

6 Fund Aid for Nation-building

—Grant Aid—



An elementary school constructed through the Dar es Salaam Elementary School Construction Project in Tanzania

From Research to Implementation

■ Scope of the Program

Grant aid is a program that provides funds to the governments of developing countries without the obligation of repayment in the form of ODA. The aim is to support economic and social development by helping the government of the recipient country introduce and upgrade its public facilities and equipment. The main categories of Japanese grant aid are as follows.

1) General grant aid

Grant aid for general projects (including grant aid for infectious disease control, grant aid for information technology (IT), grant aid for good governance*, grant aid for the global environment, grant aid for child welfare, grant aid for human resources development, grant aid to deal with antipersonnel mines, and grant aid for region-wide development), grant aid for debt relief, non-project grant aid (including sector program* grant and grant aid for conflict prevention and peacebuilding), Japanese grant aid for human resources development scholarships, and grant assistance for grassroots projects*.

2) Grant aid for fisheries

3) Grant aid for cultural activities (including grant aid for cultural heritage)

4) Emergency grant aid (including support for reconstruction and development)

5) Food aid* (Kennedy Round [KR])

6) Aid for increase of food production* (2nd Kennedy Round [2KR])

Of these categories, JICA is responsible for grant aid for general projects and Japanese grant aid for human resources development scholarship; grant aid for fisheries; grant aid for cultural heritage; food aid; and aid for increase of food production.

JICA's work can be classified as follows.

1) Preliminary examination

The content of requests for grant aid, the scale of the projects, and the approximate costs are checked.

2) Implementation of facilitating activities

Grant aid projects that begin after the signing and exchange of intergovernmental agreements (Exchange of Notes [E/N]) are monitored to ensure that they are being executed according to the E/N and guidelines of the Japanese grant aid for general projects and for fisheries.

3) Follow-up activities

These activities aim to maintain and enhance the effects of an implemented project.

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

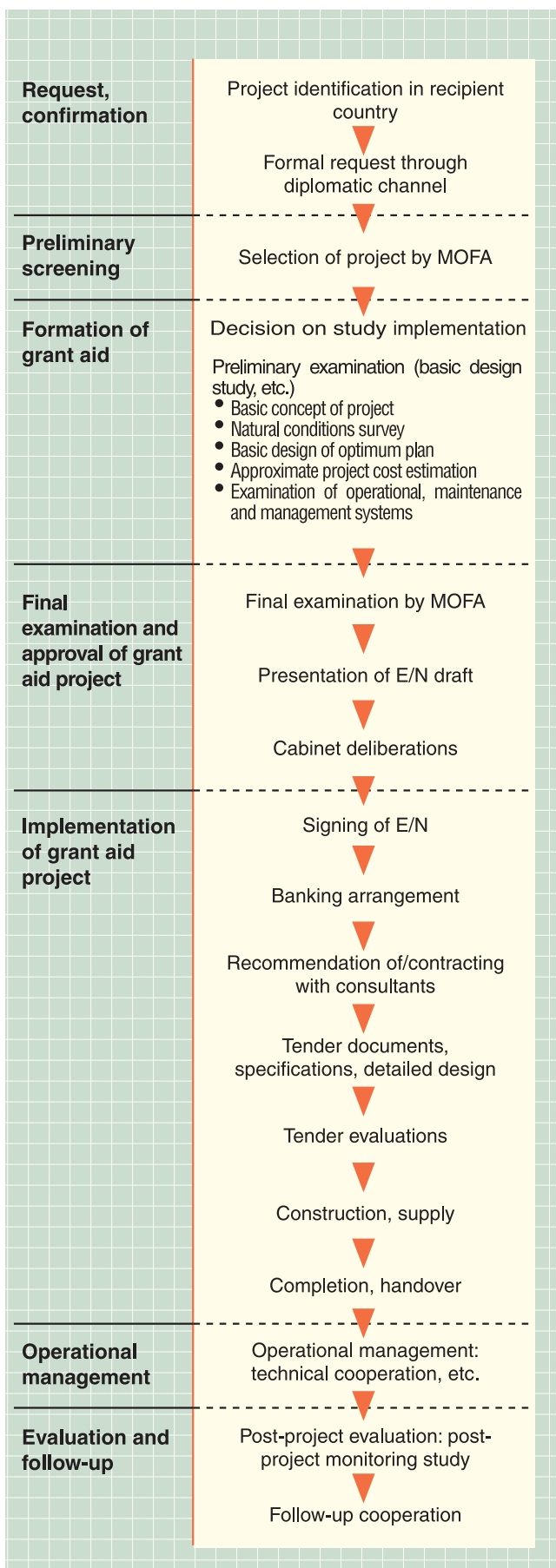
■ Criteria for Target Countries and Projects

Countries eligible for grant aid are those that qualify for interest-free financing from the International Development Association (IDA)* of the World Bank. Projects are concerned with nation-building and poverty alleviation in developing countries, and the countries receiving this aid should be unable to undertake the projects with their own funds and borrowing capacity. Projects entailing commercial profit, high-tech projects out of line with the technical levels of the recipient country, and those which run the risk of being channeled to military ends are ineligible.

Grant aid is made available mainly for social development in such fields as education; health and medical care; daily water supply and agricultural development; upgrading of public infrastructure* such as roads, bridges, and airports; and environmental conservation projects.

The grant aid program thus gives priority in particular to basic human needs (BHN)* projects that meet the most basic

Figure 3-9 Grant Aid Project Cycle and Its Principal Stages



needs of human life. It contributes to nation-building in recipient countries while ensuring wide-ranging linkage with technical cooperation provided by Japan and other donors* (donor countries and aid agencies).

■ Procedure of JICA Grant Aid Implementation

In response to directives from the Ministry of Foreign Affairs, JICA embarks upon a basic design study* involving basic design and cost estimation.

Such studies are generally performed by consultants under contract; 126 were carried out in fiscal 2002. In cases where the content of a promising project proposal seems to require further on-site examination, a preliminary study may occur before the basic design study.

Once the studies are completed, projects are presented to the Cabinet after consultations on practicalities between the Ministry of Foreign Affairs and the Ministry of Finance. A final decision is made once the Cabinet has given its approval. Projects brought before the cabinet in fiscal 2002 included 119 grant aid contributions for general projects, 10 Japanese grant aid contributions for human resource development scholarships, 11 grant aid contributions for fisheries, two grant aid contributions for cultural heritage, 18 food aid projects and 11 grant aid contributions for increase of food production projects.

Definitively approved grant aid projects are initiated with the signing of an E/N by the Japanese government and the recipient country. The Ministry of Foreign Affairs instructs JICA to facilitate the project. Grant aid projects begin with the conclusion of contracts between the recipient government, Japanese consultants and contractors. JICA ensures that projects are implemented smoothly by recommending consultants and providing guidelines for Japanese grant aid for gen-



A bridge constructed through the Guasale Bridge Reconstruction Project between Honduras and Nicaragua

eral projects and for fisheries outlining the basic approach to the project.

Once a grant aid project has been completed and handed from the contracted companies over to the recipient country, we provide follow-up cooperation if the developing country's government is unable to maintain and manage facilities and equipment constructed by the project on its own. Follow-up cooperation includes the dispatch of experts and study teams to carry out repair and construction work. Cooperation to restore the essential function of facilities built with grant aid is sometimes provided

through supply of new equipment or spare parts. Follow-up cooperation is indispensable for sustainable development* and human development in developing countries.

Respond to Diversifying Needs and Ensuring Quality Improvement

Clarifying the Result Indicator

A basic design outline sheet for a basic design study is prepared to clarify the project results. Furthermore, consis-

Front Line

● Guinea Water Supply Project in the Coastal Area

Supplying Safe Water

Grant Aid

Cause of high infant mortality rate

Guinea, which has a great deal of rainfall, is called "the water jug of West Africa." However, infrastructure, including water supply facilities that can steadily supply safe drinking water, is not completely established yet. Only 47% of households in the coastal area have access to water supply facilities. The water in the facilities dries up in the dry season and consequently residents use contaminated water from hand-dug shallow wells, rivers, and stagnant water as drinking water. Use of such unhygienic water has contributed to the spread of water-borne diseases such as diarrhea, cholera, and parasitic diseases, raising the mortality rate of infants. The necessary construction of water supply facilities was not carried out quickly because of a shortage in the national budget for local water supply. Residents with no opportunities to receive hygiene education didn't fully understand the relationship between health and clean drinking water.

Construction of deep wells and educational activities for residents

Upon a request from the government

of the Republic of Guinea, the Japanese government constructed 199 deep wells with hand pumps in 199 coastal villages with several hundred residents from 1999 to 2003. In two villages with a population of several thousands, we placed a pump-up system utilizing PV Systems in the existing wells, and also constructed water facilities by laying pipes from an elevated water tank. At the same time, support was given for educational activities in order to educate residents on the importance of hygiene and spread the idea that users must bear the cost of maintenance and management to receive clean drinking water continuously.

As a result, approximately 64,000 residents are now able to receive safe water. And as a result of the educational activities, a hygienic environment was made by surrounding the wells with fences to keep livestock away. In addition, a water management committee was formed in each village to maintain and manage the newly constructed water facilities, and a system to collect maintenance and management fees was established. Although there were



Public water taps constructed at Kalaboui village

users who preferred hand-dug shallow wells in the beginning, thanks to continuous hygiene education activities by the water management committee, residents started using hygienic deep wells, thus demonstrating their improved awareness about hygiene.

Japan provided the Department of Nation Water Source Management, which is responsible for local water supply, with digging equipment as well as necessary technologies. As a result, the independent construction of water facilities made it possible to achieve the objectives of the national project regarding local water supply.

tent with the research summary, JICA endeavors to ensure increased transparency while disclosing this information in the format of a report.

■ Strengthening the Implementation System

In spite of the difficult situation surrounding ODA, improving operational quality and strengthening our implementation system are constant concerns for JICA, as we must be certain of our capacity to respond appropriately to the increasingly diverse and complex needs of developing countries.

Specifically, we make effective use of organizations, both within JICA and from outside, international organizations and other donors, or functions and personnel such as JICA's overseas offices, senior advisors*, and project formulation advisors*. We also try to establish closer links with technical cooperation so that high quality projects can be identified and formulated.

■ Improving Project Monitoring

Grant aid projects are realized after the Japanese government has examined the approximate project costs that have been calculated through the basic design studies. In order to make effective use of funds, stringent investigation of the most appropriate design standards and calculation details in line with requests from developing countries are very important.

JICA has always tried to ensure that such investigations are as fair as possible. In fiscal 1999, we set up an Office of Technical Coordination and Examination to raise the level of basic design work in cooperation with outside experts as well as establish a system for confirming progress at the implementation stage through dispatch of technical advisors for implementation of grant aid projects.

JICA has also made efforts to ensure the sound operation of various systems: (1) a pre-shipment inspection system run by third-party organizations, which was introduced in fiscal 2000; (2) enhancement of reporting duties from partner governments to the Japanese government as specified in Guidelines of Japanese Grant Aid for General Projects and Fisheries; (3) a procurement management function of the Japan International Cooperation System (JICS) to improve procurement procedures of grant aid for the purpose of increasing food production (2KR); and (4) a committee sys-



A hospital constructed through the Ratnapura General Hospital Construction Project in Sri Lanka

tem introduced for fund monitoring.

JICA is working to link financial aid cooperation experts and technical cooperation projects so as to strengthen its guidance of initial project operation and maintenance/management. JICA is also devising ways of ensuring that grant aid projects that have been implemented are used in a sustainable and effective manner in the partner countries, while liaising with the activities of other aid agencies when required.

■ Operation Cost Reduction

Japan's grant aid is constantly appraised in terms of quality by governments of partner countries and other donors. In order to implement more efficient projects to reflect the difficult situations surrounding ODA in Japan, a device for reducing operating expenses at the basic design study stage is being examined in consideration of regions and sectors.

■ Information Disclosure and Publicity

JICA actively releases information on the results of studies and tenders to maintain the transparency of its programs. We are constantly creating videos and pamphlets explaining how grant aid works and presenting projects that are now under way in various countries. JICA is also disclosing information on the JICA homepage about our operations to keep the Japanese people fully abreast of JICA activities.

■ Response to Needs

In order to respond to diverse needs in developing countries and provide aid more effectively, JICA addresses global issues* such as poverty and the environment, and provides emergency aid such as reconstruction support to Afghanistan. We are also implementing effective projects in collaboration with technical cooperation, loan assistance*, UNICEF (United Nations Children's Fund), the WHO (World Health Organization) and other international organizations, donors and NGOs.