

Grants

Building Foundations for the Future of Developing Countries

Grants are a type of financial assistance in which funds are granted to a developing country to support construction work or services such as procuring equipment and materials that are necessary for socioeconomic development. Since Grants are financial assistance with no obligation for repayment, they target mainly developing countries with low income levels.

Assistance is provided mainly for the development of basic infrastructure that contributes to socioeconomic development, such as hospitals, schools, water supply systems, irrigation systems, roads, bridges, ports, and power supply. Assistance is also extended in various fields, including peacebuilding, developing business environments, disaster prevention and reconstruction after disasters, measures to cope with climate change, and development of human resources for those who will play important roles in their own countries' policymaking.

Where necessary, technical guidance for operation and maintenance is also provided so that the facilities and other systems financed by Grants are sustainably managed.

Project Cycle

Grants are extended through a project cycle consisting of six major steps, as described in the chart at the upper right. Lessons learned from ex-post evaluations will be utilized for preparing new projects.

1 Project Preparation

JICA examines the relevance of the project through preparatory surveys, etc. and develops an outline of the project in consultation with the partner country government.

2 Official Request

The Japanese government receives an official request for the project from the partner country government.

3 Examination/Appraisal and Ex-ante Evaluation

JICA examines and appraises the contents of the requested project and conducts an ex-ante evaluation.

4 Approval by the Cabinet/Exchange of Notes and Grant Agreement

Based on the results of JICA's appraisal, the Japanese government approves the project to be financed by Grants at the Cabinet level. Then, the partner country government signs the Exchange of Notes and Grant Agreement with the Japanese government and JICA, respectively.

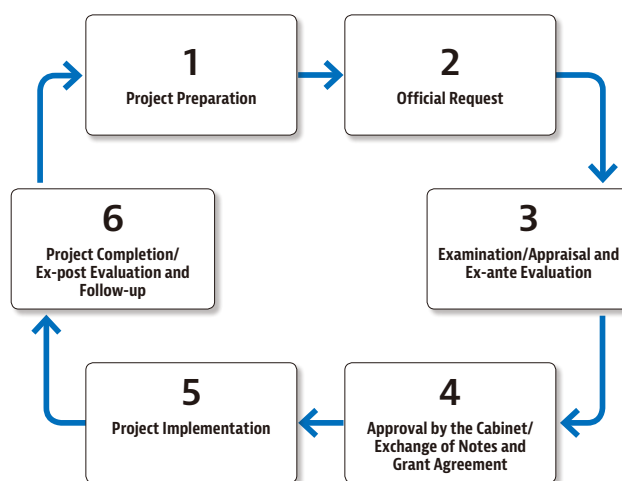
5 Project Implementation

The partner country government implements the project, whereas JICA, respecting the partner country's ownership, monitors the progress of the project and gives advice to the stakeholders in order to ensure proper and smooth implementation.

6 Project Completion/Ex-post Evaluation and Follow-up

After project completion, JICA conducts an ex-post evaluation, and where necessary provides follow-up cooperation to

Project Cycle



maximize the performance of the equipment and facilities as well as to support the activities for disseminating the project outcome. Feedback from the evaluation will be utilized for preparing new projects.

Types of Grants Implemented by JICA

1. Project Grants

This is a type of Grant in which the partner country government enters contracts with consultants or contractors to build facilities or to procure equipment and materials. It is mainly used for establishing foundations for basic human needs or for building socioeconomic infrastructure.

2. Program Grants

This is a type of Grant in which multiple subprojects are implemented in a flexible manner under a single Grant program. When assisting restoration or reconstruction from conflicts or disasters, prompt and flexible responses to a variety of rapidly changing needs are required. This type of Grant has been applied to assist restoration and reconstruction efforts after disasters including Typhoon Yolanda, which struck the Philippines.

3. Grants in Association with an International Organization

This is a type of Grant in which an Exchange of Notes and a Grant Agreement are signed with an international organization to implement a project while making use of the expertise of the international organization.

4. Grants through Budget Support

This is a type of Grant in which budget support is provided for a developing country for purposes such as the promotion of a poverty reduction strategy that is a comprehensive development plan for the country's socioeconomic development. In this type of Grant, there are categories such as "general budget support,"



Timor-Leste: At Dili Port, which serves as the only international port in the country, the existing ferry terminal was relocated and expanded to separate passenger and cargo sections under a Grant project. Completed in October 2019, the renovated terminal is now contributing to the expansion of safe and efficient marine transport in Timor-Leste.

in which purposes and expense items are not specified, and “sector budget support,” in which purposes and expense items are limited to a certain sector.

5. Grants for Human Resources Development

This is a type of Grant in which a scholarship for graduate study in Japan is provided to promising government officials and other personnel who will likely become leaders in partner countries. After returning home, they are expected to play an active role in formulating and implementing socioeconomic development programs as experts. They are also expected to help further strengthen friendly relations between Japan and partner countries as supporters with rich understanding of Japan.

Initiatives to Promote the Export of Quality Infrastructure

1. Grants with Operation and Management

This type of Grant is for public-private partnership (PPP) projects that are economically beneficial but not financially viable, though they may likely become financially feasible if the developing country government bears part of the project costs. This Grant targets public work projects that comprehensively implement the continuum of activities from facility construction to operation, maintenance, and management [→ see the column at right].

2. Grants in Cooperation with Local Governments

This Grant is designed to support the implementation of quality projects that take advantage of the experience and know-how accumulated by Japanese local governments. Projects with this type of Grant are formulated based on proposals from local governments that have experience in providing technical cooperation or dispatching experts to developing countries.

3. Grants for the Global Outreach of Medical Technologies and Services

This type of Project Grant is designed to provide higher-quality

Grants with Operation and Management

A new type of Grant that assists Japanese firms in expanding their business operations overseas

In fiscal 2019, JICA launched Grants with Operation and Management, under which JICA takes advantage of Japanese private companies’ excellent array of comprehensive technologies—ranging from facility construction to operation and maintenance (O&M)—in order to help developing countries solve development challenges they face.

The Project for Expansion of Water Supply System in Ta Khmau in Cambodia is the JICA’s first project under this new Grant scheme. A preparatory survey was recently completed for the project, and the Cabinet approved the Grant in February 2020. In the Ta Khmau District, a suburb of the capital city of Phnom Penh, the capacity of the existing water treatment plants to supply safe water was reaching its limit in the face of growing water demand due to increases in the population and commercial facilities, as well as deteriorating raw water quality. This project constructs a water treatment station in the Ta Khmau District to improve local water services, thereby contributing to a better living environment.

Under the project, a Japanese private company will acquire the concession of the water treatment plant to be built under this Grant and operate the plant over the medium to long term. The utilization of Japanese expertise in efficient O&M of facilities will make it possible to deliver quality water services while reining in increases in water charges.

By implementing Grants with Operation and Management, JICA will support the overseas application of Japanese technology in the O&M and other aspects of public infrastructure and the like, thereby contributing to quality public service delivery in developing countries.



Untreated raw water (left) and treated water (right)
JICA has long been supporting the supply of safe water in Cambodia, a most notable example being the development of the Phum Prek Water Treatment Plant in Phnom Penh. Tap water in the capital now meets the drinking-water quality standards of the World Health Organization (WHO).

medical equipment and services—including maintenance and other after-sales services—to partner countries. It will help to build long-lasting relationships between Japanese manufacturers of medical equipment and medical institutions in partner countries.