3 JICA’s New Tasks in Japan’s ODA Reforms

ODA Implementing Agencies Centered on JICA

The ODA reform this time, which derives from the reform of policy-based financing carried out by the Japanese government, has been discussed. In October 2005, the government set up the Study Group on Overseas Economic Cooperation comprising intellectuals, and the study group compiled a final report in February 2006.

Three major points were raised in a series of discussions: (1) In order to strengthen the function of the control tower of overseas economic cooperation centered on ODA, the Overseas Economic Cooperation Council should be set up under the initiative of the Prime Minister and a system to discuss important issues on ODA in a flexible and substantial manner needs to be developed; (2) The Ministry of Foreign Affairs shall continue to assume the leading role of formulation and coordination of ODA policy; and (3) ODA implementing organizations shall be re-organized and centered on JICA, which will be designated as an integrated implementation body of technical cooperation, grant aid, and loan assistance (yen loan).

The Administrative Reform Promotion Law, enacted in May 2006, stipulates that overseas economic cooperation operations (yen loan operations) of the Japan Bank for International Cooperation (JBIC) shall be taken over by JICA by amending the Japan International Cooperation Agency Law (JICA Law). The government intends to proceed with system development towards the overall ODA reform, and JICA established Office for Integration in March 2006 and has started discussions about a new framework to implement better assistance.

JICA has thus far promoted the reform of operation management and organizational structure from three perspectives, namely, field based management, human security, and effectiveness, efficiency and speed, based on the JICA Reform Plan. As for domestic operations, JICA is in the process of reforms, focusing on the improvement of Acceptance of Technical Training Participants Program in order to meet the needs of developing countries more accurately. JICA has set fiscal 2006 as the final year for consolidating the reforms. JICA is working on the immediate tasks of system building of tandem cooperation between the headquarters and overseas offices, enhancing the strategic feature of projects and the promotion of program formulation to upgrade the quality of projects, and contributing to the emergence of training outcomes.

Tackle Tasks toward Integration

As described thus far, JICA has been promoting its reforms with the objective of speeding implementation of projects based on local perspectives and needs and improving the quality of projects. These objectives are considered to be the task not of JICA alone but also of ODA as a whole. The above-mentioned report of the Study Group points out that integrated implementation of ODA from the perspective of effective implementation of aid and aid with a clearly visible profile in line with local needs will strengthen collaboration among schemes and in turn improve the effects of assistance.

At the inception of discussions about the institution for integration, the following specific issues have to be addressed to respond to expectations from the general public in Japan and developing countries outside of Japan.

a. Building integrated project management systems
Providing technical cooperation, grant aid, and loan assistance in an integrated manner, produces greater impacts, benefiting developing countries, the recipient of aid. Thus, we believe it is important to strengthen organizational structure in order to improve the quality of projects.

b. Strengthening systems to implement effective projects
In order to further improve effects of ODA, it is necessary to strengthen the functions of planning and coordination and the function of project formulating and planning based on country- and region-specific approach. Furthermore, effectiveness and efficiency of projects have to be pursued by accumulating expertise.

c. Establishing flexible and speedy implementation system
Establishing a system that allows flexible and speedy implementation of projects in line with the government’s strategy and policy is another issue.

d. Developing specialized skills
It is also necessary to secure study and research functions suitable for an integrated development assistance agency and human resources development function.

The goal of the ODA reform this time is to further expand aid effects. To that end, JICA needs to take on a new challenge with the awareness as described above.

Container Terminal B Berth, Laem Chabang Port in Thailand: This facility was constructed with a yen loan based on a development study conducted by JICA.