3 Fund Aid for Nation-building

—Grant Aid—

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 water resources and the environment, grant aid for rehabilitation*, grant aid for child welfare, grant aid to deal with antipersonnel mines, and grant aid for region-wide development), non-project grant aid (including Sector Program* grant and grant aid for conflict prevention and peacebuilding), Japanese grant aid for human resources development scholarships, grant assistance for grassroots projects* and human security*, and grant aid for Japanese NGOs.

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 examined to ensure that they are being executed according to the E/N and guidelines of the Japanese grant aid cooperation. Other necessary activities are also carried out.

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 determined based on the financing guidelines 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 rural 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 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 agencies).
Flow of JICA Grant Aid Implementation

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

Such studies are generally performed by consultants under contract; 127 basic design studies were carried out in fiscal 2003. 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. In fiscal 2003, 47 preliminary studies were performed.

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 2003 included 130 grant aid contributions for general projects, 20 Japanese grant aid contributions for human resource development scholarships, six grant aid contributions for fisheries, one grant aid contributions for cultural heritage, 20 food aid projects and 14 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. 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 outlining the basic approach to the project.

Once a grant aid project has been completed and handed over to the government of 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.

Zimbabwe
Nyakomba Irrigation Development Project
Supporting Small-scale Agriculture in Rural Black Communities

Managing stable irrigated agriculture

Agriculture in Zimbabwe is mainly divided into large-scale commercial agriculture owned by a small number of white farmers and small-scale agriculture by a large number of black farmers. Japan provides technical cooperation to small-scale agriculture by black people. Since the 1980s, JICA has constructed small-scale irrigation systems with grant aid in rural black communities in the central part of Zimbabwe and has made considerable progress in poverty alleviation and increasing food production. A recent case is the Nyakomba irrigation project that was implemented from 1998 to 2000.

Nyakomba is an agricultural village located at the border with Mozambique, and is located in the area where development still lags. Since agriculture in this area depends on rainwater, it was easily affected by drought and suffered serious food shortages many times. More stable irrigated agriculture not affected by the weather condition was needed.

Impact of irrigation on entire lives

In the Nyakomba irrigation project, water was pumped from the river at the foot of the village and into the irrigation facilities to supply water to the fields and other facilities necessary for farming. Specifically, pumps, a farm pond, division works, water channels in fields, farm roads, and a simplified crop assembly and shipping station were provided.

With the construction of an irrigation system in this project, tri-annual crops became possible, and at the same time the food shortage problem was solved, the income of farmers was greatly increased, and the living standards of the farmers were outstandingly improved. Now children go to school, houses are built or renovated, and the living environment is better.

Furthermore, women and children previously had to bear most of the labor by going as far as a kilometer to the river to fetch water and carry it home, but with this irrigation system, they can have water from the division works or the water channel right next to their homes, and they have been released from the burden of having to fetch water.

Thus, the small-scale irrigation project with cooperation from Japan has had a great impact not only on farmers but also on the entire community.

(JICA Zimbabwe Office)
Responding to Diversifying Needs and Ensuring Quality Improvement

Clarifying the Result Indicator

The Project Planning Sheet details the objectives, contents, and result target of a project for a basic design study. Furthermore, consistent with the research summary, JICA endeavors to ensure increased transparency while disclosing this information in the format of a report.

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. JICA investigates calculation details in line with requests from developing countries. Furthermore, technical advisors for implementation of grant aid projects are dispatched to the field to confirm progress at the implementation stage.

JICA is working to provide guidance for initial project operation and maintenance/management of the facility and equipment provided. JICA strengthens coordination with technical cooperation projects and makes efforts to ensure that implemented grant aid projects are used in a sustainable and effective manner in the recipient countries, while liaising with the activities of other aid agencies when required.

Project Cost Reduction

Japan’s grant aid is constantly appraised in terms of quality by governments of partner countries and other donors (donor countries and agencies). In order to implement more efficient projects to reflect the difficult situations surrounding ODA in Japan, every effort for reducing expenses at the basic design study stage is being made in consideration of characteristics of regions and sectors.

Information Disclosure and Publicity

JICA endeavors to disclose information related to various guidelines, studies to be implemented, tender results, etc., utilizing JICA Plaza and its homepage from the perspective of transparency in projects.

Syria
Dispatch of Senior Volunteers and Human Resources Development
Toward a Stable Supply of Electricity

Grant Aid, Senior Volunteers

Huge electricity loss

Electric power in Syria is managed by two ministries: thermal power plants by the Ministry of Electricity and hydraulic power plants by the Ministry of Irrigation. Under the Ministry of Electricity, the Public Establishment of Electricity Generation and Transmission manages power plants and transmission, and the Public Establishment for Distribution and Exploitation of Electric Energy manages distribution. The total capacity of electric power facilities in Syria is about 7,014,000 kW and power plants involved with aid from Japan account for 53% of the total capacity. Four out of 13 thermal power plants were made in Japan and all of the four plants are placed in the top five in terms of generation capacity. However, 26% of the total electric power capacity is lost due to reasons such as facility failure of plants, facility failure of substations, and other general insufficiencies in construction techniques. The result is estimated at about 10,000 US dollars loss per day. Nevertheless, electricity demand has been increasing at a rate of 8% annually since 2000, and reinforcement of electricity generation is urgently required.

Human resources development in the Electricity Technology Institute

In response to tight electricity demand, a group of senior volunteers was dispatched to the Electric Power Training Center in Jandar, which was established with grant aid for the purpose of improving operation and maintenance skills in October 1998. At present, five volunteers (welding, machine tool, electric equipment, non-destructive inspection, group coordinator) have been dispatched to improve the maintenance and management skills in the first phase, and they are making efforts to lower electricity losses due to human error by teaching engineers in charge of maintenance and management of power plants everything from basic technologies to the latest technologies. Along with the dispatch of senior volunteers, eight engineers received country-specific training held in Japan in fiscal 2003. The second phase in the future will involve a shift to training operating engineers involved in the actual operation of power plants. JICA continues to cooperate in developing human resources who will play a leading role for stable supply of electricity in Syria.

(JICA Syria Office)