

JICA's Activities in the ICT Sector

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1. Diverse forms of offered by JICA

During the eight-year period from 1993 to 2000, Japan's track record in official development assistance (ODA) was the best in the world. However, the ODA budget has been steadily declining since then due to Japan's severe economic difficulties. Among the member states of the Organization for Economic Cooperation and Development (OECD) and the Development Assistance Committee (DAC), we are now ranked in fourth place behind the United States, the United Kingdom and Germany. Meanwhile, emerging donor countries like China and South Korea are also actively expanding their activities. In response to this international situation and the flow of administrative reforms within Japan, the government has worked on reforms including a strategic review of ODA policy and reinforcement of the ODA implementation system. As part of this initiative, with the aim of unifying the agencies delivering ODA, the New JICA was born in October 2008 to take over the overseas economic operations of the Japan

Bank for International Cooperation (JBIC) and part of the grant aid work done by the Ministry of Foreign Affairs. This merger made it possible to organically coordinate various aid efforts including technical cooperation, ODA loans and grant aid, thereby allowing aid to be delivered more effectively and efficiently.

2. Outline of JICA projects

Figures 1 and 2 compare the JICA's aid (e.g. poverty reduction, peacebuilding, etc.) in developing countries in different schemes and in different regions within each scheme.

About three quarters of the total aid is provided as ODA loans (with repayments) on a larger business scale than other schemes, and the remaining quarter comprises grant aid and technical cooperation (with no repayments). ODA loans and grant aid are apportioned according to factors such as the income level of the recipient countries, and are mainly used to support "hard" projects like the construction of facilities and the procurement of equipment and machines.

On the other hand, technical cooperation is used to support "soft" projects like dispatching technical experts and providing training in order to set up administrative systems, developing the capacity of government officials in the recipient countries, and so on.

In the breakdown by region, it can be seen that Asia accounts for a large proportion of all schemes. In particular, over 80% of

the total amount offered as ODA loans is delivered in Asia, with which Japan has geographical, historical and economic ties, while grant aid and technical cooperation cover a wider geographical area and have a declining regional bias. In particular, since 1993 the Japanese government has been indicating a policy of supporting sustainable economic growth in Africa by way of initiatives such as the Tokyo International Conference on African Development (TICAD), and has thus been increasing its support for this region.

However, of the total amount devoted to technical cooperation, ICT (including broadcasting) only accounts for about 0.5%. This could be because this is a field where the private sector is strong, or because it is a fast-moving innovative field that is incompatible with the speed of ODA schedules, which can take some years to see through from planning to completion. However, ICT is often used as a tool in sectors such as education, medicine and governance, and it is thought that these numbers will increase if the use of ICT in many fields is also taken into consideration.

3. Items requiring action and items requiring attention in the ICT sector

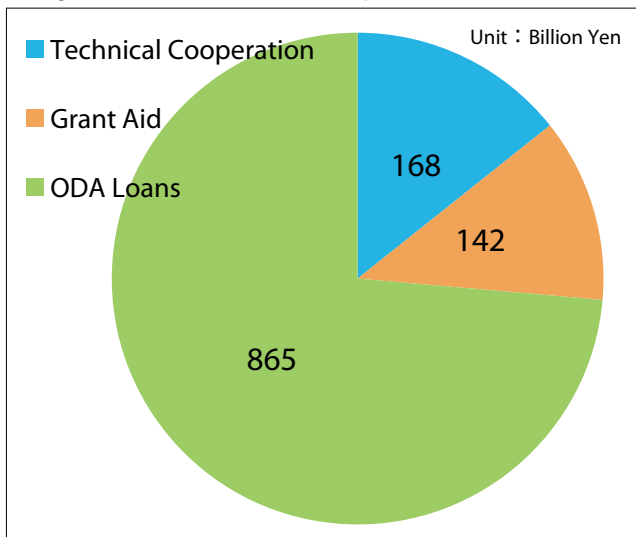
When JICA is involved in the ICT sector, the following action items and attention items should be considered:

Action items:

ICT must provide a shared infrastructure that can be used effectively in all fields

ICT was once used mainly for fixed telephone and telegraph systems, but with improvements in the speed, capacity and mobility of communication, it is now a common tool used in all fields. For example, in technologies such as Intelligent Transport Systems (ITS) in transportation,

■ Figure 1: Fiscal 2012 JICA's Operation Scale



or Electric Data Interchange (EDI) systems in ports, it is expected that Japan's know-how can lead to improved functionality and efficiency in the recipient countries. In the future, it is expected that ICT will be used even more actively

due to the development of applications and reductions in the price of terminal equipment, even in educational and medical fields. In practice, technology is evolving in a completely different way in developing countries compared with developed countries. For example, SMS messages sent over 2G mobile phones are being used to deliver services such as agricultural and medical information, and banking transactions. In developing countries, these services not only improve the lifestyle of their users, but are also said to improve the GNI by several percent.

Attention items:

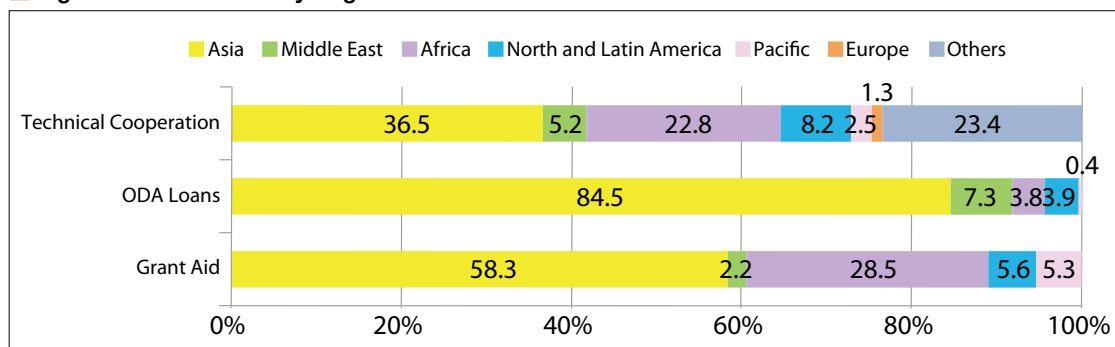
Private participation in the ICT industry, and the possibility of transferring to private ownership.

In recent years, there has been intense competition between private-sector businesses in the ICT industry. Since ICT in developing countries is also led by the private sector, and since international organizations such as the World Bank also recommend the privatization of ICT sector, it is important to carefully consider the contents and scope of work in ODA initiatives. JICA also considers private involvement in developing countries to be a desirable movement, but when engaging in cooperative efforts, it is important to carefully consider their relationship to the national development policies of the target nation's government, especially their priority relative to developments in other fields, the intentions of privatization and private administration, and the ownership of the recipient countries at this time.

The need for comprehensive system development

Regarding the need for comprehensive system development, taking terrestrial

■ Figure 2: Distribution by Region



digital television as an example, with ODA it is possible to provide support for studio equipment, transmitters and radio relay systems, but this is difficult until support has been provided for the distribution of terminal equipment capable of receiving terrestrial digital pictures to be installed at the receiving end. Therefore, when performing system development, it is necessary to check the state of comprehensive system development by public-private partnerships.

Responding to ever-progressing technological advances

Few people could have predicted the explosive spread of mobile phones, especially in developing countries. In this field, there are also concerns about technology rapidly becoming obsolete, but the JICA's cooperative projects also need to continue for a fixed period of time, so it is important to keep up with innovation trends.

4. JICA's efforts

JICA publishes a website containing its accumulated experience and knowledge, such as concerns about how to perform jobs, or the best way to cooperate in 23 different sectors, including ICT, education, transportation and health. We are working in the formation and implementation of cooperative projects based on the following basic policy for ICT.

- Improve the policy-making performance (in the recipient countries)
- Develop human resources and strengthen institutional capabilities
- Infrastructure development

In line with these basic policies, we take the recipient country's income level and technical level into consideration

while strategically combining the schemes of ODA loan, grant aid and technical cooperation from the upstream stages, bearing in mind the formation of items that are highly effective and efficient.

- We help to raise awareness of the importance of ICT policy in the recipient country, and promote the active use of ICT by the recipient country.
- It is difficult to provide direct support to citizens of the recipient country with ODA, but with technical cooperation and the like, we can improve the ICT literacy of ordinary citizens at the nation's core by strengthening the governmental and institutional capabilities of the recipient country.
- Our policy with regard to infrastructure development is to build sustainable autonomous systems for maintenance and administration based on the recipient country's technical level and other characteristics.

5. Conclusion

By providing ODA for the development of infrastructure, human resource and the like, JICA should aim to resolve the development issues of target nations while at the same time developing business opportunities for Japanese businesses. In other words, it should preferably create a win-win situation that benefits Japan as well as the recipient country.

In addition to JICA's ICT cooperation policy, we are also sending out details of each project strategy and regional strategy in various meetings as well as publishing them on our website. Thank you for your continued interest in JICA's activities.