

Grant Aid

Fund aid for building social and living infrastructure



A deep well supplying safe water to about 1,200 people living in a village (The Water Supply Project in Kayes, Segou and Mopti, Mali)

Grant Aid Program and JICA's Work

Grant aid is a program where the Japanese government provides funds to the governments of developing countries without the obligation of repayment in the form of ODA. The aim is to support the self-help efforts of the recipient country through the implementation of a project.

JICA's work can be classified into (1) a preliminary study that checks the content, scale, and the approximate costs of a grant aid project; (2) facilitating activities that examine a grant aid project, which begins after the signing and exchange of an intergovernmental agreement (Exchanges of Notes [E/N]), and carry out other necessary activities to ensure that it is being executed appropriately; and (3) follow-up that aims to maintain or enhance the effects of an implemented project.

Recently, an increasing number of more effective cooperation activities has been provided in a combination of hardware assistance, such as construction of facilities and provision of equipment, and software assistance, such as technical guidance and human resources development. For instance, in order to help local people acquire maintenance and management know-how to operate equipment provided by grant aid, human resources development is carried out through the dispatch of experts from Japan and inviting them to Japan for training. In some cases, on the other hand, training and research facilities necessary for technical cooperation are built with grant aid.

The Japanese government (Ministry of Foreign Affairs [MOFA]) directly provides the funds for grant aid projects.

Target and Procedures of the Program

JICA carries out the following procedures to implement a project.

1. Request

When a developing country wishes for grant aid from Japan, it must submit a formal request in writing to a local Japanese diplomatic mission.

The request for the grant aid has to satisfy the following criteria:

- High priority is secured in the social and economic development plans of the recipient country.
- It should contribute mainly to the stability of a democratic regime and the improvement of welfare.
- It should have high public demand despite low profitability.
- The recipient country has difficulties carrying out the project on its own and a loan is not suitable.
- Management system and budget are secured to implement the project effectively.
- There is no risk of assistance being channeled for military ends.

2. Study

In response to the approval notification for a prior study from the MOFA, JICA has a study team that includes private consultants to carry out a study in terms of the level of public interest, management and operation systems, and coordination with technical cooperation. Checkpoints of the study are basic conditions such as the purpose, content, effects, and optimal scale and environment of implementation of the grant aid. Project cost is estimated based on the study.

3. Examination

Based on the related documents, including the basic design

study report compiled during the study, the MOFA examines the content of the cooperation. Subsequent consultation between the MOFA and the Ministry of Finance takes place to secure the necessary budget. After certain formalities, the Cabinet decides whether the cooperation should be implemented or not.

4. Implementation

Following the Cabinet decision, the grant aid project commences with the signing of an E/N (Exchange of Notes), which stipulates the purpose and content of the cooperation, by the governments of Japan and the recipient country.

At the implementation stage of the grant aid project, JICA ensures that the construction of facilities and procurement of materials and equipment are carried out smoothly and properly. In a series of processes from conclusion of contracts to completion of construction and hand-over of materials and equipment, JICA gives advice to, has communication with, and provides on-site instruction to the recipient country's government and Japanese consultants.

5. Follow-up

After the completion of cooperation, the government of the recipient country takes charge of maintenance and management. However, sometimes, unexpected problems such as the breakdown of equipment and insufficient budget undermine the operation of the project. In response, JICA provides follow-up cooperation as necessary; for example, the procurement of equipment and materials, dispatch of a repair team, emergency work, etc., to support the sustainability of the effect of cooperation provided to the developing country.