

## SCHEME | Grant Assistance for Underprivileged Farmers (2KR)

Grant Assistance for Underprivileged Farmers (2KR) is aid provided for purchasing agricultural equipment such as machinery and fertilizer to help, in particular and from the viewpoint of human security, underprivileged and small-scale farmers improve their self-sufficiency ratio of food crops (rice, wheat, maize, etc.) in developing countries suffering from food shortages. This grant aid was started in 1977 as grant aid for increase of food production. In 2005, the grant name was changed to Grant Assistance for Underprivileged Farmers, to support the self-help efforts and independence of underprivileged farmers in developing countries. Grant Assistance for Underprivileged Farmers (2KR) is implemented yearly in Asia, Africa, Latin America, Eastern Europe, the CIS states, and others.

### JICS' Role

Since it was founded in 1989, JICS has been delegated by the Japan International Cooperation Agency (JICA) to carry out studies in Japan and on site.

In addition, since FY1997 JICS has been acting as a procurement management agent under contract with developing countries' governments, to contribute to fair and rapid procurement of agricultural equipment. JICS also acts as the secretariat for intergovernmental committees that follow up on how the equipment procured was distributed and monitor accumulation of counterpart funds.

#### [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 focusing on supporting small-scale farmers and implementing measures against poverty, after consultation with the Japanese government.



**Madagascar** Rice planting. Madagascar has the largest per capita rice consumption in the world



**Yemen** Committee composed of Yemen and Japanese government officials



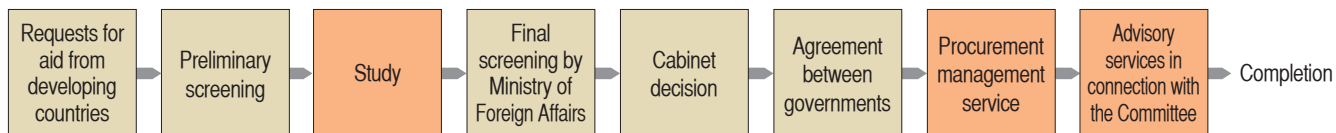
**Albania** Handover ceremony for agricultural equipment procured by JICS



**Bhutan** Stamps issued to commemorate the 20th anniversary of grant aid for increase of food production (2KR) to Bhutan

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### Flow of Operations



 Operations handled by JICS

### No. of Projects (FY2006)

#### ■ No. of projects, by region



## CASE STUDY | Grant Assistance for Underprivileged Farmers (Moldova)

### ● Project outline:

Procurement of agricultural machinery to help the recovery of Moldova's stagnant agriculture and stabilize productivity.

### More machines procured by repeating the process of procurement and sales.

The Japanese government began grant aid for increase of food production (2KR, currently Grant Assistance for Underprivileged Farmers) in 2000 to help the recovery of Moldova's stagnant agriculture and stabilize productivity.

JICS, as a procurement agent implementing procedures for purchasing agricultural machinery on behalf of the Moldovan government, has procured machinery such as tractors and combines on six different occasions.

The 2KR project stipulates use of counterpart funds (accumulating and using the proceeds from the sale of the procured machinery and equipment) in the recipient country in order to ensure a more effective assistance outcome. This method has worked especially well in the Republic of Moldova.

First, a cumulative total of 296 tractors procured and delivered were sold within the country, and based on the proceeds of those sales, additional tractors were procured and sold. By repeating the process of procurement and sales, 1,700 tractors, about six times the original number of tractors procured, and a total of 2,135 pieces of agricultural machinery, including combines, had been procured by 2005.



Tractors procured by JICS