

New JICA: Speeding Up, Scaling Up, Spreading Out

On October 1, the Japan International Cooperation Agency (JICA) merged with the overseas economic cooperation section of the Japan Bank for International Cooperation (JBIC) to create New JICA. With an annual operation volume of about 10 billion dollars, New JICA is the world's largest bilateral aid agency. JICA Vice President **Masafumi Kuroki** outlines JICA's new vision and mission.

The chain of events leading up to the creation of New JICA was triggered by growing momentum behind ODA reform as part of reforms to JBIC and other government financial institutions. The debate surrounding ODA revolved primarily around plans to reform its strategy as a whole, its policymaking at a ministerial level and its implementation. As part of plans to reform ODA implementation, the Diet decided in 2006 that the overseas economic cooperation section of JBIC would be integrated into JICA.

Until now, Japan has provided ODA-based bilateral aid via three separate organizations, with JICA provid-

ing technical cooperation, including dispatching experts and accepting trainees, JBIC providing long-term, low-interest development funding in the form of concessionary loans (ODA Loans) and the Ministry of Foreign Affairs providing grant aid that is non-repayable development funding. From October 1 onwards however, all three types of assistance—technical cooperation, ODA Loans and grant aid—are provided on an integrated basis by New JICA (although the Ministry of Foreign Affairs will continue to handle certain aspects of grant aid).

With a workforce numbering about 1,660 and overseas offices in about 100 locations around the world, the number of countries receiving assistance from New JICA will rise to 155. Its annual operating volume for fiscal 2008 is about 10 billion dollars, making JICA the world's largest bilateral aid agency.

Rather than dividing the inner workings of the new organization according to the different types of assistance by creating separate technical cooperation, ODA Loan and grant aid departments, JICA

now has seven regional departments covering different areas such as Asia, Africa and Latin America. Each regional department is responsible for combining the three types of assistance so as to provide the optimal assistance to the countries in its respective region.

The 3Ss

Providing all three types of assistance via a single agency is expected to generate synergy based on the combined total of assistance provided, something we like to refer to as the 3Ss. The first "S" is for "speed-up," referring to the fact that New JICA will be able to provide assistance more swiftly as a result of handling every stage of the process from planning through to actually implementing assistance. The second "S" stands for "scale-up," referring to the fact that New JICA will be able to make aid more effective by putting together the best possible combination of the three types of aid. The final "S" is for "spread-out," referring to New JICA's efforts to coordinate and promote cooperation with other donors, international agencies, NGOs, private companies and other



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—Masafumi Kuroki

organizations to enable the effects of aid to extend over a broader scope.

Even before the emergence of this new incarnation, assistance had already been provided based on an awareness of the 3Ss. A prime example of this is the Agency's work in Sudan, a country whose urban infrastructure has been ravaged by civil war. Getting in ahead of other donors, JICA rehabilitated river port facilities in the southern city of Juba in an exceptionally short space of time last year.

Starting this year, JICA has also been offering Climate Change Program Loans, an aid scheme combining ODA Loans and technical cooperation in an effort to cut greenhouse gas emissions in Indonesia. This is another initiative that has received a great deal of attention from the World Bank and other donor countries as a new way to tackle climate change.

New JICA Vision

The new vision that JICA has set itself is based on the principle of "inclusive and dynamic development." Inclusive development first of all means ensuring that all of the people for whom assistance is intended benefit from the effects of development assistance whilst also enabling everyone to play a part in the development process. Dynamic development meanwhile refers to efforts to create a positive cycle of poverty reduction and economic growth, based on the belief that providing assistance that contributes to economic growth (building social infrastructure, establishing a climate conducive to investment, and so on) will help reduce poverty on a sustained basis.

In order to make this vision a reality, New JICA intends to take on the following four missions. The first of the agency's new missions is "addressing the global agenda." With countries dependent on one another more and more as a result of globalization, issues relating to areas such as the environment, infectious diseases, food and energy are becoming increasingly serious. JICA therefore plans to provide active assistance to help developing countries face up to such issues.

New JICA's second mission is "reducing poverty through equitable growth." In some cases, economic growth can cause gaps to open up. JICA intends to provide support for developing countries so as to prevent a growing wealth gap and ensure that the poorest sections of society benefit from the effects of assistance.

The third new mission is "improving governance." In order to ensure that development is based closely on people's needs and to adequately provide people with social services such as health and education, it is essential to put in place the necessary systems and human resources. New JICA will therefore provide support aimed at developing such systems and nurturing human resources in developing countries.

New JICA's fourth mission is "achieving human security." Human security is to protect people against fears such as conflict or natural disasters and threats such as poverty and a lack of social services and to strengthen people's abilities to deal with such issues themselves. New JICA will support people and governments to enhance abilities to cope with threats such as these.

Development-related Research

It would be fair to say that Japanese assistance has yielded significant results in developing countries to date, particularly in East Asia. Even so, Japan has not always conducted sufficient theoretical research and transmitted information abroad to promote awareness of such activities within the international community. With this in mind, New JICA plans to actively provide frontline findings collected as part of its development activities for the purposes of discussions regarding the future of assistance by the likes of the OECD Development Assistance Committee (DAC), the United Nations and so on.


The central role in the provision of such findings will be played by the JICA Research Institute (JICA-RI), a new organization established alongside New JICA. JICA-RI will conduct cross-cutting research including poli-

tics, economy and society in its capacity as a development-related research facility. Its research areas cover growth and poverty, conflict prevention and development, climate change and aid policy. JICA-RI will transmit its findings to the international community as a whole. In addition to its own researchers, JICA-RI hopes to invite outside researchers from all over the world.

Over the last fifty years, Japan has adhered consistently to a self-help effort philosophy as its basic policy for the provision of assistance to developing countries. As such, Japan has continued to provide developing countries with the support they need to pursue development under their own steam. Japan's aid efforts have long since taken the form of human resource training through technical cooperation and infrastructure development through ODA Loans and grant aid. This approach to providing assistance has made a substantial contribution to economic growth in East Asia in particular. It therefore goes without saying that New JICA will continue to uphold the same policy of self-help effort support.

International attention with regard to development is currently focused on Africa. Consequently, one of the major areas of research that JICA-RI will be working on will be how Japan can put its experience providing support in East Asia to good use in Africa as well.

At the Fourth Tokyo International Conference on African Development (TICAD IV) in Yokohama in May this year, African leaders similarly showed a great deal of interest in Japan's assistance experiences in East Asia. Although it would clearly be impossible to transplant these experiences directly from East Asia to Africa, they will undoubtedly be of tremendous use to Africa as a source of reference.

The questions that need to be addressed now are how best to ensure that this merger has an impact on frontline development initiatives and demonstrate the effects on a specific level. This is only the beginning of the challenges facing New JICA. 

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