



3 The Start of “New JICA”

“New JICA” will be one of the world’s largest bilateral aid agencies, carrying out the three aid components of technical cooperation, ODA loans, and grant aid in an integrated fashion. This means it will have an even greater role and bear an even greater responsibility than it has to date. There are great expectations in developing countries, in addition to which “New JICA” is becoming the subject of increasing attention in Japan and overseas; “New JICA” will be expected to present specific, visible integration effects. “New JICA” must demonstrate the requisite overall ability and must aim to be an organization with a strong presence by administering the three methods of assistance in an integrated fashion, under the banner of the Three Ss: Speed up, Scale up, and Spread out.

A different scale to that used in Japan is needed for measuring the effects of assistance; as well as taking into account the partner country’s self-help efforts, it is important to share the perspective of the partner country in order to consider the results that the partner desires most. For this reason, comprehensive aid programs are important. In particular, projects must be advanced with an eye on the overall picture, making effective use of country rolling plans (action plans for implementing Japan’s country assistance program) formulated on the basis of strategic guidelines such as country assistance programs drawn up principally by the Ministry of Foreign Affairs.

There is a need to further strengthen initiatives for dealing with global-scale issues such as the environment, climate change, poverty reduction, and infectious diseases. Recognizing that the people on whom these issues have the greatest impact are the socially disadvantaged in developing



A JICA specialist carries out capacity building of a micro-finance group (Zimbabwe).

countries, it is necessary to steadily implement "human security" through measures such as empowering people in order to minimize these risks.

Moreover, "New JICA" must enhance its influence and dissemination capability as an organization in order to be able to make international contributions through the strategic thinking that comes from investigation and research into effective assistance approaches, and through the results of its assistance. Importance should be given to concepts developed in the field; at the same time, it is necessary for JICA Research Institute, that aims to become an intellectual center, to proactively disseminate research results supported by theory that will enjoy international acceptance.

It is our responsibility to transmit Japan's technology and experience to developing countries, which are our partners, and at the same time it is important that we continue to respond to the desires and expectations of these partners. In this sense, further implementation of the hands-on approach and, as part of this, close dialogue with developing countries through the local ODA task force and others, are extremely important.

It will also be necessary for JICA to take even greater responsibility than it has done so far in building up an overall picture of assistance and creating the organizational culture for managing assistance. Japan's ODA has been cut over the

past 10 years, but economic cooperation remains Japan's most important and peaceful means for making international contributions. As the world becomes increasingly interdependent, it is essential for "New JICA" to accomplish this mission in order for the people of developing countries to enjoy peaceful, prosperous lives.



Children take lessons at an elementary school (Mali).

Central Role for Existing Environmental Projects Integrating Three Types of Assistance

JICA will put into practice the concept of capacity development (CD), while at the same time focusing on "New JICA" as a unique aid agency of a type unprecedented in the world. It will combine the technical cooperation, grant aid cooperation, and yen loan cooperation components of Japan's ODA, working to bring their synergy into play. As an example of the sort of specific direction JICA is aiming for, we look at a case from Viet Nam.

Viet Nam Urban Water Environment Management Program

Vietnam

In Viet Nam, the linkage of the three approaches to aid of technical cooperation, grant aid cooperation, and yen loan cooperation has been advancing for some time. This linkage was used to maximum benefit prior to the integration of JICA and JBIC in October 2008, and the linkage and integration of the three approaches is proactively advanced in the formation and implementation of projects with the recognition that Viet Nam will become a model for other countries. Specific linkages that can be envisaged include human resources, organizations, and systems building (technical cooperation) with the creation of social economic infrastructure (financial cooperation); implementation of model projects (technical cooperation) with spreading improved public services (financial cooperation); support for financial administration (financial support) with support for policy drafting and implementation (technical cooperation); and systems building and administrative capacity building (technical cooperation) with two-step loans (financial cooperation). As a concrete example, however, we will look at Viet Nam's Urban Water Environment Management Program.

Viet Nam has undergone remarkable economic growth in recent years, and with this there has been a rapid decrease in the number of poor people. At the same time, though, problems associated with economic



A JICA specialist instructs his counterparts using a water quality analyzer.



growth have developed, and principally in the urban centers there are serious environmental problems as a result of industrialization and population influx. In particular, rivers and canals have become seriously contaminated as a result of the discharge of huge quantities of untreated wastewater from homes and factories. The level of contamination of the waterways flowing through the country's largest city, Ho Chi Minh City, and the capital, Hanoi, is on a par with that of the most polluted rivers in Japan during its time of rapid economic growth. This threatens the living environment of the people living in the river basin, and there are fears for people's health on account of the impact on of the contamination.

JICA has responded to this situation by working in collaboration with JBIC to improve the water quality of waterways flowing through the cities, with a variety of initiatives that include improvement of administrative systems, administrative capacity building, creation of facilities, and improvement of management. JICA had previously been giving support in these areas, but in order to make its assistance more effective it carried out a survey of the condition of Vietnam's urban environment in 2007 and then examined possible assistance together with the JBIC. This resulted in the formation of the Urban Water Environment Management Program, on the basis of which JICA extended comprehensive assistance to Vietnam to resolve the problem of its urban water environment by organically linking several projects and initiatives carried out under the various cooperation approaches of Japan's ODA. Specifically, the following items are being addressed in order to improve the quality of water for public use in Vietnam's urban areas, particularly its huge metropolitan spheres, through reducing pollution by the target year of 2015:

1. Improvement of the water environment management capacity of Vietnamese government institutions;
2. Strengthening the research institutions that give scientific and technical support to the initiatives of Vietnamese government institutions;
3. Creation of facilities for processing drainage water and sewage, and improvement of the facilities management capacity of Vietnamese government institutions.

Central to these initiatives is building the capacity of the Vietnamese Ministry of Natural Resources and Environment (equivalent to the Japanese Ministry of the Environment), which has overall responsibility for managing the water environment, and of the local authority departments responsible for the environment (item no. 1 above). Also, as there are many cases where administrative institutions alone cannot cope, assistance is given to the research institutions that give scientific and technical support to government institutions (item no. 2). Moreover, the assistance is not just intangible counter-measures, but also includes the construction of facilities such as drainage systems and septic tanks to collect and process drainage water and sewage, along with improvements to the management of these facilities (item no. 3). JICA links these various types of assistance (projects) organically, working on them as a comprehensive, single program.

For each of the three items, the various approaches to assistance adopted by JICA (technical cooperation projects, development surveys, grassroots technical cooperation, etc.) are linked to yen loans in order to increase the speed and effectiveness of the assistance.

• **Effective Improvement of Policy and Systems Using Poverty Reduction Support Credit**

JBIC has been carrying out co-financing together with the World Bank, the Asian Development Bank, and European donor countries since 2004 under the Poverty Reduction Support Credit framework. This involves working to accomplish the policy tasks necessary for Viet Nam's social and economic development after due consultation with the Vietnamese

government and aid agencies, with the aim of contributing to economic growth and poverty reduction in the country. The environment and water are both fields eligible for such assistance. The Japanese side, which includes JICA and JBIC, is working as a whole to be able to extend effective intellectual assistance, using the experience garnered from the dispatch of JICA specialists to the Ministry of Natural Resources and Environment and other cases of technical assistance.

• **Creation of Facilities Through Yen Loans and Improvement of Facilities Management Through Technical Cooperation Projects**

The creation of sewage processing plants and other facilities for processing drainage water and sewage has not kept up with the speed of urbanization in Viet Nam, and the facilities are completely inadequate at present. In response to this situation, initiatives to create facilities are being carried out through yen loans furnished by JBIC in Viet Nam's three major cities (Ho Chi Minh City, Hanoi, and Hai Phong), the ancient city of Hue, Vinh Phuc Province, and Binh Duong Province; JICA's aim in the future is to work to improve the management and operation of facilities through technical cooperation. To start with, a technical cooperation project is to be carried out in Ho Chi Minh City, where the construction of facilities through yen loans is nearly complete.

• **Plans Drawn Up Through Development Surveys Implemented With Yen Loans**

Yen loans relating to the environmental field in Viet Nam's three major cities (Ho Chi Minh City, Hanoi, and Hai Phong) are based on development surveys relating to each of these cities carried out in the past by JICA.

• **Technical Cooperation to Spread Guidelines Drawn Up Through Development Surveys**

JICA is currently carrying out development surveys in order to draw up guidelines for monitoring the water quality of waterways and implement countermeasures to tackle the source of pollution. Technical cooperation is to be carried out in the future to strengthen the capacity of departments responsible for the environment, making use of these guidelines.

• **Linking Grass-roots Cooperation and Yen Loans**

The expertise of local authorities relating to the operation of facilities for processing drainage water and sewage that were built through yen loans will be passed on from Chiba Prefecture to Hanoi and from Shizuoka City to Hue through grass-roots technical cooperation.



The present state of pollution in the river at Ha Long, the tourism base for the UNESCO World Heritage Site of Ha Long Bay.

