODA priorities

The United Nations Committee for Development (CDP) uses the following criteria to identify LDCs: low-income levels, as determined by GNI per capita; weak human resources, as measured by the Human assets Index (HAI); and high economic vulnerability, as defined by the Economic Vulnerability Index (EVI).<sup>d</sup> Donors may consider the LDC criteria for establishing ODA priorities and allocation.

<sup>d</sup> See the *"Handbook on the Least Developed Country Category: Inclusion, Graduation and Special Support Measures"*, UN/DESA/CDP, 2008.

## Country response

Among the criteria used in the identification of LDCs, GNI measure is taken into consideration for establishing ODA priorities and allocation.

Japan gives priority in its ODA allocation to the following LDCs: Afghanistan, Cambodia, Democratic Republic of Congo, Haiti, Laos, Myanmar, Nepal, Solomon Islands, Somalia, Sudan, Timor-Leste and Yemen.

The reasons for selecting the above-mentioned LDCs as priority countries are based on the following explanations.

- LDCs in Africa: Countries in Africa, especially in the Sub-Saharan region are key to achieving MDGs on the continent.
- LDCs in the Mekong Region: The development of countries in the Mekong Region is important for the reduction of the economic gap among ASEAN countries and the prosperity of the region.
- Afghanistan: Securing stability in Afghanistan and keeping it from becoming a breeding ground for terrorism is vital not only for the region but for the international community as a whole.

- Democratic Republic of Congo, Haiti, Nepal, Solomon Islands, Somalia, Sudan, Timor-Leste and Yemen: These fragile countries need assistance in peace-building and reconstruction from natural disasters, such as fostering human resources and building government systems.

## C. Grant element, tied aid and conditionalities of ODA to LDCs

In the 1978 Recommendation on Terms and Conditions of Aid, DAC members agreed on a series of measures designed to improve the overall financial terms of aid, either by increasing the share of grants, or by reducing the interest rate or lengthening the repayment period of loans. DAC members agreed to raise the overall grant element of aid to 86 per cent, with special provisions in the case of LDCs.

With regard to the tying of aid, OECD-DAC members adopted, in 2001, a recommendation to untie much of the ODA to LDCs. Untied aid is defined as ODA in the form of loans and grants whose proceeds are fully and freely available to finance procurement from all OECD countries and substantially all developing countries. The 2005 Paris Declaration on Aid Effectiveness reiterated the 2001 DAC Recommendation and envisaged that progress in untying be monitored.<sup>e</sup>

<sup>e</sup> See the *Paris Declaration on aid effectiveness: Ownership, Harmonization, Alignment, Results and Mutual Accountability*, OECD/DAC, 2005.

## Country response

Japan has taken measures to implement the 1978 DAC Recommendation on Terms and Conditions of Aid on the average grant element of ODA to LDC recipients and indicated that LDCs may benefit from LDC-specific lower interest rates and longer repayment periods.

Measures have also been taken to implement the 2001 DAC Recommendation on untying aid to recipient LDCs. Japan untied 100% of its aid.

As for the rest of developing countries, no aid conditionalities are applied to LDCs, except in those cases where Japan co-finances the World Bank's operations.

## D. LDC-specific bilateral support programmes

LDC-specific bilateral support measures can be provided in the form of special funds and programmes, cooperation activities, training activities, and other modalities (excluding WTO-related technical assistance and support to the Integrated Framework for trade-related technical assistance to LDCs, as these are dealt with under a separate survey).

### Country response

Japan does not have any LDC-specific bilateral support measures in place.

## E. LDC-specific multilateral support measures

Multilateral support measures that are specific for LDCs could be provided through multilateral technical assistance funds, or Trust Funds of international organizations to facilitate the participation of LDCs in international meetings.

### Country response

Japan does not contribute to LDC-specific multilateral support funds, because it lends financial assistance to LDCs under other frameworks, such as bilateral aid.

## F. Graduated and graduating countries: objectives and policies concerning Cape Verde, Maldives and Samoa

The General Assembly resolution 59/209<sup>f</sup> of 28 February 2005 on the Smooth transition strategy for countries graduating from the list of least developed countries urges “all development partners to support the implementation of the transition strategy and to avoid any abrupt reductions in either ODA or technical assistance provided to the graduated country”. In the same resolution, the General Assembly also invites “the graduating country, in cooperation with its bilateral and multilateral development and trading partners

*and with the support of the United Nations system, to prepare, during the three-year period, a transition strategy to adjust to the phasing out [...] of the advantages associated with its membership on the list of least developed countries.”*

Cape Verde graduated from the list of LDCs in 20 December 2007 (A/RES/59/210).

<sup>f</sup> See [General Assembly Resolution 59/209](#), 28 February 2005.

Annex Table 2 describes Japan’s net bilateral ODA disbursements to Cape Verde.

### Country response

In Cape Verde, about 50% of the people are engaged in agriculture and fishery, but low productivity in both sectors has led to a high poverty rate. Given the situation, Japanese ODA has focused on basic human needs and the fishery sector, under the basic principles of Japanese ODA, which gives preference to “poverty reduction” and “social equality”, as well as on assistance for democratization and economic reforms of Cape Verde.

Japan has been implementing assistance in accordance with the recommendations of the General Assembly resolution 59/209 regarding smooth transition. For instance, Japan is considering the possibility of providing cooperation assistance for the reinforcement of infrastructure, which is highlighted in the LDC graduation strategy of Cape Verde, as well as for food aid, assistance for grass-roots human security projects and training programmes. The Japanese government also participated in the meetings of the Transition Support Group.

Since Cape Verde’s graduation from LDC status, the Japanese government has shifted its focus to ODA loans. The grant element is expected to decline gradually in the future.

Prior to Cape Verde’s graduation, Japanese ODA was 100% untied, and it should remain as such after the graduation.

Regarding Cape Verde’s access to LDC-specific support measures after its graduation from the LDC category, Japan holds the view that programmes targeted for LDCs should be applicable only to LDCs in principle. But given the country’s development needs, assistance to Cape Verde will be considered for a limited period of time after its graduation, on a case-by-case basis.

Maldives graduated from the list of LDCs in 1 January 2011 (A/RES/59/210 and A/RES/60/33).<sup>9</sup>

In accordance with General Assembly resolutions A/RES/59/209 and A/RES/62/97, Samoa was scheduled to graduate from the list in December 2010 but the General Assembly extended the transition period by an additional three years, until 1 January 2014, due to the disruption caused to Samoa by the Pacific Ocean tsunami of 29 September 2009 (A/RES/64/295).

<sup>9</sup> Maldives was a graduating country when this survey was taken.

Annex Table 3 describes Japan's net bilateral ODA disbursements to Maldives and Samoa.

### Country response

Japan has provided assistance to the Maldives in the field of social development (e.g. health and education) until its graduation from the LDC category, and will continue, on the mid-long term, to lend its support in the field of social infrastructure on the basis of Maldives' national development plan. Japan has also granted food aid to the Maldives since 1981, and will continue to do so, given the particular geographic situation of that island country.

At the Fifth Pacific Islands Leaders Meeting (PALM 5), Japan indicated that it would provide ODA

to Pacific countries focused on the following three pillars: "environment and climate change", "overcoming vulnerabilities and promoting human security", and "people-to-people exchange". According to these three pillars, and in line with Samoa's National Development Plan (2008-2012), Japanese ODA to Samoa has focused on sectors such as human resource development, sustainable development, health and medical services, and basic economic infrastructure.

Japan will implement ODA in accordance with the recommendation of General Assembly resolution 59/209 regarding smooth transition. For instance, Japan will continue to provide grant aid and technical assistance to prevent abrupt reductions of ODA to Samoa, considering the human and economic losses caused by the 2009 tsunami in that country. As for the Maldives, Japan will continue to provide technical assistance. Concerning grant aid, Japan will assist mainly in the area of climate change adaptation and mitigation.

Japan's ODA to Maldives and Samoa is 100% untied, and it will be kept untied after both countries graduation from the LDC category.

Japan holds the view that the Maldives and Samoa should not continue to benefit from LDC-specific support measures, because countries whose income per capita is lower than Samoa and Maldives should be prioritized in the programmes targeted to LDCs.

## ANNEX

**Table 1: Overview of Japan's total net ODA flows (bilateral and imputed multilateral flows)**

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Net ODA (current US\$, millions)	13507.9	9846.8	9282.9	8879.6	8922.4	13125.5	11135.7	7678.9	9600.7	9468.6
Share of ODA flows to LDCs on total ODA (%)	20.0	21.3	22.0	24.4	23.6	18.6	30.4	32.7	27.2	32.2
Net ODA to LDCs (percentage of GNI)	0.04	0.05	0.04	0.04	0.04	0.05	0.08	0.05	0.05	0.06

**Table 2: Japan's net bilateral ODA disbursements to Cape Verde**

Year	2000	2001	2002	2003	2004	2005	2006	2007	2008
Net bilateral ODA (current US\$, millions)	10.74	3.43	6.31	11.77	3.94	2.83	2.53	1.89	
Share of grants in gross bilateral ODA (%)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	

**Table 3: Japan's net bilateral ODA disbursements to Maldives and Samoa**

Year		2000	2001	2002	2003	2004	2005	2006	2007	2008
Maldives	Net bilateral ODA (current US\$, millions)	8.02	9.43	9.12	6.24	5.10	24.23	4.81	3.89	
	Share of grants in gross bilateral ODA (%)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	
Samoa	Net bilateral ODA (current US\$, millions)	5.31	13.52	15.36	11.48	4.62	12.52	16.81	8.46	
	Share of grants in gross bilateral ODA (%)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	