

ODA loans are provided based on the “Medium-Term Strategy for Overseas Economic Cooperation Operations.”

JBIC undertakes its ODA loan operations based on the “Medium-Term Strategy for Overseas Economic Cooperation Operations” that is formulated every three years. (The current strategy is in effect from April 1, 2005, to March 31, 2008.) In the strategy, the basic approach is expressed as a three-part agenda consisting of “Focus on Development Results,” “Medium- to Long-term Perspectives,” and “Efforts for Transparency of Japanese ODA loans,” and the four priority areas are stated as “Poverty Reduction,” “A Foundation for Sustainable Growth,” “Global Issues and Peace-building,” “Human Resources Development.”

Evaluation Result Feedback Seminar in China



5. What is the Basic Policy on Which ODA Loans are Based?

Basic Policy

Focus on Development Results

To improve development results, JBIC concentrates on (1) Increased emphasis on country-specific viewpoints, (2) Efforts on policy and system reform, (3) Strengthening of aid cooperation and coordination, (4) Stepped-up project monitoring, and (5) Enhanced evaluation. In its endeavor to improve development results, JBIC works to utilize resources in an efficient manner.



Feedback to developing countries concerning the evaluation results

Medium- to Long-term Perspectives

Since development is efforts to contribute to the economy and society of the developing country, the incidence of results requires time. Accordingly, in project cycles of ODA loan-backed projects, JBIC strives to design and monitor projects in medium- to long-term perspectives with respect to the development needs of the partner country.



Afforestation project with an eye on long-term results

Efforts for Transparency of Japanese ODA Loans

It is necessary to boost accountability and transparency of ODA loan operations for smooth and proper implementation of projects. Promotion of open ODA loan operations is thus important. To achieve this, JBIC engages in information disclosure, education concerning development, enhancement of evaluations, public relations, and facilitation of citizen's participation.



Junior high school students on a field trip to JBIC

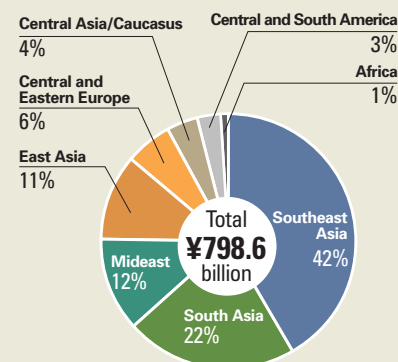
Special Consideration

As one of the issues to be considered in ODA loan operations, JBIC enhances evaluation activities with focus on development results. For the enhancement of evaluation, JBIC undertakes evaluation in consistent manner that lead to improved effectiveness and efficiency of operations as well as improved accountability.

Geographical Focus

Asia is the geographical focus of our ODA loan operations, and it accounts for approximately 80% of all loan amounts by region. In our assistance to Indonesia and Sri Lanka in particular, we are working actively on rebuilding and rehabilitating public infrastructure, etc., in areas affected by the December 2004 Indian Ocean earthquake and tsunami.

Loan Amount by Region (FY2004)



For details, refer to “Medium-Term Strategy for Overseas Economic Cooperation Operations” on the JBIC website.

6. What are the Actual Effects of ODA Loans?

Priority Areas (for loans evaluated in 2004)	Instances of Contribution
<p>Poverty Reduction (14 loans)</p> <p> JBIC continues to strengthen its efforts to reduce poverty as it aims to attain the Millennium Development Goals. Since, as shown by experience in Asia, economic growth is indispensable for alleviating poverty, we continue to support sustainable economic growth that contributes to poverty reduction. Moreover, we ensure that the poor benefit from the projects by implementing projects in regions where many poor people reside so that the effects of economic growth clearly reach them.</p>	<p>The Philippines: Credit Support to Beneficiary of Agrarian Reform (p. 75)</p> <p>Besides technical support on financial management and the preparation of borrowing plans to agricultural cooperatives with their members allocated land through agrarian reform, loans for the co-op members and rice-selling projects were provided to these agricultural cooperatives through the Land Bank of the Philippines (LBP). Among the participating agricultural cooperatives, approximately three quarters received funding from LBP, and this funding enhanced the cooperatives' capital and improved the lives of the farmers.</p> <p>Beneficiaries together with staff of the executing agency</p>
<p>A Foundation for Sustainable Growth (32 loans)</p> <p> JBIC continues to support improvement of economic and social infrastructure which is prioritized in developing countries and to provide assistance for sustainable growth. To boost the effects of the assistance, JBIC utilizes the outstanding technology, human resources, experience, and knowledge in Japan, and assistance is provided for the improvement of policies and systems as well as that of operation and maintenance.</p>	<p>India: Anpara B Thermal Power Station Construction Project (1)-(5) (p. 62)</p> <p>In Uttar Pradesh where a serious shortage of electric power was imminent, JBIC supported the construction of a large electric power generation plant and contributed to an improvement in the power supply. The power plant's capacity utilization ratio exceeds 90%, and the plant supplies electric power equivalent to the amount consumed by approximately 39 million persons.</p> <p>Anpara B Thermal Power Station</p>
<p>Global Issues and Peace-Building (16 loans)</p> <p> To resolve global environmental issues, JBIC supports global warming countermeasures to control and reduce greenhouse gas emissions, preservation of natural environments, and environmental improvement and pollution prevention efforts such as air pollution and water pollution countermeasures. In disaster prevention, in addition to emergency assistance, JBIC emphasizes medium- and long-term reconstruction and redevelopment as well as assistance for prevention. Moreover, we endeavor to undertake peace-building and countermeasures for infectious diseases such as HIV/AIDS, as well as support for development and protection of World Heritage sites.</p>	<p>China: Assistance for Environmental Improvement (Air/Water Quality) (p. 77)</p> <p>Through the installation of facilities such as gas supply and sewage treatment plants, the 16 projects for protection on air quality and water improved environment, policies, and systems in China. It was ascertained through simulations that environmental policy improvements have had the effect of cutting sulfur dioxide (SO2) in the air by 2.2 million tons/year and chemical oxygen demand (COD) in the water by 38 million tons/year.</p> <p>A meeting on the evaluation results</p>
<p>Human Resources Development (8 loans)</p> <p> Heretofore, JBIC has extended ODA loans to support study abroad, educational programs, and construction of schools. We will continue to support human resources development through education from the primary to the high school level and vocational education. Moreover, in the various stages of the ODA loan project cycle, we endeavor to develop human resources through technology transfers and training in procurement, credit management, and evaluation.</p>	<p>Malaysia: Higher Education Loan Fund Project (HELP) (p. 41)</p> <p>By providing scholarships to attend science and technology schools in Japan, JBIC supported the development of technicians in Malaysia. 279 persons obtained degrees such as in electricity, electronics, and mechanical engineering. Of these, 201 persons were employed at private companies in the manufacturing and telecommunications industries (with 162 persons finding employment at Japanese companies). When Japanese companies introduce new technology to Malaysia, these persons are playing a vital role as key persons.</p> <p>A graduate working at a Japanese company</p>