Japan, Korea, and China: Patterns of ODA in East Asia

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Agenda

- Introduction: Asia versus the "West"
- Asian donors: data on ODA allocation
- Asian donors: similarities and differences
- Recipient preferences
- Conclusions: toward joint activities among Asian donors?

Patterns of ODA

- Main East Asian donors: Japan, South Korea, China, Asian Development Bank (Note: lack of data on China)
- These Asian donors differ substantially from their western counterparts: United States, European Union, World Bank
- Main differences: geographical allocation, sectoral allocation, public-private links, importance of loans versus grants, role of conditionality

Main ODA Donors in East Asia, 2011

Donor	Japan	Korea	China	ADB
Status	DAC member since 1961	DAC member since 2010	Non-DAC member	Multilateral institution
Commitments	\$15.5bn	\$1.6bn	[\$4.9bn]	\$2.8bn
East Asia share	30.1%	31.1%	[25%]	22.0%
Gross disburseme	nts \$15.8bn	\$1.0bn	[\$4.9bn]	\$1.9bn
East Asia share	28.2%	35.2%	[25%]	36.4%
Net disbursement	s \$6.6bn	\$0.9bn	NA	\$0.9bn
East Asia share	-8.7%	34.1%	NA	49.4%

Geographical Allocation of ODA (%), 2011

	Africa	East Asia	South Asia	Other
Japan	22	28	25	25
Korea	17	35	23	25
China	45	[25]	NA	NA
ADB	0	37	51	12
West	36	6	13	55

Sectoral Allocation of ODA (%), 2011

	Social	Economic/Production	Other
Japan	31	51	18
Korea	42	53	6
China	NA	NA	NA
ADB	39	49	12
West	49	26	25

Similarities among Asian Donors

- Geographical allocation of ODA: Asian donors give a much higher share to East Asia
- Sectoral allocation: Asian donors give a much higher share to economic infrastructure and productive activities, less to social sphere
- Public-private relations: ODA is seen as part of a large package: grants, loans, FDI, trade ("economic cooperation"); work together in public-private partnerships, including tied aid

ences with the "West"

donors (and DAC) have adopted a approach in recent years: give ODA to est recipients; use grants rather than ovide fairly small amounts to support eduction, human rights, governance

ivestors will provide capital to middleountries and support projects in all that will increase growth

d private sectors should work ly through a division of labor

