



Japan's ODA to Fight against COVID-19: Its Implications for Developing Countries

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1. Introduction

- COVID-19 Related Assistance: earlier than the state of emergency on April 7, 2020
- **FY2019: Government Contingency Fund**
 - **COVID-19 Emergency Response Package** (Feb. 13, 2020): JPY1.8 Billion for provision of the virus for research and development of vaccine, medical equipments for robust health/inspection systems
 - **Second COVID-19 Emergency Response Package** (March 10, 2020): MOFA provides JPY15.5 billion's contribution to international organisations (WHO, UNICEF, etc) (*Nihon Keizai Shimbun*, March 20, 2020).
- **FY2020: Government Supplemental Budget** (April 3, 2020):
 - MOFA (including JICA) provides JPY80 billion's contribution to assistance for developing countries (*Nihon Keizai Shimbun*, April 3, 2020).

1. Introduction

► Questions:

- In the midst of internal crisis of COVID-19, what assistance has Japan offered to developing countries to combat against COVID-19?
- What implications for developing countries does Japan's participation in donor competitions of COVID-19 related assistance have?

2. Japan's Commitment to the Assistance for COVID-19

2.1. Objectives of Japan's Commitment

Why assistance by an infected country?

- ▶ The world-scale pandemic of COVID-19 is being a tremendous threat to all countries' economies and societies today at the time of globalisation. And it is the issue, to which should be made **concerted and united efforts of international community**.
- ▶ In particular, the infectious expansion to developing countries, where healthcare systems are fragile, should be controlled since it may be **directly linked to health and security of the Japanese residents in foreign countries**, and to prevent and alleviate infectious expansion to Japan, which may **ultimately affect the Japanese economy and society**.
 - ▶ MOFA (June 5, 2020), Kondoh's tentative translation

2.2. Governance of Policy-Making of the Assistance for COVIC-19

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Who Did Lead Decision-Making of the Assistance?

- Emergent policy-making process of COVID-19 assistance:
Led by the Kantei (Prime Minister Office)
- The Novel Coronavirus Response Headquarters:
 - Set up on 30 January 2020 under the jurisdiction of the Cabinet
 - The Head is the Prime Minister, and the Vice-Heads are Chief Cabinet Secretary and Minister of Health, Labour and Welfare
 - Members from aid related ministers, high-ranking officials and JICA were not represented
 - No members were invited from civil society

2.3. MOFA's Assistance for COVID-19 Crisis

Multilateral Aid

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- ➔ Reinforcing international coalition (**multilateral aid**)
 - ➔ Through the international organisations (*eg.* WHO), Japan provides emergency assistance of technical co-operation and grant aid for medical experts and refugees in developing countries which are affected by COVID-19.
 - ➔ Ultimately, Japan actively contribute to actions against the infectious diseases initiated by the international community.
 - ➔ The Second COVID-19 Emergency Response Package (March 10, 2020): contributions of JPY15 billion for emergency assistance to infected countries by WHO, etc.

2.3. MOFA's Assistance for COVID-19 Crisis

Bilateral Aid

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- From April 3 (until September 20), **emergency grant** is provided to 73 countries:
 - Increasingly serious (44 countries): Armenia, Bangladesh, Benin, Bolivia, Botswana, Cameroon, Chile, Comoros, Cuba, Djibouti, Dominican Republic, Democratic Republic of Congo, Ecuador, El Salvador, Eswatini, Ethiopia, Gabon, Guatemala, Guinea, Haiti, Honduras, India, Indonesia, Ivory Coast, Jamaica, Jordan, Kyrgyzstan, Liberia, Madagascar, Malawi, Maldives, Mauritania, Morocco, Mozambique, Namibia, Nepal, Panama, Peru, Rwanda, Senegal. Serbia, Sierra Leone, Sri Lanka, Tajikistan
 - Not serious yet (7 countries): Fiji, Lao, Mongolia, Myanmar, Papua New Guinea, Uzbekistan, Vietnam
 - No infections (14 countries): Belau, Cook Islands, Georgia, Kiribati, Marshall Islands, Micronesia, Nauru, Niue, Samoa, Solomon Islands, Timor-Leste, Tonga, Tuvalu, Vanuatu
 - Unknown (8 countries): Angola, Bhutan, Cambodia, Lesotho, Mauritius, Montenegro, Seychelles, Zambia (MOFA 2020)

2.3. MOFA's Assistance for COVID-19 Crisis

Bilateral Aid

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- ➔ From April 3, 2020, **emergency grant** has been providing with medical equipments:
 - ➔ Automatic external defibrillator (AED), ambulance cars, blood gas apparatus, cardiography equipments, centrifugal separators, CT scanners, ICU beds, infant incubators, mobile clinical units/cars, monitors, mobile ultrasonic scanners, MRI systems, thermography, ultradeep freezers, ultrasonic cleaner, water tanks, ward beds, X-ray equipments, etc.
- ➔ Diverse recipients in terms of infections, almost same items?

2.4. JICA's Assistance for COVID-19 Crisis

Technical Co-operation

- Before COVID-19:
 - **Prevention of infectious diseases:** reinforcing medical systems, medical human resource development (infection control, medical checkups and medical treatment, etc)

2.4. JICA's Assistance for COVID-19 Crisis

Technical Co-operation

- In COVID-19:
 - Remote implementation of on-going projects (Egypt, Lao and Myanmar)
 - Infectious disease-related **human resource development** in the mid/long-term
 - **Assistance to other related-areas** (JICA's websites):
 - Provision of safe water (Kenya, Nepal, Palestine, South Sudan, Sudan, Tajikistan)
 - Provision of personal protective equipments to medical staff (Mongolia)
 - Assistance for local production of personal protective equipments for medical staff (Bangladesh)
 - Development of artificial respirators (Kenya)

2.4. JICA's Assistance for COVID-19 Crisis

Technical Co-operation

- In COVID-19:
 - **Assistance to other related-areas** (JICA's websites):
 - Assistance for medical waste treatment (Morocco)
 - Assistance for Noguchi Medical Research Institute (Ghana)
 - Provision of test reagent to National Institute of Hygiene and Epidemiology (Vietnam)
 - Assistance for prevention of in-hospital infection (Brazil)
 - Debriefing session on cases of COVID-19 (Brazil)
 - Seminars of mental healthcare for children affected by COVID-19 (Mexico)

2.4. JICA's Assistance for COVID-19 Crisis

Technical Co-operation

➡ In COVID-19:

➡ Assistance to other related-areas (JICA's websites):

- ➡ Promotion of hand-wash practice with originally written 'Hand wash song' (Madagascar)
- ➡ Prevention of violence to women and children (Bhutan)
- ➡ Advisory activities on infectious disease prevention (Myanmar)
- ➡ Provision of ECOMO and PCR test kits and Online trainings of medical staff (Vietnam) (*Yomiuri Shimbun*, August 9, 2020).

2.4. JICA's Assistance for COVID-19 Crisis

Emergency Support Loans

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➡ Concessional loans:

- ➡ Emergency fiscal support to strengthen fiscal sustainability (JPY500 billion)
- ➡ Favourable TORs: interest rates 0.01%; maturity period 15 years; grace period 4 years; untied
- ➡ July 1: Philippines (JPY50 billion co-financed by ADB): to control infection and recover economy and contribute to sustainable development
- ➡ July 20: Indonesia (JPY50 billion co-financed by ADB): to control infection and recover economy and contribute to sustainable development
- ➡ August 5: Bangladesh (JPY35 billion): to assist economy and social welfare for vulnerable groups for mediation of socio-economic influence

2.4. JICA's Assistance for COVID-19 Crisis Emergency Support Loans

► Concessional loans:

- August 27: Kenya (JPY 8 billion): to promote Universal Health Coverage and ultimately contribute to controlling COVID-19 (interest rate of 0.95%, maturity period of 30 years, and grace period of 10 years)
- September 1: Myanmar (JPY 30 billion): to control infection and recover economy and contribute to sustainable development (maturity period of 40 years, and grace period of 10 years) (JICA 2020)

2.5. Ministry of Health, Labour and Welfare's Assistance for COVID-19 Crisis

Funding for COVID-19

Recipient	Amount (Million USD)
WHO (COVID-19 Strategic Preparedness and Response Plan)	76
Coalition for Epidemic Preparedness Innovation (CEPI)	96
Gavi , the Vaccine Alliance	300

Source: The Statement of Mr. Katsunobu Kato, Minister of Health, Labour and Welfare, Japan at the Seventy Third World Health Assembly, May 18-19, 2020, and the statement of Prime Minister Shinzo Abe at the "Global Vaccine Summit 2020" on June 5, 2020.

2.5. Ministry of Health, Labour and Welfare's Assistance for COVID-19 Crisis

Emergency Grant Aid of Avigan

- Avigan, was developed by a Japanese pharmaceutical company of **Fujifilm** group as an anti-flu drug.
 - It was attempted to prescribed for **Ebola** in West Africa in 2014.
 - Japan considers Avigan is a symbol of Japan's cooperation in line with Universal Health Coverage and Public-Private Partnership (PPP).
- As for COVID-19, Avigan is supplied for the aim of “promotion of clinical trial” through the United Nations Office for Project Services (UNOPS).
 - Around **80 countries** request the supply of Avigan for 20-100 patients each. One million USD is secured for this clinical trial.

3. Supply of Vaccines to Developing Countries

Two Types: Single and Multilateral

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➔ Single Country Supply

- China (Note: China stated it was participating in COVAX on Oct. 8)
- Russia

➔ Multilateral Supply

- COVAX Facility (jointly undertaken by 3 actors)
 - WHO
 - CEPI (PPP for funding)
 - Gavi (experienced to incentivize development of vaccines for the tropic with Advance Market Commitment [AMC])
 - Japan participates in COVAX and supports WHO, CEPI & Gavi.

Gavi COVAX AMC

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➔ COVAX has two functions

1. To supply funding for 9 vaccine development projects
2. To finance purchase of vaccines for developing countries (Gavi COVAX AMC)

➔ Gavi COVAX AMC

- Donors pledge finance for developing countries to buy a vaccine at a low price (\$3 per dose).
- At least 20% of population of participating countries will be supplied a vaccine.
- All depended on whether \$2 billion is pledged by August 31.
 - Though EU decided to participate on Aug. 31, the total amount doesn't seem to reach the target, so that **COVAX appears rescheduled** (FT 2020).

Single Country Supply

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➔ China

- At least 3 vaccines are at the stage of Phase III clinical trial as of August 2020.
 - The trials are conducted in developing countries, too.
 - The Chinese government started using a Chinese vaccine for "emergency purposes" in July (Yan 2020).

➔ Russia

- Russia approved a Russian vaccine in August.
 - Phase III trials are going to be conducted in Brazil, the Philippines, Saudi Arabia and UAE (Gonzales 2020).

Recap: Two Vaccine Supply Strategies

- ➔ **Great-Power Independent Supply Strategy**
 - China and Russia
 - USA
- ➔ **Middle-Power Collaborative Supply Strategy**
 - COVAX Facility
 - EU, Germany, Japan, Republic of Korea, UK and so on.

4. Implications for Developing Countries

4. 1. Competition among Suppliers Benefits Developing Countries

- ➔ This is not a "winner-take-all" situation.
 - A past AMC applied for pneumococcal diseases were given to 2 vaccines (Pfizer and GSK) for 60 recipient countries (Gavi 2019).
- ➔ It is a recipient country to choose the best vaccine among those becoming available for nationals of each country.

4.2. Competition in 4 Fronts

- ➔ Vaccine inventions is competition in 4 fronts:
 - Speed, Efficacy, Safety, and Price.
- ➔ Recipient countries can choose which front to be the most prioritized.
 - If the efficacy is low, then a second dose of vaccination is recommended.
 - The efficacy can be compromised.
 - However, if **safety** is compromised, a bad side effect may be fatal to the vaccinated person and the government.

5. Final Remarks

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- COVID-19 is a great challenge to Japan's attitude and behavior to international cooperation.
- There were some outcomes in line with the Middle-Power Collaborative Supply Strategy.
- Policy Implications to Developing Countries
 1. Competition among Suppliers Benefits Developing Countries
 - It is a recipient country to choose a vaccine at each time.
 2. Competition in 4 Fronts
 - It is a recipient country to decide which front should be prioritized.

5. Final Remarks (c'd)

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- ▶ The Government of Japan has a new prime minister Yoshihide SUGA.
- ▶ Mr. Suga stated that he would follow policies taken by his predecessor, Mr. Shinzo ABE.
 - The central control of all government matters by Prime Minister's Office (*Kantei*) will remain strong.
 - It is expected that international cooperation for COVID-19 will be undertaken by *Kantei*.
- ▶ **Concessional loan for budget support** will play a central role among Japan's international cooperation programs for developing countries.

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**Thank you very much
for your listening!**