

I. Guidelines for Implementation of Assistance for Development Cooperation

1. Overview

Grant aid will be provided to Japanese NGOs active in developing countries and regions that are implementing economic and social development cooperation projects¹ that have a direct beneficial effect at the grassroots level.

2. Target Countries and Regions

Countries and regions are listed in Attachment 1.

3. Target Areas

Economic and social development projects that have a direct benefit at the grassroots level in countries and regions listed in section 2. above (construction of facilities, provision of equipment, awareness raising activities, etc.).

4. Limit of Grant Aid

(1) The upper limit² on grant aid for one project shall be as follows.

(A) In cases where an NGO has more than two years in experience of overseas

¹ This includes projects that have a fixed development effect and are regarded as one program of a series of ongoing activities for multiple projects.

² The upper limit on grant aid shall be fixed by the currency exchange rate at the time of approval.

cooperation activities and the NGO's total expenditure of the last two years was more than 10 million yen per year, the limit shall be 10 million yen, with a maximum level set at 50 million yen according to the project. (However, for projects that need in excess of 20 million yen, refer to 7.(2) (B))

In cases where an NGO has more than two years of experience in overseas cooperation activities but the NGO's total expenditure of the last two years was less than 10 million yen per year, the limit shall be 10 million yen, considering structural and financial circumstances of the NGO.

(B) In cases where an NGO has less than two years of experience in overseas cooperation activities but has more than two years of activities of its own, the limit shall be 5 million yen.

(2) For projects that need in excess of 20 million yen, the upper limit on grant aid shall be set at 80% of the total or 20 million yen, whichever is the higher figure.

(3) Although the above section (1) shall be adhered to, for projects that reflect human security concepts and require more than 50 million yen, Grant Assistance for Grassroots Human Security Projects will be applied and an amount up to 100 million yen shall be allowed.³

³ The following projects shall be prioritized as those that reflect human security concepts: (i) assistance for basic education to enhance community capabilities; (ii) post-conflict assistance for the repatriation of refugees and IDPs; (iii) assistance for health care of mothers and children among refugees and IDPs; (iv) assistance for mine clearance activities; and (v) assistance to combat infectious diseases such as HIV/AIDS. (Projects that comprehensively implement multiple activities in the above-mentioned areas in one region

5. Implementing Period for Target Projects (maximum period of use for funds granted)

One year after the conclusion of a contract.

6. Eligible Expenses

(1) Local project expenses

(A) Direct expenses

Expenses required for procurement of equipment, facilities and services⁴⁵⁶

(value added approach) will be actively supported.)

⁴ Concerning vehicles:

With regard to vehicles that are suitable for universal use and are highly mobile, but are not vehicles for special use such as garbage collection vehicles, fire engines or ambulances, the following points will be strictly applied to avoid the possibility of use of vehicles for purposes other than for which they were originally intended, including private use, and to avoid the possibility of insufficient maintenance after provision.

- (a) The vehicle in question is essential for implementation of the project and its role is clearly laid out.
- (b) A concrete plan for use has been made, including the securing of a driver, and a driving schedule, and in addition that a maintenance management structure is in place for such items as the securing of fuel and a maintenance scheme.
- (c) In cases where two or more vehicles are required, a clear and concrete explanation will be required why the current number of vehicles is insufficient and why the number sought will be required.

⁵ Concerning personal computers, etc:

Electronic equipment such as personal computers has an increasingly short life, due to the development of technology and the replacement cycle is therefore short. Accordingly, serious consideration should be given before applying for a PC to be provided. In particular, in applications that request the provision of electronic equipment only such as PCs (or the great majority of the provision expenses are taken up by electronic equipment), in principle no assistance will be provided. Specifically, a decision will be made on a case-by-case basis, using the following criteria:

- (a) The PC in question is essential for implementation of the project and its role is clearly laid out.
- (b) It is expected that persons at the grassroots level will be the beneficiaries.
- (c) The main objective is not to improve the office work of the aid-implementing organization.
- (d) The implementing organization affirms that the equipment will be used in the long-term (a projected minimum of five years) and that a maintenance management system, including procurement of replacement parts is in place.

⁶ Concerning land

(B) “Soft” expenses

(i) Expenses for holding meetings and seminars, etc.⁷

- Expenses for hiring and arranging a meeting venue
- Costs for the invitation of external lecturers (Travel, accommodation and honorarium costs)
- Assistance for participants (Travel and accommodation costs)⁸
- Expenses for the compilation of meeting-related materials
- Expenses for the compilation and distribution of campaign materials (T-shirts, hats, posters, etc.)
- Rental of equipment (projectors, projection screens, etc.)

(ii) Employment expenses for local staff (Expenses for personnel in order to implement the project. This includes permanent staff attached to the NGO country office (total two persons, project manager and assistant only)⁹ and personnel newly hired for the project.)

For applications that include the construction of facilities, the implementing organization should ensure itself that the land to be used for construction is utilizable and no assistance will be provided for land purchasing costs. In the implementation of construction of facilities it is important to clarify ownership rights of the land in question and gain the confirmation of the owner.

⁷ Concerning expenses for holding meetings and seminars, assistance shall not be extended to food and beverage.

⁸ Concerning specific participants at a meeting or seminar, assistance may be provided for such participants travel and accommodation expenses, but in many unspecified cases such as the participant coming to engage in awareness raising activities among the populace, no assistance shall be provided.

⁹ Employment expenses for local staff shall be calculated, according to the time actually involved in the project, based on the time sheet.

The unit cost for personnel expenses shall be based on the salary structure of each NGO, but it should be appropriate in line with the local standard. The expenses will be calculated at a maximum of eight hours per day.

(iii) Project management expenses (Management expenses accruing during the implementation of the project)

- Utility charges (Only for offices opened temporarily for the implementation of the project)
- Equipment purchase and repair expenses (essential for project implementation)
- Communication expenses
- Travel and transfer expenses (including vehicle hire)
- Expenses for printing, etc.

(iv) Expenses for the invitation of experts¹⁰

- Travel and accommodation expenses accruing from the invitation of experts, etc.
- Honorariums for experts (technical guidance and expert work, technical guidance for the set-up of equipment, interpretation and translation etc.)

(v) Expenses for the dispatch of human resources (travel expenses, daily allowance and accommodation expenses required for dispatch to project site of headquarters staff to coordinate the project, etc.)¹¹

The time sheet (Form1-c) shall be shared with personnel expenses for headquarters staff.

¹⁰ Submission of a brief history, etc. of the expert is required per Attachment 3 Form 1-d. Basically a maximum unit cost equivalent to the expenses for the dispatch of JICA experts will be applied.

¹¹ Unit cost will be based on the travel expenses policy of the NGO, but basically a maximum unit cost equivalent to the expenses for the dispatch of JICA experts will be applied. Concerning daily allowance

(2) Implementing expenses burden on headquarters for project (“Soft” expenses for NGO headquarters staff essential for the implementation of the project)

(a) Personnel expenses for headquarters staff directly involved in project implementation (calculated by the time spent on the project in question, based on hours worked according to the time sheets of each staff member)¹²

(b) Meeting expenses (meeting venue, travel, and lecturer expenses accruing from meetings held that are vital to the implementation of the project and its functions)

(c) Communications and transport charges (Expenses for communications between local offices and counterparts, and the shipment of materials and equipment related to the project)

(d) Expenses for the creation of project materials

(e) Expenses for equipment rental and repair (limited to equipment considered vital for the implementation of the project)

and accommodation expenses, 100% of the units will be applicable for the first 30days, 90% from 31 days through 60 days, and 80% from 61days forward. Also, these expenses will cover requirements to enter the country such as airport fees, and obtaining vaccines and visas. The same rules are applied for invitation of experts in (1).(B).(iv) above. Concerning expenses for dispatch of headquarters staff, it should be clear that the staff are essential for the implementation of the project.

¹² The unit cost for personnel expenses shall be base salary in accordance with the salary structure of each NGO, but basically a maximum unit cost equivalent to the expenses for the dispatch of JICA experts will be applied. In addition, salary paid domestically or at the project site will be calculated at a maximum of eight hours per day. The time sheet to be used is as per Form 3 of the attachments titled Report of Activities of Grant Aid for Japanese NGO Projects. Headquarters staff include those who have been dispatched to the project site as permanent staff and who are directly related to the project. Information on this staff must also be submitted (Attachment 3, Form 1-c).

(f) Miscellaneous expenses (Purchase costs for office supplies, etc.)

(3) External auditing expenses

These shall basically be recommended to be between 5 and 10 per cent of the total contract amount.

7. Conditions for Payment (Hereunder, these conditions shall basically be applied to all formats)

(1) Conditions for target NGOs

(i) The NGO shall be a Japanese NGO (a non-profit organization with its headquarters located within Japan).

(ii) The NGO shall be independently implementing the major part of the project (A project shall not be eligible if the major part of projects are implemented by a local counterpart or another organization)

(iii) The implementation of international cooperation activities shall be the main objective for which the NGO was established.

(iv) The NGO shall be juridical in nature (charitable corporation or NPO)

(v) Through the provision of financial statements such as budget and accounts statements, the NGO shall ensure appropriate accounting procedures and their

transparency, and shall not be experiencing any financial instability such as a deficit.

(vi) The NGO's main objective shall not be activities of a political or religious nature.

(vii) The NGO shall not aim to make any commercial gain.

(viii) The NGO shall not engage in illegal or anti-social behavior.

(ix) Within the past one year the NGO shall not have returned funds as detailed in Section 6 (G) below.

(2) Conditions relating to grant payable

(A) In cases where a deficit occurs due to foreign exchange fluctuations during the implementation of project, NGOs shall bear the burden.

(B) NGOs applying for a grant in excess of 20 million yen should fulfill the conditions detailed below.

(i) NGOs that have, in principle, experience in implementing economic and social development projects in developing countries and regions in question for more than three years.

(ii) NGOs that have previously received more than two grants under the public assistance system, such as the grant assistance for grassroots projects or NGO project subsidies, and have demonstrated appropriate project implementation, reporting and accounting procedures.

(iii) NGOs that have an organizational structure, personnel system and budgetary scale of a size to enable it to implement the project effectively and that implement appropriate accounting procedures, including implementing external audit.

(iv) NGOs that can ensure a structure on site at the project location to enable appropriate monitoring of the project, including having a local office with permanent staff.

(3) Conditions relating to project content

(a) Projects should be in line with Japan's Official Development Assistance Charter.

(b) Projects should be of a content that conforms to the assistance policies of Japan in the countries and regions listed above.

(c) Content should be appropriately based on local needs, and lead to economic and social development of the local community and stability in people's lives.

(d) Projects should enhance self-reliance of the local people and should ensure local participation.

(e) Content should take environmental, gender, and humanitarian aspects into due consideration.

(4) Conditions relating to expenses estimate

(a) An appropriate and adequate estimate of expenses should be made. (For the procurement of materials, equipment and services, and the construction of facilities, which cost more than the equivalent to thirty thousand yen, estimates from three sources must also be submitted.)

(b) Implementation of the following examination with regard to “soft” expenses

- For applications for a grant that exceeds 20 million yen, or applications where the total is less than 20 million yen but more than 30 per cent of costs comprise “soft” expenses, based on the results of examination of project purpose and cost-effectiveness by the JODM in the country, and an external examination agency, the project may be modified to an appropriate scale.

- With regard to implementing expenses burden on headquarters for the project, in principle examination of the recipient NGO shall be made, and the NGO shall subject itself to examination of the appropriateness and adequateness of the expenses breakdown of its application by MOFA (or an external examination agency).

(5) Ensuring safety

The applying NGO shall have adequate safety measures set in place for its staff.

In cases where local security circumstances worsen during the implementation of project, NGO shall maintain good communication with the JODM or MOFA, and shall

secure appropriate safety measures.

(6) Other conditions

(A) Report Submission, and Accepting Project Monitoring and Evaluation¹³

(i) For all projects the NGO shall submit interim and final reports (Form 3 and 4) to the JODM or MOFA.

(ii) In the event that there are unclear or questionable issues in the interim or final report, in addition to a hearing or the submission of additional materials being required of the NGO, monitoring and evaluation will be implemented if deemed necessary by the JODM in country, MOFA or another commissioned organization.

(B) Installment payments of “soft” expenses

In the case that “soft” expenses are included in the grant total (implementing expenses for burden on headquarters for the project and “soft” local project expenses), these shall be paid in two installments after the grant contract (G/C) has been concluded. The second installment shall in principle be paid six months after the first, and prior to the second installment the NGO shall submit a progress report, receipts and bank balance confirmation to the JODM and avail itself open for examination.

(C) Implementation of external audit

(i) For all projects receiving grants, an external audit (accounting audit) shall be

¹³ Based on the results of such examination, the JODM or MOFA may require the NGO to take necessary measures.

conducted by an auditing company at the site of the project. Implementing expenses burden on headquarters for the project can be audited by a Japanese domestic auditing company.

(ii) The external audit shall be undertaken in accordance with established guidelines (see separate document).

(D) Settlement of grant

(i) After the project is concluded, the settlement of the grant shall be carried out based on the results of the external audit and the final report (including payment details of the project).

(ii) When some of the grant fund remains unused, the NGO shall follow the instruction of the JODM or MOFA and to take necessary measures to return the balance.

(E) Changes or cancellation of project

For a change to project content regarding project implementation in any of the cases detailed hereunder, an application shall be made to the JODM or MOFA (Non-Governmental Organizations Assistance Division, Economic Cooperation Bureau), after which the NGO shall receive approval or instructions from either of the above mentioned. Application just before the expiration of the grant contract should be avoided.

- Changes to the itemized expenses required for the project (excluding minor

changes. ¹⁴) (Minor changes must be reported.)

- Changes to the project content or period (excluding minor changes.¹⁵)

(Minor changes must be reported.)

- Cancellation of the project
- Cases where it becomes clear that the project cannot be completed within the scheduled period, or the implementation of the project has experienced difficulty.

(F) Return of grant funds

In cases where it is deemed that the grant has not been used appropriately for the objectives it was granted, the NGO must return the grant.

(G) Information disclosure

Application contents and the final report (including payment details of the project) shall be published for the project concerned. In the case of the latter it shall be uploaded onto the NGO's homepage, if the NGO has established such a page. In addition, in the case that it is deemed that the NGO has used the grant in an inappropriate manner, then this too may be disclosed.

¹⁴ In cases where there is a 20 or more percent increase or decrease of expenses per item, excluding external auditing. Changes are permitted only among items described in attachment of the grant contract.

¹⁵ a) changes in provided equipment and materials, b) in the case of establishing facilities, changes in location or changes in scale or large-scale changes in the structure, c) changes in the implementation period over one-month, d) in the case of dispatched experts, headquarters staff working on the project, or local staff of the NGO's country office, increases or decreases in the number of people, changes in the targeted experts

8. Application and Examination

(1) Procedure from application to implementation

(A) Submission of application from NGO to the JODM or MOFA (Non-Governmental Organizations Assistance Division).¹⁶

(B) Examination by the JODM (examination of documentation and inspection of project site, etc.), examination by MOFA and an external agency (examination of implementing expenses burden on headquarters for the project and implementing NGO, feasibility of the contents of application, etc.)

(C) Selection and approval of candidates for implementation by MOFA. (In the event that no candidates are selected, a notice to that effect will be distributed.)

(D) Conclusion of grant contract (G/C), in principle between the JODM and the NGO.

(E) In principle the JODM shall make grant payments to the NGO.

(F) The implementation of the project by the NGO shall be monitored by the JODM, MOFA, or by an external agency.

(G) Submission of final report with external audit report to the JODM (or MOFA).

External audit report can be submitted later if needed.

¹⁶ Although it depends on the contents of project, it usually takes two to three months to complete an examination after the submission of full documentation.

(2) Documentation required for application

The submission of the following documents is not only required when applying for Development Cooperation Assistance. Submission of these documents is also required for assistance types listed in sections II through VI. Please direct detailed inquiries to the Non-Governmental Organizations Assistance Division, Economic Bureau, MOFA (see number 3 below). Each Form for application is available on the MOFA homepage.

(A) Application form

After completing the required items on the application form (Attachment 3), the application should be submitted together with the documents listed in (B) below to the JODM in the developing country, or to the Ministry of Foreign Affairs (by post is also acceptable).

(B) Other application documents

In the event that the application form is submitted to the JODM, it is possible to submit items (i)–(ix) directly to MOFA (NGO Assistance Division). Additionally, if one organization has several applications, if there are no changes in the information, it is not necessary to submit items (i)–(ix) for additional applications.

(i) NGO charter

(ii) NGO Registration

- (iii) Certificate of seal impression
- (iv) Articles of incorporation, act of endowment, bylaws, etc.
- (v) Proof of property (proof of bank balance)
- (vi) Plans for this year's activities and reports on the previous two years of activities
- (vii) Income and expenditure estimates for the current fiscal year, income and expenditure statements for the previous two fiscal years, a recent debt and credit comparison and external audit report (in the event that an audit was conducted).
- (viii) List of directors
- (ix) List of staff (clarifying whether they are permanent staff or part-time staff, whether they are paid or unpaid, and details of work undertaken.
- (x) Other reference materials such as construction planning reports and blueprints in case of construction projects as necessary.
- (xi) Project site map
- (xii) Detailed project design and specifications
- (xiii) Purchase estimates from three sources for good and services (In cases where the value surpasses thirty thousand yen or its equivalent only. Details should be described on the estimates. Japanese or English translation to be attached.)
- (xiv) Estimates of external audit (Details to be described if possible)
- (xv) In the case of NGOs Partnership Project related assistance, a copy of the

concluded contract between main contractor and other NGOs.

(Other documents as requested based on need)

(3) Where to send application and any inquiries

(A) For applications made in Japan:

Non-Governmental Organizations Assistance Division, (NGO Assistance Section),

Economic Cooperation Bureau, MOFA

Address: 2-1-1 Kasumigaseki, Minato-ku, Tokyo 100-1919

TEL: 03-5501-8000 (direct-in) ext. 5768, 5869, 5883

FAX: 03-5501-8360

(B) For applications made overseas:

* Please refer to the MOFA homepage and contact the nearest JODM