

The Background to ODA Loans

Approximately 1.1 billion people around the world live on less than 1\$ a day. By providing ODA loans, JBIC contributes to the attainment of the Millennium Development Goals, one of which is to reduce the poverty rates.

Global society faces a range of issues that cannot be resolved by the efforts of one country alone, and such issues include poverty, conflicts, terrorism, refugees, and communicable diseases. In view of these conditions, 189 member countries that participated in the UN Millennium Summit in September 2000 adopted the "UN Millennium Declaration," which mandates engagement in the issues of peace and security, development and poverty eradication, environmental protection, human rights, and good governance, etc. The Millennium Development Goals (MDGs) are a compilation of the UN Millennium Declaration and the international development goals adopted at summit meetings and at important international meetings held during the 1990s. At the UN's 2005 World Summit held in September 2005, five years after the adoption of the MDGs, the current status of achievement and efforts for the future were discussed. With Prime Minister Koizumi from Japan in attendance, the efforts being taken to attain the MDGs as well as the necessity for action were reaffirmed. Below, highlights of the "The Millennium Development Goals Report 2005" as well as JBIC's efforts for actualizing the MDGs are presented.



Rural Infrastructure Development and Living Standard Improvement Project in Vietnam
photo: Gim Jeongin, intern student at Graduate School of Waseda University

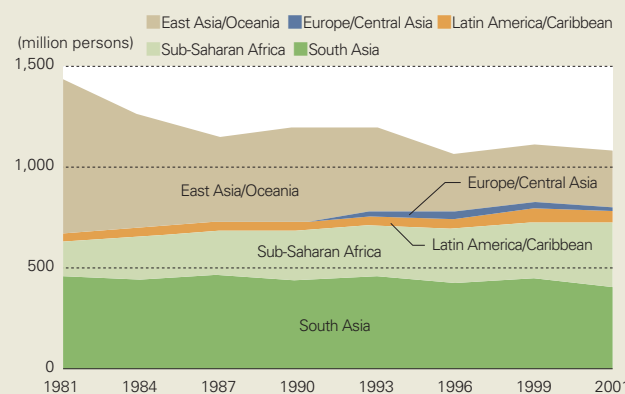
Introduction of Millennium Development Goals (MDGs) and Summary of Interim Evaluation

Goals	Main Targets*
Goal 1: Eradicate Extreme Poverty and Hunger	Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day.
Goal 2: Achieve Universal Primary Education	Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.
Goal 3: Promote Gender Equality and Empower Women	Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015.
Goal 4: Reduce Child Mortality	Reduce by two thirds, between 1990 and 2015, the under-five mortality rate.
Goal 5: Improve Maternal Health	Reduce by three quarters, between 1990 and 2015, the maternal mortality rate.
Goal 6: Combat HIV/AIDS, Malaria, and Other Diseases	Have halted by 2015 and begin to reverse the spread of HIV/AIDS.
Goal 7: Ensure Environmental Sustainability	Halve, by 2015, the proportion of people without sustainable access to safe drinking water and sanitation.
Goal 8: Develop a Global Partnership for Development	Develop further an open, rule-based, predictable, non-discriminatory trading and financial system.

*The MDGs have a total of 18 targets, and 8 of those targets are listed here.
source: http://unstats.un.org/unsd/mi/mi_goals.asp

Approximately 1.1 Billion People Live on Less than 1\$ a Day

Trends in Poverty Figures (number of people living on less than 1\$ a day)

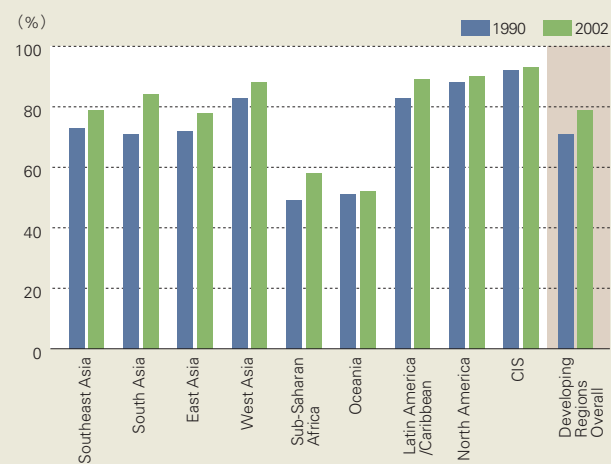


source: Based on World Development Indicators 2004, World Bank

Although the proportion of people living in poverty is declining globally, the number in Asia increased to over 700 million, and the number in Africa, at over 300 million, continues to grow.

Access to Safe Drinking Water Improved Worldwide

Percentage of People with Access to Safe Drinking Water



source: "Millennium Development Goal Report 2005," UN

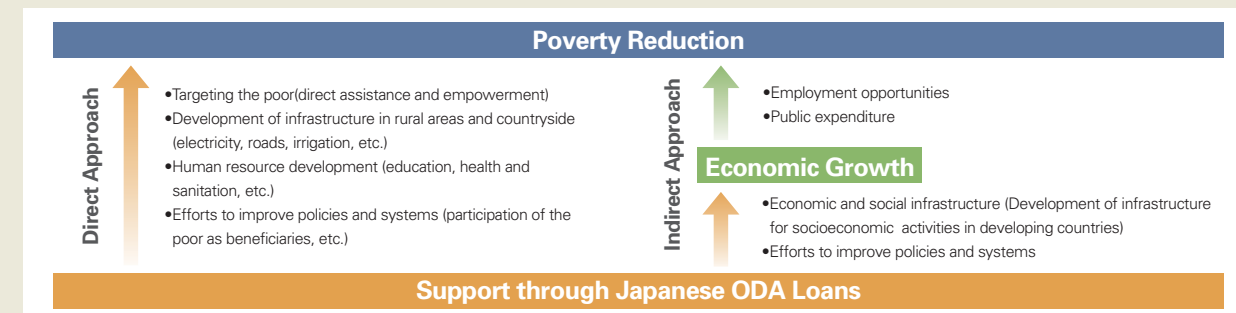
The proportion of people with access to safe drinking water is in an uptrend due to the increase in safe drinking water in south Asia (India, etc). However, even now more than 1.1 billion people have no choice but to drink unsanitary water.

JBIC's Contributions to the MDGs (from ex-post evaluation results)

Eradication of Extreme Poverty and Hunger (Goal 1)

ODA loans take both a direct and an indirect approach to the reduction of poverty.

The Approach of ODA Loans to Poverty Reduction



Development of Rural Areas (Direct Approach)

Thailand: JBIC is involved in the construction of irrigation facilities (small holding ponds), the key to agricultural progress. Japanese ODA loans have financed the construction of irrigation facilities which benefit 1.5 million households, accounting for 30% of all farmers in Thailand.

Indonesia: Japanese ODA loans have financed the construction of irrigation facilities covering approximately twice the area of Tokyo.

India: India's forest land consists of an area about six times the size of Tokyo which has been afforested with Japanese ODA loans.

Economic Growth (Indirect Approach)

Japanese ODA loans have financed the rehabilitation and widening of the national highway that connects Hanoi, the capital of Vietnam, with Hai Phong, the largest port in northern Vietnam and have supported the modernization of the port of Hai Phong. JBIC have contributed to the economic growth of northern Vietnam by improving the efficiency of distribution and by stimulating investment in industrial parks in the area.

Schools and Education (Goals 1 and 2)

The Philippines: As many as 40,000 new classrooms in primary schools have been built with Japanese ODA loans. The classrooms have been used by 25 million students to date.

Jordan: Japanese ODA loans have financed the construction of 200 new primary schools, junior high schools and high schools. The schools have been used by 90,000 students to date.

Indonesia: Japanese ODA loans have financed the construction of 150 junior high school buildings. The schools have been used by 200,000 students to date. Assistance has also been given to 10,000 undergraduate and graduate students in overseas study programs, etc.

Thailand: Japanese ODA loans have been used to enhance education equipment and appliances at 7,000 primary schools.

Safe Drinking Water (Goal 7)

Safe drinking water was supplied to more than 120 million people through water supply projects that JBIC undertakes around the world.

