

## SCHEME | Non-Project Grant Aid

Non-project aid is grant aid intended to provide rapid support to developing countries with economic difficulties such as growing accumulated debt or a rising international balance of payments deficit, as part of assistance to improve the country's economic structure. Since this aid is not earmarked for specific projects (e.g. building schools, etc.), it is called non-project grant aid.

### JICS' Role

Since FY1993, JICS, in accordance with contracts with developing countries' governments, has been helping procure the necessary equipment, such as raw materials (petroleum products, steel products, paper products, etc.) needed to improve the country's economic structure and machinery (vehicles, construction machinery, etc.) required for public works projects, etc. It also monitors the status of counterpart funds set aside by developing countries' governments.

Non-project grant aid is a type of support for international balance of payments and is expected to work rapidly. As a procurement management agent, JICS contributes to improving the economic structure of developing countries.

#### [Counterpart funds]

Developing countries' governments set aside local currency funds equivalent to a certain amount of the value of equipment procured by grant aid. These funds are then used for local economic and social development projects after consultation with the Japanese government.



**Mongolia** Solar power generator installed in front of a traditional dwelling



**East Timor** A tanker carrying gas oil arriving at Dili Port

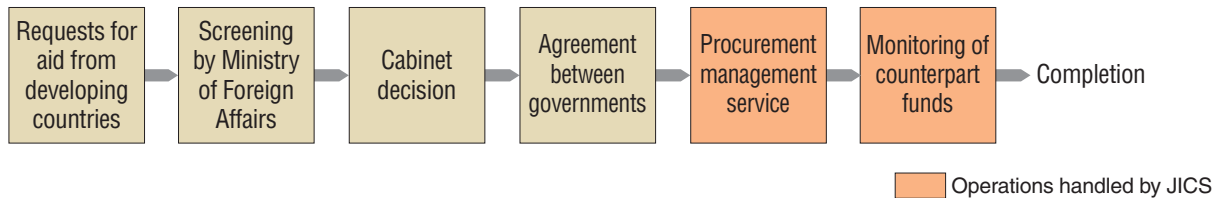


**Afghanistan** The trunk road from Kandahar toward Kabul built using non-project grant aid



**Jordan** JICS procured wheat for Jordan, whose foreign currency earnings have been affected by the Iraq War

### Flow of Operations



### No. of Projects (FY2003)

#### No. of projects, by region



## CASE STUDY Non-project grant aid (Yemen) FY1999

### Project outline:

Procurement of trash-collection vehicles, to help establish basic infrastructure in Sana'a, Yemen's historic capital.

### Vehicles continue collecting trash in urban districts

Sana'a, the capital of Yemen, is a city of great historical and cultural assets, where the oldest districts still include buildings from four hundred to one thousand years old. However, problems with trash, particularly in urban areas, have worsened in recent years, raising sanitation and aesthetic issues.

Large and medium-size trash-collection vehicles were procured through non-project grant aid in FY1999, enabling municipal authorities to collect trash systematically and contributing toward beautifying this historic city. Vehicle maintenance has also been carried out appropriately and the vehicles continue to do their job in Sana'a.



Trash-collection vehicle still in full use