

Grant Aid

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

■ For the Future of Countries with Low Income Levels

Grant Aid is financial cooperation implemented by the Japanese government 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, as well as education, HIV/AIDS awareness, children's health, the environment and other areas.

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 cooperating in non-structural areas such as 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 operate and maintain equipment installed through Grant Aid, experts are either dispatched from Japan, or local people are invited to Japan for training. There are also cases where the training and research facilities required for Technical Cooperation are built using Grant Aid.

Aside from projects implemented by the Ministry of Foreign Affairs of Japan due to the necessity in executing diplomatic policy, JICA is responsible for implementing Grant Aid and handles all project aspects, from conducting preliminary surveys to project implementation, including payment operations, and post-project management.



Twenty-eight fire trucks were newly provided to 13 fire stations in Yerevan, the capital of Armenia, as replacements, together with technical guidance regarding operation and fire fighting (The Project for Improvement of Fire Fighting Equipment in Yerevan City of Armenia).

■ Targeted Sectors

Major targets include health and medical care, sanitation, water supply, primary and secondary education, rural and agricultural development, transportation, electric power, information communications and other fields involving basic human needs. In recent years, these target sectors have been expanded and diversified to include conflict prevention, peacebuilding, landmine eradication, terrorism and piracy countermeasures, disaster prevention and post-disaster reconstruction, the environment and climate change countermeasures, and other areas.

■ Procedure for the Implementation of Grant Aid

Project Identification and Formulation

Regarding project content, JICA conducts preparatory surveys

Types of Grant Aid (Portion implemented by JICA)

Scheme Name	Outline
Grant Aid for General 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 Conflict Prevention and Peacebuilding	Support and others for spreading the necessary economic and social infrastructures in post-conflict countries
Grant Aid for Disaster Prevention and Reconstruction	Disaster prevention assistance and post-disaster reconstruction assistance
Grant Aid for Environment and Climate Change	Support for adoption of policies and planning related to climate change countermeasures, etc., and for related projects
Grant Aid for Poverty Reduction Strategies	Public financing support for countries implementing poverty reduction strategies
Grant Aid for Human Resource Development (Scholarship)	Support for training young administrative officials
Grant Aid for Fisheries	Support for projects promoting the fisheries industry
Cultural Grant Assistance	Support for equipment procurement and facilities development needed for promotion of culture, etc.
Grant Aid 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

and other surveys in discussion with the government of the partner country, while examining from a variety of perspectives on 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

Concerning 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.

Based on the results of the surveys, the Japanese government conducts necessary reviews and procedures for securing budgets and then submits project proposals to the Cabinet for a final decision on implementation.

Exchange of Notes and Grant Agreements

After approval by the Cabinet, the government of the partner country 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 government of the partner country that sets the specific conditions for the grant.

Project Implementation

At the project implementation stage following the signing of the Exchange of Notes and Grant Agreement, 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 government of the partner country 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.



JICA improved the facilities and equipment of Jaffna Teaching Hospital, which had not been functioning sufficiently as the only tertiary medical facility in the Northern Province of Sri Lanka due to dilapidated facilities and equipment. Photograph is equipment provided to the department of radiology of the hospital (The Project for the Improvement of Central Functions of Jaffna Teaching Hospital in Sri Lanka).

Preparatory Surveys

Formulating Cooperation that Maximizes the Benefit of the Three Assistance Schemes of Technical Cooperation, ODA Loans and Grant Aid

Enhancing Implementation of Effective Projects through Preparatory Surveys with Flexibility and Quickness

Preparatory surveys are undertaken at the preparation stage of a cooperation project.

The preparatory surveys attain a significant improvement in flexibility and speed because:

- The decision on implementation of a preparatory survey is made at any time on a necessity basis in consultation with the Ministry of Foreign Affairs of Japan,
- When appropriate, a cooperation program and individual projects can be formed in a single survey.

The preparatory surveys enable JICA to optimize combinations and synergistic effects of the three assistance schemes of Technical Cooperation, ODA Loans and Grant Aid, and thereby enhance development effects.

The objectives of the preparatory surveys can be divided broadly into two types.

- 1) A survey to "set a development goal for cooperation" and "draft suitable cooperation scenarios (cooperation program) for attaining the goal" in order to assist partner countries in attaining specific development goals in an effective and efficient manner.
- 2) A survey to identify and formulate individual projects and basic plans for these projects, propose cooperation contents and examine relevance, effectiveness and efficiency of the candidate projects.