

the \$30 billion of funding programmed, a total of \$18 billion is expected to be provided to and administered by the IFIs. A further \$9 billion will be co-financed by OECF and EXIM, the Japanese Official Credit Agency, in keeping with IFI project programming. A further \$3 billion will be provided direct to executing agencies by EXIM for use on an untied basis on projects through international competitive bidding. The \$9 billion to be lent under OECF and EXIM co-financing arrangements will generally be tied to purchases of Japanese goods and services. However, large amounts will be in commercial-rate funds raised on Japanese financial markets by IFIs (the World Bank and regional development banks), and a similarly large proportion will be lent by Japan through the IMF and IBRD in the form of special facilities to promote economic adjustment and stabilization, thus making the funds effectively untied. It should be noted that the current geographical distribution of Japanese aid in which roughly 70% goes to Asia (one-half of this to ASEAN) and 10% each to Latin America, Africa and the Middle East, is not expected to change substantially over the next few years.

Japanese ODA financing can potentially be used for procurement from Canada and other foreign sources. Some countries seem to be involved already in joint projects with the Japanese, using concessional loans for financing.

Japanese aid agencies tend to have small administrative staffs and seem genuinely interested in