

2. Maximizing development impact

1

Lessons from operational experiences

Reinforcing the program approach

The “ODA Review: Summary of the Final Report” issued by the Ministry of Foreign Affairs in June 2010 lays out a policy for a thorough division of roles. The Ministry of Foreign Affairs (MOFA) will concentrate on policy planning and formulation, and JICA will take responsibility for implementation by utilizing its expertise in line with countries’ development needs.

Given its economic circumstances, Japan can no longer implement the kind of “broad and thin” support to a wide range of countries that was possible during earlier large-budget eras. Accordingly, JICA is re-orientating the direction of

its cooperation by providing assistance based on in-depth analyses (“JICA Country Analytical Work”) prepared for each country as it also reinforces its program approach. These steps will allow JICA to provide strategic and effective assistance.

Starting in fiscal 2010 JICA began this in-depth analysis approach for some 30 countries. The analytical works analyze developing countries from development perspectives so that JICA can study and implement effective cooperation as a development assistance organization. Preparation of analytical works targeting some 30 countries was started during fiscal 2010.

To reinforce the ‘program approach’, JICA first sets overall development goals in individual countries following bilateral discussions and the completion of a country level analysis. Projects are then

formulated using the synergy available through a combination of Grant Aid, ODA Loans and Technical Cooperation.

Research activity

JICA-RI conducts research by utilizing the considerable experience and know-how it has accumulated as an institute specializing in development assistance. Its main objectives are “analyzing development issues in developing countries and contributing to JICA project strategy” and “reinforcing communication to domestic and international interests and leading development assistance trends.” JICA-RI pursues joint research and builds research networks focused on four key fields: 1) peace and development, 2) economic growth and poverty reduction, 3) environment and development/climate change, and 4) aid strategy.

During fiscal 2010, JICA-RI’s research activities resulted in the publication of 14 working papers, four policy briefs presenting policy and practical recommendations derived from research results, and four books. Eighty percent of these projects were jointly conducted with international bodies. In addition, JICA-RI proactively engaged in external communication and made presentations at academic societies, research seminars, and international conferences. This included hosting international symposia based on its research activities.

JICA-RI issued joint reports with the World Bank and other international institutions and incorporated JICA’s experience and knowledge into the World Bank’s “World Development Report.” It engaged in joint research with the Brookings Institution (USA), a body that has significant influence in aid trends, and announced the results at international forums. In joint research on climate change in Asia undertaken with the World Bank and Asian Development Bank, JICA-RI is moving forward with studies on project implementation based on research recommendations and contributing to



A donor conference in Fiji that was attended by the World Health Organization, UNICEF, Australian Agency for International Development (AusAID), and JICA. The conference was a step forward in realizing effective aid through coordination in developing countries and sharing of wisdom (Project for Strengthening EPI in the Pacific Region) [Photo by Kenshiro Imamura].



A “Workshop on Analysis of Cross-Border Higher Education for Regional Integration and Labor Market in East Asia” hosted by the JICA Research Institute in Bangkok



A study team checking on the maintenance conditions of a water tower/pump facility that was built with Japanese assistance. The facility is managed by a water management union that is organized by residents [Photo by Kenshiro Imamura]

JICA projects by feeding back the results. JICA-RI will continue to conduct research in support of strategic and effective projects by remaining mindful of changes in the circumstances surrounding the international community, including developing countries, and maintaining medium- and long-term perspectives.

Thorough execution of the PDCA cycle

JICA implements Technical Cooperation, ODA Loans, and Grant Aid projects throughout the world. However, there are times when projects do not proceed according to initial plans for various reasons or require a considerable amount of time before expected results appear. In such cases, JICA works to produce effects that are in accordance with plans by asking the partner government to make improvements or by providing supplementary assistance.

Furthermore, while taking immediate steps to resolve problems that are detected in projects is important, it is also necessary to conduct post-project evaluations to analyze the causes of problems and then apply the results in future projects. It is from this standpoint that JICA is working to reinforce its use of the “PDCA cycle.”

This is a management cycle comprising four stages—plan, do, check, and action—that seeks to make continuous improvements to activities. Whenever it implements a project, JICA works to improve its development effect by conducting evaluations at each stage of the PDCA cycle—in other words, evaluations from the project formulation and preparation stages to the implementation and post-projects stages, and then feedback so that evaluation results can be utilized in later project formulation. Specifically, JICA strives to produce better “recommendations” pertaining to improvements for target projects, “lessons learned” for current and future projects that resemble the target projects, and “feedback” for future cooperation programs, aid implementation strategy (which serves as JICA’s basic cooperation policy), and theme-specific guidelines.

It should be noted that the Government Revitalization Unit’s second round of project screening (April 2010) identified the need for reinforced examination functions. Based on this, the Ministry of Foreign Affairs’ “ODA Review: Summary of the Final Report” of June 2010 also recommends “thorough execution of the PDCA cycle” and “participation of third

parties in the PDCA cycle.”

Given these circumstances, MOFA reorganized the formerly named “country assistance plans” into more concise “country assistance strategies” in order to further clarify priority aid fields and strategies at the project planning stage. Furthermore, with an eye to ensuring appropriate project formulation, MOFA set up “development cooperation suitability meetings” in fiscal 2011, attended by third-party interests, such as academic experts, economic organizations, and NGOs, at the project formulation stage. As a main actor in ODA implementation, JICA will also attend these meetings to reinforce the PDCA cycle and improve the quality of post-project evaluations.

2

Reinforcing partnerships

Collaboration with international organizations and other donors

The deadline for achieving the Millennium Development Goals (MDGs) is 2015, which is less than five years

away. On top of that, global issues that accompany globalization (e.g., climate change, infectious diseases, conflict, food security, etc.) reach beyond national borders and are becoming ever more diversified. Indeed, the emergence of these issues is influencing the very shape of development assistance.

As a comprehensive development assistance organization that implements both financial and Technical Cooperation, JICA is actively building strategic partnerships with international development

aid organizations and other donor countries to effectively and efficiently tackle international development issues.

In order to continuously strive toward achievement of the MDGs and respond to changes in the international aid architecture, JICA is strengthening its information gathering at international conferences, communication to the international community, and joint assistance and intellectual contribution with international development aid organizations and other donors. Specifically, JICA engages in

comprehensive discussions with United Nations organizations, multilateral development banks, and bilateral donors through mutual visits and personnel exchanges at both the main office and local levels. It also promotes capacity development, South-South cooperation, joint research, and joint financing. These actions have led to more effective and efficient aid implementation through, for example, the sharing of strategies for particular countries and fields and linkage of specific onsite activities [→ See the Case Study on the left].

Case Study **Toward Establishment of a Framework for JICA-IDB Co-financing**

Collaboration with the IDB for Climate Change Action in Latin America and Caribbean Region

On January 14, 2011, JICA signed a memorandum to promote climate change action with the Inter-American Development Bank (IDB).



JICA President Ogata (left) and IDB President Luis Alberto Moreno (right) with the signed memorandum.

Co-financing for up to 300 Million Dollars over Five Years

The memorandum is based on a previous memorandum that was signed by both organizations in March 2009 to promote cooperation for sustainable economic growth and environmental improvement in Latin America and the Caribbean. Among other items, it establishes that JICA and the IDB will create a framework for co-financing for the Central America and the Caribbean region. It is expected that, through the framework, co-financing of ODA Loans targeting the renewable energies and energy conservation fields will be provided in this region for up to 300 million dollars over five years.

The Central America and Caribbean region is experiencing disasters occurring due to climate change, and there are concerns that the region will continue to be seriously affected by climate change in the future. As power generation

in the region is primarily based on imported fossil fuels, it has been noted that there is considerable room for initiatives to reduce greenhouse gas emissions. Consequently, it is expected that the utilization of this co-financing framework will also have a positive effect on socioeconomic development in Central American and Caribbean countries, which now depend on fuel imports, through improvements in the structure of balance of payments in the region.

The IDB is a regional development bank that has long played a central role in development cooperation for Latin America through medium- and long-term loans, financing, financing guarantees, grant aid, and technical cooperation. Through this new partnership, the IDB and JICA will pursue cooperation having even higher development effect by sharing their respective expertise in the renewable energies and energy conservation fields.

Collaboration with “emerging donors”

The international financial and economic crisis that was triggered by Lehman Brothers’ collapse in late 2008 shone the spotlight on the rise of emerging economies. These countries are now gaining a stronger presence in the development assistance field as well. However, their emergence has raised questions about diversification of development assistance actors as well as the entire concept of development assistance. The economic power of the G-20, which includes the emerging economies of China and India, is growing at such a pace that it may soon replace the G-8. And in 2010, China claimed the second largest GDP in the world, following the United States.

In addition to traditional donors, such as OECD DAC members, UN organizations, and multilateral development banks, JICA is strengthening its partnerships with the Republic of Korea (which became an official DAC member in 2010) as well as such emerging economies as China and Thailand. JICA is enhancing its collaboration with aid organizations in East Asia and other regions based on relationships and partnerships developed thus far.

As part of this effort, JICA strives to enhance the overall development impact together with China, the Republic of Korea, and other countries. This involves, among other activities, engaging in dialogue through joint seminars, discussions on global issues, and participation in joint research.



At a joint seminar held with aid organizations from the Republic of Korea, China, and Thailand in the Thai capital of Bangkok in October 2010. Participants engaged in active discussion even during recesses.



A public viewing held in partnership with Sony Corporation during the FIFA World Cup. Events encouraging knowledge of HIV and AIDS were held immediately after the match and during halftime.

Case Study The Tenth Meeting of the Conference of the Parties to the Convention on Biological Diversity (COP 10)

Communicating to the World through COP10

The Tenth Meeting of the Conference of the Parties to the Convention on Biological Diversity (COP 10) was held in Nagoya from October 18 to 29, 2010. During the meeting, JICA co-hosted a high-level donor forum on biodiversity with the COP 10 Secretariat. JICA also presented details of its project activities and policy to the public through side events and an exhibit booth.



The Nagoya high-level forum, where the perspective that biodiversity conservation was indispensable to poverty reduction was reaffirmed.

Numerous inquiries concerning collaboration with JICA

Over 13,000 people attended COP 10, among them representatives of the 180 parties to the convention as well as international organizations and NGOs. The meeting produced significant results, including the “Aichi Target” (post-2010 target) and the Nagoya Protocol on Access to Genetic Resources and the Fair and Equitable Sharing of Benefits Arising from their Utilization.

Heads and other representatives of 70 international organizations and national aid organizations attended the high-level forum that was organized by JICA on October 26. This forum resulted in the adoption of a Nagoya Declaration for the mainstreaming of the biodiversity agenda into development cooperation. Many people also visited the side

events on African development and poverty reduction as well as the JICA exhibit booth.

During COP 10, the Japanese government announced its Initiative to Assist Developing Countries with the Conservation of Biodiversity (the “Life in Harmony” Initiative). It will be JICA’s task to pursue activities that give this initiative concrete form. During the meeting, many organizations approached JICA about possible collaboration, and environment ministers and other officials from developing countries expressed expectation for the roles that JICA will play. Biodiversity conservation is a field that requires cross-sector approaches. Thus, JICA intends to contribute to the realization of COP 10 results by partnering and collaborating with many concerned people and organizations in the world.

Partnering with various actors, including private enterprises and NGOs

As the needs of developing countries become more diversified and complex, it will be important to identify “true” needs and implement precise cooperation in response to them. Doing this will require the establishment of an “all-Japan” framework that concentrates the “people,” “knowledge,” “capital,” and “technology” possessed by both the public and private sectors based on stronger partnership among all concerned, which includes not only the governments of developing countries and aid organizations but also NGOs, civic organizations, and Japanese private enterprises. Here, JICA understands that strengthening dialogue with the various parties concerned and building collaborative systems with them are essential to achieving such a framework, and thus it is expanding opportunities for opinion exchanges with private enterprises.

As was mentioned in the section on Public Private Partnerships (page 11), JICA has already started new initiatives in the area of collaboration with private enterprises. Among them is the implementation of preparatory studies on cooperation for PPP and BOP from 2010.

At the same time, however, the following are key challenges in JICA’s relationship with NGOs: 1) promotion of stronger dialogue, 2) promotion of NGO participation in ODA projects, and 3) NGO capacity building.

For the promotion of a stronger dialogue with NGOs, JICA and NGOs have held quarterly liaison meetings each year

since FY1998. They feature constructive dialogues for mutual understanding and partnership promotion. Moreover, with a view to reinforcing support for NGO activities, JICA has been improving its grassroots Technical Cooperation scheme by expanding its budget in this area and extending its implementation period since

fiscal 2010. In addition, as NGOs in recent years have expressed their desire to actively participate in ODA projects, both sides confirmed a strategy for utilizing the expertise NGOs have cultivated in their activities in ODA projects.

As for NGO capacity building, JICA is currently implementing technical

assistance by utilizing training and experts. It is also studying concrete ways of building bridges between NGOs and private enterprises together with representatives of both sides.

JICA is expected to serve as a link or focal point among the various concerned parties—including recipient countries, other donors and international organizations, NGOs, and private enterprises—so that it can implement international cooperation based on stronger collaboration with them. In the interest of fulfilling this role, JICA is further strengthening its collaboration-oriented efforts by leading development policy discussions at donor conferences, reinforcing its support for NGOs, rebuilding its overseas investment and lending operations, and reinforcing public-private collaboration by promoting CSR/BOP business, etc.

Case Study The Project for Visionary Leaders for Manufacturing (VLFM) Program in India

Fostering Promising Products by Supporting Human Resources Development in India's Manufacturing Sector

With an eye to developing human resources to lead reform in India's manufacturing sector, JICA is supporting the training of people who can pass along management methods that are comprehensively focused on "manufacturing." One result is the development of a simple refrigerator for low-income earners called "Chotukool." Devised with know-how acquired through cooperation, Chotukool is currently attracting a good deal of attention.



Vice President Sunderraman explaining "CHOTUKOOL."
"CHOTUKOOL": A portable semiconductor refrigerator that is inexpensive and has low operating cost. It is the cheapest refrigerator on the market in India. *Chotu* means "a little" in Hindi. It is said that 80% of the Indian population do not use refrigerators.

A Nationwide Initiative

Despite being among the newly emerging countries showing remarkable economic growth, India's manufacturing—a sector that normally has significant employment effect—is not keeping pace. Given this, the Indian government established "reinforcement of manufacturing competitiveness" as a priority national policy, and requested assistance from JICA in this regard. JICA responded by beginning Technical Cooperation in 2007 for the purpose of establishing a system to foster manufacturing leaders. Dr. Shoji Shiba, Professor Emeritus at University of Tsukuba, was tapped to serve as the chief advisor. This effort has already succeeded in training more than 400 leaders.

The program is characteristic in that it is India's first initiative based on industry-government-academia collaboration. It is proceeding with the integrated participation of India's National Manufacturing Competitiveness

Council, Ministry of Human Resources Development, Confederation of Indian Industry, Indian Institutes of Technology, Indian Institutes of Management and others.

Expectation for Products that Raise Living Standards Among the Impoverished Classes

Mr. Gopalan Sunderraman, Vice President of Godrej & Boyce Mfg. Co. Ltd, who has served as a member of the program since its beginning, was involved in Chotukool's development using methodologies learned through the program. He said, "I have learned that the difficulties faced by low-income earners are a global concern, and that many of them can be resolved through collaboration. I wish to actively join hands with Japanese companies to improve quality and reduce cost." In this way, it is anticipated that partnerships between Indian manufacturing and Japanese companies will be born through visiting training in Japan.

Gaining understanding for JICA's projects

JICA has traditionally promoted public understanding and support for its activities by using JICA facilities both in Japan and abroad (and particularly JICA offices located throughout Japan). It has also provided places for ODA public relations, interchange, and meetings with the cooperation of returned volunteers, technical trainees and others, and organized symposia and training.

JICA is now taking further steps to encourage even greater public understanding and support for ODA based on the results of MOFA's "ODA Review: Summary of the Final Report" of June 2010. Here, JICA is promoting "visualization" as a means of clearly displaying assistance effects by shifting to a results-oriented approach and presenting the current status, results, and other information concerning all ODA projects systematically, comprehensively, and in visible form. On September 30, 2010, JICA took a step forward in disclosing information on completed and in-progress projects by launching "ODA *mieru-ka site*" (website for visualization of ODA) on the JICA website.