

Grant Aid

Financial Cooperation for Building Living Foundations Related to the Future of Developing Countries



Weather radar installation (Bangladesh)

Implemented as a part of the Japanese government's ODA grants, Grant Aid is financial cooperation with no obligation for repayment by the developing country concerned. Targeted mainly at developing countries with low income levels, this type of aid covers a wide range of cooperation related to the future of developing countries, including development of social and economic infrastructure, such as the construction of hospitals or bridges, etc., education, HIV/AIDS awareness, children's health, and the environment, etc.

In recent years, Grant Aid has not been limited to structural measures, such as facility construction or the provision of equipment, but has also focused on strengthening non-structural measures including technical guidance, the development of human resources, and so forth, resulting in more effective cooperation. For instance, to provide local people with the know-how to enable them to maintain and manage equipment installed through Grant Aid, experts are either dispatched from Japan, or local people are invited to come to Japan for training. There are also cases where the training and research facilities required for Technical Cooperation are built using Grant Aid.

In the past, Grant Aid projects were implemented by the Japanese government (Ministry of Foreign Affairs) and JICA's role was to promote project implementation. Following the establishment of the new JICA (from October 2008 onward), JICA became the responsible organization for some schemes of Grant Aid, such as general Grant Aid projects (see Table at right) that handle all project aspects from conducting preliminary surveys to project implementation, including payment operations and post-project management.

Targeted Sectors and Classifications

Major targets include health and medical care, sanitation, water supply, primary and secondary education, rural

and agricultural development, transportation, electrical power, information communications and other basic human needs. In recent years, these targets have been expanded and diversified to include conflict prevention, peacebuilding, landmine eradication, terror and piracy countermeasures, disaster prevention and post-disaster reconstruction, the environment, etc.

Procedure for the Implementation of Grant Aid

Identification and Formulation of Projects

Regarding project content, JICA conducts preparatory surveys, etc., in consultation with partner country governments, to examine from a variety of perspectives the country's current situation, objectives of project implementation, scale of cooperation, the operation and management structures if implemented and the expected outcome. Based on this information, necessary costs are calculated.

Project Examination and Approval

In regards to the implementation process and results of preparatory surveys, JICA shares all information with the Japanese government, verifies the appropriateness of implementing a project, and then examines the contents of cooperation.

Government officials receive the results of JICA-implemented surveys, conduct necessary reviews and procedures for securing budgets and then submit project proposals to the Cabinet for a final decision on implementation.

Exchange of Notes and Grant Agreements

After approval by the Cabinet, the partner country government and the Japanese government sign documents (Exchange of Notes) summarizing the objectives and content of cooperation for the project.

JICA then signs a "grant agreement" with the partner country government setting the specific conditions for the grant.

Types of Grant Aid implemented by JICA

Scheme name	Summary
General Grant Aid projects	Support for projects implemented for basic human needs, education, etc. (including the construction of hospitals, schools and roads, or the procurement of materials and equipment for public transport vehicles, etc.)
Grant Aid for community empowerment	Support for comprehensive skills development in communities faced with threats to human life or safe living
Grant Aid for disaster prevention and post-disaster reconstruction	Disaster prevention assistance and post-disaster reconstruction assistance
Grant Aid for environment programs	Support for adoption of policies and plans related to climate change policy, etc., and for projects
Grant Aid for poverty reduction strategy assistance	Public financing support for developing countries implementing poverty reduction strategies
Grant Aid for human resources development	Support for training young administrative officials in developing countries
Grant Aid for fisheries	Support for projects promoting the fisheries industry in developing countries
Cultural Grant Aid	Support for equipment procurement and facilities development needed for promotion of culture, etc.
Food Aid	Support for grain purchases in developing countries faced with food shortages
Grant assistance for underprivileged farmers	Support for purchase of agricultural equipment and fertilizers, etc., to support self-help efforts toward food self-sufficiency
Grant Aid for cooperation on counter-terrorism and security enhancement*	Support for strengthening piracy countermeasures and other public security policies

*JICA handles preliminary surveys and implementation promotion only.

Project Implementation

At the project implementation stage following the signing of the Exchange of Notes and Grant Aid agreements, JICA offers advice and implementation guidance to the recipient country and consultants. This advice and guidance is to ensure that facility construction as well as materials and equipment procurement proceed in an appropriate

manner without delays, from the time of the agreement through transfer of the materials and equipment until completion of construction.

Post-Project Management

After cooperation is completed, the developing country's government handles operations and maintenance. However, there will be cases when

equipment breakdowns or other unexpected problems occur. In such circumstances, JICA provides follow-up cooperation in the form of materials and equipment procurement, dispatch of repair teams and emergency repair work, in order to maintain the effectiveness of cooperation.

Example

Mali Senegal South Corridor Development Project

Grant Aid for Three Bridges Contributes to Economic Revitalization and Poverty Reduction

The coastal nation of Senegal and the inland nation of Mali are currently served by two main roads (international transport corridors) running parallel north and south of each other. Of these two roads, the south corridor passes through the southern part of Mali, an area with great agricultural and mining potential, and is expected to play a major role in revitalizing the regional economy

of West Africa and integrating the region. However, the road is at the present time in a poor state of repair, with some sections remaining unpaved or lacking bridges.

On the south corridor, 81.3km out of a total length of 110km is being upgraded on the Senegal side with cooperative financing (EPSA*) from the African Development Bank (AfDB), and Japan is adding Grant Aid (3.808 billion yen) for the construction of three bridges on the corridor (the Bale, Bafing, and Faleme bridges), which are now at the implementation planning stage. When construction is completed, the Bale and Bafing bridges on the Mali side will span about 110 meters and 238 meters, respectively, while the Faleme Bridge at the border crossing between

Senegal and Mali will span about 274 meters.

This project is expected to be of great benefit, enabling the year-round passage of vehicle traffic and reducing the current time spent at each river crossing from the current 20 minutes to just three minutes. As a result, the project is expected to facilitate smooth transportation for all districts along the south corridor, revitalize the economies of both Mali and Senegal, improve poverty reduction efforts and access to social services for residents living along the corridor, contribute to the revitalization of economies in the West Africa region, and promote economic integration.

* EPSA: Enhanced Private Sector Assistance for Africa. A joint initiative for development of the private sector in Africa

