Development Project and ODA Loans

Term: Winter
Instructor: Naonobu Minato

Course Description:
“Development Project and ODA Loans” is designed to provide students with a practical and academic knowledge of the financing development project in developing countries. Development projects includes infrastructure projects supported by ODA (Official Development Assistance) Loans. One of the most important elements for these development projects is financial elements such as capital, fund and budgets. The course focuses on theory and practices of development projects financed by loans including JICA’s Yen Loans. We will start with review of Japan’s ODA and Loans as aid modality. The course covers role of financial institutions in Asia and Africa, importance of financial sustainability and financial project management, and discussion such as grant versus loans, absorptive capacity and debt issues. Also, we will discuss about demand of infrastructure in Africa, and the role and issues of financial institution in Africa. The course introduces some cases and lectures’ experience, which enables students to understand the role of loans for development projects. A student needs to submit a report and make a presentation focusing on one project that he/she find out.

Course Structure:
The course will be a combination of lectures, presentations, and discussions.

Course Evaluation:
In determining your course grade, your work will be evaluated approximately in accordance with the following weights:
Report and Presentation (70%)
Participation on discussions and assignment (30%)

Course Outline:
1st Class
Introduction of Development Project and ODA Loans (the purpose, contents, approach, and
schedule)

2nd Class
Overview of Japanese ODA: ODA and Loans as aid modality

(Reference)
Ministry of Foreign Affairs, website
JICA, website
OECD, DAC, website
“The where” of development Finance: Towards better targeting of concessional finance, OECD/DAC, 2013

3rd Class
Planning and evaluating development projects from financial point of view

(Reference)
Project Cycle Management, Monitoring and Evaluation, FASID
Evaluation handbook for ODA Loan projects, JBIC, 2006

4th Class
Financial sustainability and project management: maintenance costs, revenue and budget

(Reference)
JICA's Position Paper on Public Financial Management (PFM), JICA, 2014

5th Class
Characteristics of loan projects by Asian Development Bank
Arguments in favour of loans and against loans
Loans, absorptive capacity and debt issues

(Reference)
ODA Loans: Investments and End Poverty discussion paper, Development Initiative, 2013
Economic Development: Theory and Practice for a Divided World, Stuart R. Lynn, 2003
Challenging Foreign Aid, Steven Radelet, Center for Global Development, 2003

6th Class
Case of Development Projects supported by JICA with loans

7th Class
Role and issues of development financial institutions in Africa
Risks and Governance for Development Financial Institutions

(Reference)
Worldwide Governance Indicators www.govindicators.org

8th Class
World Bank Loans and Japan as Recipient

(Reference)
International Development Assistance: Evolution and Prospects with specific reference to the World Bank and Japan

9th Class
Reports and Presentations by students

10th Class
Summing up and comments