

# Did Covid-19 Change Japan's Official Development Assistance?

David M. POTTER and POTTER Seminar<sup>1</sup>

## 1. Introduction

The onset and spread of the novel coronavirus (Covid-19) pandemic led to major disruptions in economies and societies around the world. National economies suffered from production downturns and labor unemployment as the industrial and service sectors stalled due to government-mandated temporary lockdowns and the introduction of social distance measures to reduce infection.

Japan was no exception. While government-mandated lockdown measures domestically were less draconian than in some other OECD countries, notably Australia and New Zealand, Japan's economy suffered a decline of about 4.5 percent of GDP during 2020 and near total closure of its borders, resulting in a severe downturn in international tourism. Ishikawa's edited volume (2022), among others, has detailed the pandemic's various impacts on domestic society and public policy.

Japan's official development assistance (ODA) was a significant part of the country's international response to the pandemic. In order to address the pandemic of COVID-19, Japan provided support to improve and strengthen medical systems and ensure appropriate medical services in developing countries (MOFA 2021; 2022). It also introduced Crisis Emergency Support Loans, provided over two years, mostly to Asia-Pacific countries. In June 2021, Gavi, the Vaccine Alliance, co-hosted the COVAX AMC Summit and began to provide COVAX to a number of countries. From June 2021 to the end of February 2022, Japan provided vaccines and financial assistance to acquire vaccines to developing countries through the COVAX facility (MOFA 2022).

Japan was affected by the COVID-19 pandemic at the end of 2019, which resulted in a slowdown in economic growth and a tightening of the fiscal situation and a consequent decline in aid. Under these circumstances, the Government of Japan might have prioritized ODA funds through the COVAX facility to respond to the pandemic and economic crisis in the country. Such was the case following the March 2011 Eastern Japan earthquake and tsunami, when the Japanese government reduced ODA in order to divert public resources to domestic relief and reconstruction. Yet the authors examined the Japanese government's overall ODA budget and found that during the three-year period from 2019 to 2021, while Japan's national economy was stagnant, the overall government ODA budget increased

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from 556.6 billion yen to 568.0 billion yen (MOFA 2022).

This study focuses on Japan's ODA during the Covid-19 pandemic from 2020 to 2022. It examines Japan's ODA by region - Asia, North Africa and the Middle East, Sub-Saharan Africa, Latin America and the Caribbean, Oceania, and Europe - to assess whether the pandemic altered the content and allocation of aid to those regions. Specifically, the research investigates whether Japan's ODA for Covid-19 relief substituted for regular aid or supplemented it.

## 2. Methodology

The period under study is from 2017 to 2022. Data was collected and analyzed by year, but the six-year period should be seen as two time periods to be compared. The first period, 2017–2019, is taken as a baseline and is assumed to represent typical aid allocations prior to the onset of the pandemic. The second period, 2020–2022, covers the pandemic years. The Japanese government database *Kunibetsu Yakusoku Jouhou*, a database that contains project-specific information on ODA arranged annually by country, was used to collect data. Data on ODA allocated to each region was collected for each fiscal year as follows: the number of countries in each region receiving ODA per modality - loan aid, grant aid, grassroots/human security grants, or Japanese NGO grants- per year. We then counted the number of projects by aid modality by region for each year. Next, aid projects by region were recorded by development sector. In this section only loan and grant aid were counted, as these two categories were most likely to include allocations for covid relief. Finally, loan and grant contracts for 2019 and 2020 were analyzed by month to assess whether the onset of the pandemic affected the timing of allocations of aid.

## 3. Results

### 3.1. Countries receiving Japanese aid by world region

Tables 1a to 1f display the number of countries in each world region receiving Japanese ODA for the years 2017 to 2022. Aid is divided by modality: loans, grants, grassroots/human security grants to local NGOs, and grants to Japanese NGOs.

Table 1a: Number of Countries Receiving Aid by Type, Asia, 2017–2022

Year	Loans	Grants	Grassroots	JNGO
2017	10	23	25	15
2018	7	19	25	15
2019	9	26	24	14
2020	10	33	25	15
2021	7	16	24	16
2022	11	17	18	15

(Compiled by the authors)

Table 1b: Number of Countries Receiving Aid by Type, Middle East/  
North Africa, 2017–2022

Year	Loans	Grants	Grassroots	JNGO
2017	4	8	10	3
2018	2	6	9	3
2019	1	7	11	3
2020	1	7	7	4
2021	4	8	7	3
2022	0	4	4	3

(Compiled by the authors)

Table 1c: Number of Countries Receiving Aid by Type, Sub-Saharan  
Africa, 2017–2022

Year	Loans	Grants	Grassroots	JNGO
2017	6	33	41	9
2018	2	43	43	9
2019	4	46	25	10
2020	6	46	36	13
2021	5	34	21	10
2022	4	32	37	9

(Compiled by the authors)

Table 1d: Number of Countries Receiving Aid by Type, Latin America and the Caribbean, 2017-2022

Year	Loans	Grants	Grassroots	JNGO
2017	2	14	27	3
2018	1	11	26	3
2019	0	12	27	3
2020	1	23	24	2
2021	5	14	21	2
2022	2	10	23	2

(Compiled by the authors)

Table 1e: Number of Countries Receiving Aid by Type, Oceania, 2017-2022

Year	Loans	Grants	Grassroots	JNGO
2017	0	5	12	3
2018	0	14	14	2
2019	1	11	14	2
2020	4	14	13	2
2021	1	14	12	2
2022	1	10	14	2

(Compiled by the authors)

Table 1f: Number of Countries Receiving Aid by Type, Europe, 2017-2022

Year	Loans	Grants	Grassroots	JNGO
2017	0	1	9	0
2018	0	1	9	0
2019	0	1	9	0
2020	1	8	9	0
2021	0	0	4	0
2022	1	3	6	2

(Compiled by the authors)

The results appear to differ by region. In the case of Asia (Table 1a), no significant changes in loans, grassroots and JNGOs were observed after the onset of COVID-19, however, grants showed a significant increasing spike in 2020 then decreased from 2021 to 2022. In the case of the Middle East/North Africa (Table 1b), the research found that loans, grants, grassroots, and JNGOs were not significantly changed by the pandemic, although loans and grassroots/human security grants were slightly reduced. In Sub-Saharan Africa (Table 1c), Japanese loans and grants were all reduced by the coronavirus disaster compared to the previous period. Among them, regular grants and grassroots/human security grants in particular were found to have decreased significantly. Meanwhile, the numbers of countries receiving Japanese NGO grants does not show any changes, except an increase from 10 to 13 countries in 2020.

Table 1d (Latin America and the Caribbean) shows that countries receiving loans and grants increased during the coronavirus pandemic, with loans increasing slightly while grants increased significantly. Conversely, grassroots and JNGOs decreased due to the coronavirus disaster but not significantly. The number of countries in which JNGOs operated, which was already small in the first period, decreased slightly from 2020. Table 1e above shows that countries receiving grassroots/human security grants to Oceania were most affected and greatly reduced by the pandemic. In contrast, the remaining loans, grants, and JNGOs appear less affected. In Europe (Table 1f) the coronavirus disaster did not result in major changes in countries receiving loans, but countries receiving grants and grassroots decreased, while countries receiving JNGO projects increased from zero to two for the first time in 2022. These are projects in the Ukraine and Poland and are related to the Russia-Ukraine war, however, and not related to COVID-19.

### 3.2. Projects by aid modality and region

Tables 2a to 2f present the data gathered on the number of projects by modality for each region.

Table 2a: Number of Aid Projects by Type, Asia, 2017–2022

Year	Loans	Grants	Grassroots	JNGO
2017	35	60	308	67
2018	26	73	267	69
2019	33	67	257	78
2020	32	44	200	70
2021	19	47	136	58
2022	25	49	179	58

(Compiled by the authors)

Table 2b: Number of Aid Projects by Type, North Africa/Middle East, 2017-2022

Year	Loans	Grants	Grassroots	JNGO
2017	6	18	27	11
2018	5	17	33	14
2019	1	13	41	6
2020	1	20	20	12
2021	2	17	24	8
2022	3	3	37	1

(Compiled by the authors)

Table 2c: Number of Aid Projects by Type, Sub-Saharan Africa, 2017-2022

Year	Loans	Grants	Grassroots	JNGO
2017	7	64	182	23
2018	3	59	189	21
2019	5	72	173	20
2020	6	108	132	20
2021	5	73	104	19
2022	5	83	81	28

(Compiled by the authors)

Table 2d: Number of Aid Projects by Type, Latin American and the Caribbean, 2017-2022

Year	Loans	Grants	Grassroots	JNGO
2017	2	19	202	4
2018	1	14	194	4
2019	0	14	177	4
2020	2	32	124	3
2021	5	13	135	2
2022	2	12	119	2

(Compiled by the authors)

Table 2e: Number of Aid Projects by Type, Oceania, 2017–2022

Year	Loans	Grants	Grassroots	JNGO
2017	0	6	74	3
2018	0	23	72	0
2019	1	15	73	2
2020	5	27	62	5
2021	1	25	39	1
2022	1	20	46	1

(Compiled by the authors)

Table 2f: Number of Aid Projects by Type, Europe, 2017–2022

Year	Loans	Grants	Grassroots	JNGO
2017	0	1	62	0
2018	0	1	54	0
2019	0	1	60	0
2020	1	8	58	0
2021	0	1	38	0
2022	1	4	47	9

(Compiled by the authors)

Table 2a shows a slight decrease in loan and grant aid projects in Asia during the pandemic, a somewhat larger decrease in Japanese NGO grants after 2020, and a significant decline in grassroots/human security projects. In 2021 it reached less than half of the total grassroots/human security projects in 2017. There was a slight increase in 2022 but still fewer than in past years. It can be said that since the start of coronavirus, the total number of grassroots/human security projects decreased.

In table 2b (Middle East/North Africa) we can see that loans and grants did not change too much, but grassroots/human security and Japanese NGO grants show a larger reduction from 2020. In Sub-Saharan Africa (Table 2c) the modest number of loans did not change much before and after the COVID-19 pandemic, with approximately five cases annually. Grants saw a sudden increase in 2020 but has since been maintained at around 75 cases per year as usual. This is believed to be due to the impact of the coronavirus. Grassroots/human security grants show an overall decrease, diminishing year by year. The 'JNGO' section shows no visible changes, simply a slight increase in 2022. Similarly, in Latin America and the Caribbean since 2020, grassroots/human security grants decreased by around one quarter of the total grassroots of 2017, from more than 200 in 2017 to less than 120 in 2022. Oceania shows a similar decrease in grassroots/human security projects, by about one third, while other modalities were stable. Finally, Europe shows a similar decline in grassroots/

human security projects, but note significant increases in grants in 2020 (eight) and Japanese NGO grants in 2022 (nine).

### 3.3 Sectoral allocations of aid by region

Tables 3a-1 to 3f-2 present data on sectoral allocation of loan aid and grant aid for each world region. Data are aggregated into two periods, 2017-2019 and 2020-2022. Grants via multilateral institutions were not included in table totals as their sectoral allocations were accounted for in other parts of the same tables. The key questions asked here is whether Covid-19 aid supplemented or substituted for other sectoral assistance.

Table 3a-1: Sectoral Allocations of Loan Aid Projects to Asia, 2017-2022

Sector	2017-2019	2020-2022
Roads and Bridges	14	11
Transportation	25	21
Energy/Electricity	12	2
Communications	0	0
Waterworks	15	4
Agriculture/Forestry	5	3
Industry/Finance	1	1
Education/Human Resources	1	0
Medicine and Health	2	1
Food aid	0	1
Disaster relief/reconstruction	4	3
Debt relief	0	2
Program/Nonproject/Multisectoral	11	8
Covid-19	0	17
Environment	3	2
Total	93	76

(Compiled by the authors)



Table 3a-2: Sectoral Allocations of Grant Aid Projects to Asia, 2017–2022

Sector	2017–2019	2020–2022
Roads and Bridges	2	6
Transportation	4	6
Energy/Electricity	1	4
Communications	2	0
Waterworks	9	11
Agriculture/Forestry	7	6
Industry/Finance	4	0
Education/Human Resources	61	58
Medicine and Health	12	32
Social Services	2	1
Food aid	6	44
Disaster relief/reconstruction	14	11
Security	4	3
Peacebuilding	2	6
Program/Nonproject/Multisectoral	2	1
Refugees/IDPs	13	19
Democracy	5	12
Multisectoral	50	46
Covid-19	0	30
Grants via Multilateral Institutions	(31)	(47)
Environment	5	11
Total	205	307

(Compiled by the authors)

Table 3b-1: Sectoral Allocations of Loan Aid Projects to the Middle East and North Africa, 2017–2022

Sector	2017–2019	2020–2022
Transportation	0	1
Energy/Electricity	2	2
Waterworks	4	0
Industry/Finance	2	3
Education/Human Resources	2	1
Debt relief	0	1
Program/Nonproject/Multisectoral	2	1
Covid-19	0	2
Total	12	11

(Compiled by the authors)

Table 3b-2: Sectoral Allocations of Grant Aid Projects to the Middle East and North Africa, 2017-2022

Sector	2017-2019	2020-2022
Energy/Electricity	2	0
Agriculture/Forestry	3	0
Industry/Finance	0	1
Education/Human Resources	3	4
Medicine and Health	12	10
Social Services	1	1
Food aid	9	6
Security	1	0
Peacebuilding	2	3
Refugees	1	1
Democracy	1	2
Multisectoral	17	20
Covid-19	0	2
Grants via Multilateral Institutions	(39)	(18)
Urban Environment	1	0
Total	53	50

(Compiled by the authors)

Table 3c-1: Sectoral Allocations of Loan Aid Projects to Sub-Saharan Africa, 2017-2022

Sector	2017-2019	2020-2022
Roads and Bridges	6	1
Transportation	1	1
Energy/Electricity	2	0
Communications	1	4
Waterworks	2	3
Agriculture/Forestry	1	1
Industry/Finance	2	2
Education/Human Resources	0	1
Medicine and Health	1	2
Debt Relief	0	5
Covid-19	0	7
Total	16	27

(Compiled by the authors)

Table 3c-2: Sectoral Allocations of Grant Aid Projects to Sub-Saharan Africa, 2017-2022

Sector	2017-2019	2020-2022
Roads and Bridges	3	10
Transportation	9	10
Communications	9	9
Waterworks	23	32
Agriculture/Forestry	5	7
Industry/Finance	3	1
Education/Human Resources	15	19
Medicine and Health	24	24
Social Services	0	1
Food aid	66	76
Disaster Relief/reconstruction	2	10
Security (border control)	10	14
Peacebuilding	4	3
Refugees	0	1
Democracy	4	7
Multisectoral	4	1
Covid-19	0	38
Grants via Multilateral Institutions	(1)	(5)
Other	1	0
Environment	1	11
Total	183	274

(Compiled by the authors)

Table 3d-1: Sectoral Allocations of Loan Aid Projects to Latin America and the Caribbean, 2017-2022

Sector	2017-2019	2020-2022
Roads and Bridges	1	1
Energy/Electricity	2	3
Waterworks	0	1
Covid-19	0	4
Environment	0	1
Total	3	10

(Compiled by the authors)

Table 3d-2: Sectoral Allocations of Grant Aid Projects to Latin America and the Caribbean, 2017-2022

Sector	2017-2019	2020-2022
Roads and Bridges/Transportation	5	0
Energy/Electricity	3	0
Waterworks	2	3
Agriculture/Fisheries	5	5
Industry/Finance		1
Education/Human Resources	1	2
Medicine and Health	7	6
Covid-19	0	20
Food aid	3	4
Disaster relief/reconstruction	13	2
Security	1	1
Program/Nonproject/Multisectoral	1	1
Refugees	0	8
Grants via Multilateral Institutions	(0)	(3)
Environment	3	1
Total	44	53

(Compiled by the authors)

Table 3e-1: Sectoral Allocations of Loan Aid Projects to Oceania, 2017-2022

Sector	2017-2019	2020-2022
Roads and Bridges	0	0
Energy/Electricity	0	0
Agriculture/Forestry	0	0
Education/Human Resources	0	0
Medicine and Health	0	0
Disaster Relief/reconstruction	1	0
Debt Relief	0	3
Security	0	0
Program/Nonproject/Multisectoral	0	0
Covid-19	0	4
Environment	0	0
Total	1	7

(Compiled by the authors)

Table 3e-2: Sectoral Allocations of Grant Aid Projects to Oceania, 2017-2022

Sector	2017-2019	2020-2022
Roads and Bridges	1	3
Transportation	2	1
Energy/Electricity	2	5
Waterworks	0	1
Agriculture/Forestry	0	1
Industry/Finance	0	1
Medicine and Health	1	0
Food aid	1	0
Disaster Relief/reconstruction	1	1
Security	4	2
Democracy	1	8
Program/Nonproject/Multisectoral	30	52
Covid-19	0	34
Environment	2	3
Total	45	112

(Compiled by the authors)

Table 3f-1: Sectoral Allocations of Loan Aid Projects to Europe, 2017-2022

Sector	2017-2019	2020-2022
Agriculture/Forestry	0	1

(Compiled by the authors)

Table 3f-2: Sectoral allocations of grant aid projects to Europe, 2017-2022

Sector	2017-2019	2020-2022
Medicine and Health	1	0
Disaster Relief/reconstruction	0	1
Multisectoral	2	1
Covid-19	0	8

(Compiled by the authors)

Three patterns can be discerned from the data depending on the region. First, Asia stands out as a region in which Covid-19 aid substituted for other sectoral aid allocations, especially core economics infrastructure projects. Table 3a-1 reveals a decline of about 10 loan aid projects in the section of energy/electricity and waterworks in the second period. In the Covid-19 cell we can see a significant growth of 17 projects comparing to post Covid-19. In total, we can see the decline of 17 projects in the second period.

Second, Covid-19 aid supplemented regular sectoral aid allocations. We can see this pattern in grant aid to Asia (Table 3b), loan aid and grant aid to Sub-Saharan Africa, grant aid Latin America and the Caribbean, loan and grant aid to Oceania, and grant aid to Europe. Covid-19 grants to Latin America and the Caribbean account for four out ten loans and 20 of 57 total grants (35 percent) from 2020-2022. Similarly, such aid accounts for four out of seven loans and 34 of 112 grants (30 percent) to Oceania in that period. In the European case (Table 3f-2) Covid-19 grants account for eight out ten grants in the second period.

The supplemental effect of Covid-19 aid to Sub-Saharan Africa is less noticeable because of the large number of total grants to the region after 2020. This is also the case with grants to Asia, where Covid-19 grants account for less than ten percent of total grants in period two. Note, however, the significant increase in projects allocated to medicine and health and to food aid, both typically increased in periods of crisis.

Third, Japan's Covid-19 aid neither supplements nor substitutes for other sectoral allocations. This is the case with loan and grant aid allocations to North Africa and the Middle East, where only two loans and two grants specifically for Covid-19 were made to the region. The latter occurred, moreover, against the backdrop of a decline in grant aid projects (92 to 68 across the periods). Loan aid to Europe also fits this pattern, although the provision of just one loan across both periods makes it an outlier in the data set.

#### 4. Timing of aid agreements

Did the onset of the pandemic affect the flow of loan and grant agreements? Tables 4a and 4b compare loan agreements and exchanges of notes for grants, including NGO grants, from 2019 and 2020. In 2020, there was a noticeable delay in loan agreements and note exchanges by month, and this shortfall continued until July. This trend is particularly evident in grant agreements with Japanese NGOs. However, many more exchanges of notes for regular grants were made in the middle months of 2020, June to September, than was the case in 2019.

Table 4a: Loan Agreements and Exchanges of Notes by Month, 2020

Month	Loans	Grants	JNGO	Local NGO
April	0	2	0	0
May	0	4	0	0
June	3	39	0	1
July	2	44	0	5
August	11	33	1	8
September	3	24	2	7
October	1	17	5	10
November	3	15	2	43
December	1	21	11	74
January	4	5	14	78
February	6	11	41	85
March	14	27	22	313

(Compiled by the authors)

Table 4b: Loan Agreements and Exchanges of Notes by Month, 2019

Month	Loans	Grants	JNGO	Local NGO
April	0	17	0	0
May	5	11	2	0
June	2	11	2	3
July	2	16	1	1
August	2	16	4	5
September	2	14	2	32
October	0	32	7	74
November	1	12	6	86
December	4	19	11	104
January	7	5	14	106
February	1	11	41	194
March	16	27	23	229

(Compiled by the authors)

## 5. Conclusion

This research surveyed Japan's ODA by world region during the Covid-19 pandemic, 2020 to 2022. It tried to determine whether the pandemic had an impact on aid and, if it did, what kind of impact it had. It first confirmed a slight increase in Japanese aid during the period compared to the previous period. Generally speaking, Japan did not reduce the number of countries receiving aid, although there was a decrease after 2020 in Japanese NGO and grassroots/human security grants in some regions. This was reflected in a reduction in NGO projects funded in certain regions. This type of aid is allocated to NGOs, so the decrease may have been attributable to issues of mobility or other logistical or organizational problems these agencies faced during the pandemic.

Second, the research confirmed that Japan's aid specifically for Covid-19 did not necessarily lead to reductions in aid to other development sectors. With three exceptions, loan aid to Asia, loan and grant aid to North Africa and the Middle East, and loan aid to Europe, Covid-19 aid supplemented sectoral allocations of aid rather than substituting for them.

Third, the onset of the pandemic delayed the completion of aid project contracts (loan agreements and exchanges of notes) in the early months of fiscal year 2020. This problem, however, did not recur in 2021 or 2022. The delay in 2020 was most noticeable with Japanese NGO grants. This is likely to be the result of border closures and other lockdown measures that severely limited international mobility. Note that grassroots/human security exchanges of notes, contracts with NGOs and local agencies in the recipient countries, recovered more quickly than their Japanese NGO counterparts' contracts.

Overall, Japan's ODA responded to the pandemic without significant change. The government added programs, such a cooperation with the COVAX Facility, but maintained aid levels and, significantly, allocation of project funds to regular economic and social infrastructure development sectors.

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## Abstract

This research focuses on Japan's ODA during the Covid-19 pandemic from 2020 to 2022. It examines Japan's ODA by region - Asia, North Africa and the Middle East, Sub-Saharan Africa, Latin America and the Caribbean, Oceania, and Europe - to assess whether the pandemic altered the content and allocation of aid to those regions. Specifically, the research investigates whether Japan's ODA for Covid-19 relief substituted for regular aid or supplemented it. It concludes that this aid tended to supplement regular aid allocations.