1. **Objective.** To provide grants in support of community-driven development and poverty reduction programs that serve to enhance productivity, increase access to social and community services and infrastructure, and improve the living conditions of poor and vulnerable groups in eligible client countries of the World Bank Group.\(^1\) Grants approved under the program are subject to the criteria set forth in these Guidelines.

2. **Focus.** JSDF Grants are designed to pilot test and complement Bank-financed operations and programs compatible with the development objectives of the relevant CAS, PRSP or poverty reduction elements of Sector Strategies. The Grants are intended to focus on activities which: (i) respond directly to the needs of the poorest and most vulnerable groups; (ii) encourage the testing of innovative methods that are new or alternative approaches at the project, country, or regional level, or that facilitate new partnerships or assist new target groups; (iii) support initiatives that lead to developing sustainable outcomes through the adoption or scaling-up of the pilot project through Bank-financed operations, recipient government activities, or other activities; or (iv) build ownership, capacity, empowerment and participation of local communities, nongovernmental organizations (NGOs) and other civil society groups to facilitate their involvement in operations financed by the World Bank. Approximately 50 percent of total JSDF funds should go to eligible countries in East, South and Central Asia.

3. **Special Allocation for Africa.** Three special allocations for Africa have been introduced from FY09. These windows are for agricultural development, participatory school management and enhancement of health management and health services. Grants under these allocations are subject to the same guidelines (below) as apply to other JSDF Grants.\(^2\)

4. **Grant Types and Country Eligibility.** There are two types of JSDF Grants:

(i) **Project Grants** finance: (a) activities directly providing relief measures, supporting the improvement of services and facilities for poorer population groups, or reinforcing/reinvigorating social safety nets, or (b) innovation and testing of new approaches, particularly in the social sectors.

(ii) **Capacity Building Grants** finance capacity building and improvement measures, e.g., to bolster local communities and NGOs through learning by doing, to expand the capabilities or coverage of social fund-type institutions, or to support local governments working with local communities.

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\(^1\) Includes the International Bank for Reconstruction and Development, the International Development Association and the International Finance Corporation, all referred to hereafter as the Bank.

\(^2\) Allocations for these three windows over a 5 year period are $20 million for agricultural development, $10 million for participatory school management and $20 million for health management and health services.
All low-income and lower middle income countries as defined in the 2008 World Development Report are eligible for both Project Grants and Capacity Building Grants. The special allocations for Africa apply to all countries on the African continent that are eligible for JSDF grants.

5. **Amount.** JSDF Grants can range from US$200,000 to US$3 million. Under exceptional circumstances and after prior clearance by CFP, a grant proposal of up to US$4 million may be submitted for consideration. Proposals exceeding US$3 million would be subject to higher scrutiny by the JSDF Steering Committee; the latter may request technical reviewers to verify the validity and viability of proposed activities and that their costing follows a disciplined process.

6. **Funding Proposal.** Grants are approved by the Government of Japan (GoJ) on the basis of a standard one-page Funding Proposal. The Proposal contains basic data, overall development objectives of the grant and expenditure categories. In addition to the one-page Funding Proposal, the complete application form includes supplementary information comprising a detailed description of the activities to be funded, a general plan for implementation, outputs and outcomes expected, and a detailed budget. This will also include any risks (for example political, environmental, problems with the implementing agency, civil war or post-conflict situation) that may affect implementation of the grant.

7. **Review of Proposals.** The concerned managing unit in the Bank must sponsor the activity and designate a Task Team Leader (TTL). TTLs must indicate the arrangements (including financial provision) for JSDF project supervision. Requests must be in line with the CAS objectives, as confirmed by the Country Director and the sector approach, confirmed by the Sector Manager, and are submitted to the JSDF Steering Committee through the Japan Trust Funds Administration Unit after review by the Operational Vice Presidencies. To the extent possible, proposals should promote collaboration with local and international NGOs, in particular Japanese NGOs and civil society organizations.

8. **Eligible Expenditures.** These include goods, small civil works, services (including necessary provision for NGO overheads), training and workshops, with all expenditures eligible for 100% financing under JSDF. Requests may also include the cost of the grant audits. If properly justified, incremental costs of up to 5 percent of the total grant amount may be requested to cover incremental costs for operations of unusual complexity, innovation or community participation which require Bank staff or consultant resources beyond those that can be financed by the regular administration budget.

9. **Ineligible Expenditures.** The following cannot be financed under JSDF: (i) pilot activities with no linkages to Bank-financed operations, (ii) academic research, (iii)
government staff salaries, (iv) foreign training or study tours, or (v) purchases of motor vehicles. 4

10. **Grant Execution Arrangements.** Grants must be recipient-executed. Recipients of JSDF Grants may be governments (central or local), international or local NGOs, or other local community groups which the Task Team Leader has determined are financially sound, have a strong track record, and employ satisfactory arrangements for use and accounting of grant funds. In case the recipient or the implementing agency is an NGO or a local community group, it is required that the central or local government gives its agreement to the arrangement. UN agencies may not be recipients of JSDF grants. In any case, the total term of the grant should not exceed four years after signature of the grant agreement. Any exceptions would need to be fully justified and would require CFP’s clearance. The TTL of the Grant will carry out the Bank’s fiduciary responsibilities for grant supervision, in accordance with Bank standards and use of Procurement Guidelines.

11. **Progress Reporting.** For the purposes of monitoring the development outcomes, the grant agreement, based on the grant application, will be the binding document. The Task Team Leader will be responsible for preparing annual Grant Status Reports, rating the status of grant implementation, and documenting the completion of deliverables and outputs. For grants over US$1 million, an Implementation Completion Memorandum (ICM) will be prepared at completion documenting actual cumulative inputs, outputs and outcomes through the grant implementation period, and the results will be shared with the donor. For grants under US$1 million, the final Grant Status Report will include additional information regarding grant activity outcomes. In all cases, TTLs are encouraged to share grant activity outcomes with stakeholders.

12. **Reallocation of Funds by Expenditure (Disbursement) Category or Activities.** Reallocations among expenditure categories or grant activities, including dropping or adding new eligible categories or grant activities, may be cleared by the Sector Manager/Director. Advice may be sought from Legal and CFP. The Legal Department should be consulted if any amendments are required, to be approved by the Country Director.

13. **Change in Grant Objectives.** For significant changes in the Grant Development Objectives a request must be sent to CFP which will determine if GoJ approval is required. GoJ will approve/reject the request within four weeks of its receipt from CFP. Subsequent grant amendment letters are cleared with the Legal Department in accordance with Bank procedures.

14. **Grant Cancellation Policy.** The balance of grants is subject to cancellation under the following circumstances: (i) the grant agreement has not been signed within 6 months of the formal grant approval date, (ii) there has been no implementation progress,

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4 Exceptions on the purchases of motor vehicles may be warranted subject to justification provided in the proposal.

5 UN agencies may participate in JSDF grant activities as consultants provided that the selection is in accordance with Bank Guidelines.
including zero disbursements, for six months after signature of the grant agreement, or (iii) there is lack of progress as determined by CFP. CFP may clear exceptions on the basis of a satisfactory explanation.

15. **Consultation with Local Japanese Officials.** In order to ensure harmonization and coordination, Bank task teams are required to consult with the Embassy of Japan accredited to the recipient country about the JSDF grant application before submission of the proposal to Concessional Finance and Global Partnerships (CFP) for review. Such consultation and information sharing by task teams will help expedite the decision-making process. In addition, Bank task teams are encouraged to share the information about progress and outcomes of JSDF projects with the Embassy of Japan and other Japanese aid agencies in the field.

16. **Japanese Visibility.** Bank task teams are asked to help promote the visibility and local awareness of JSDF in recipient countries through the following types of activities:

(a) Publications, training programs, seminars and workshops financed by JSDF grants should clearly indicate that the activities in question have received funding from the Government of Japan;

(b) The logo (usually the Japanese national flag) should be used in publications financed by the JSDF program, and in banners and any other materials used in seminars and training programs financed by JSDF grants;

(c) All press releases issued by the Bank with respect to JSDF grants should refer to the financial contribution from the Government of Japan;

(d) Recipients should be encouraged to ensure that JSDF-financed activities are well covered by local print and electronic media, and that all related publicity materials, official notices, reports and publications explicitly acknowledge Japan as the source of funding received;

(e) Grant signing ceremonies in the field should be encouraged, with the Recipients being encouraged to include Japanese embassy officials and to invite local and international press to these ceremonies.

In addition, CFP may promote visibility of JSDF by: (i) informing Country Directors of the importance of signing ceremonies to Japanese officials and the public to ensure recognition and support for JSDF funding; and (ii) continuing widespread distribution of the JSDF Annual Report, inclusion of JSDF information in relevant Bank documents, and occasional information sessions for Japanese organizations. A Guidance Note providing samples of other ways to improve visibility is attached.

17. **Maintenance of Documentation.** Operational departments will keep copies of documentation related to JSDF grants, in accordance with the Bank’s Administrative and document retention policies, among others, Terms of Reference and consultant contracts, reports and other outputs prepared by consultants, and status reports.

18. **Allocation.** The FY09 allocation is 80 million dollars, of which 20 million dollars is for the special allocations for Africa.
19. **Schedule.** The JSDF Steering Committee submits proposals to GoJ two to three times a year. GoJ will confirm its decisions on proposals within four weeks from submission where GoJ is satisfied with the contents of the application. In case GoJ requires clarifications the final decision on the proposal may take longer.
Introduction
The Government of Japan (GOJ) has contributed to the Japan Social Development Fund (JSDF) in support of innovative social programs to help alleviate poverty in eligible client countries of the World Bank Group since 2000. The purpose of this note is to provide guidance on measures to ensure that the contribution of Japan in supporting JSDF is widely recognized.

Statement on Visibility
The Annual Policy Document provides the following clause on Consultation with Local Japanese Officials and Japanese Visibility:

Consultation with Local Japanese Officials. In order to ensure harmonization and coordination, Bank task teams are required to consult with the Embassy of Japan accredited to the recipient country about the JSDF grant application before submission of the proposal to Concessional Finance and Global Partnerships (CFP) for review. Such consultation and information sharing by task teams will help expedite the decision-making process. In addition, Bank task teams are encouraged to share the information about progress and outcomes of JSDF projects with the Embassy of Japan and other Japanese aid agencies in the field.

Japanese Visibility. Bank task teams are asked to help promote the visibility and local awareness of JSDF in recipient countries through the following types of activities:

(f) Publications, training programs, seminars and workshops financed by JSDF grants should clearly indicate that the activities in question have received funding from the Government of Japan;

(g) The logo (usually the Japanese national flag) should be used in publications financed by the JSDF program, and in banners and any other materials used in seminars and training programs financed by JSDF grants;

(h) All press releases issued by the Bank with respect to JSDF grants should refer to the financial contribution from the Government of Japan;

(i) Recipients should be encouraged to ensure that JSDF-financed activities are well covered by local print and electronic media, and that all related publicity materials, official notices, reports and publications explicitly acknowledge Japan as the source of funding received;

(j) Grant signing ceremonies in the field should be encouraged, with the Recipients being encouraged to include Japanese embassy officials and to invite local and international press to these ceremonies.
In addition, CFP may promote visibility of JSDF by: (i) informing Country Directors of the importance of signing ceremonies to Japanese officials and the public to ensure recognition and support for JSDF funding; and (ii) continuing widespread distribution of the JSDF Annual Report, inclusion of JSDF information in relevant Bank documents, and occasional information sessions for Japanese organizations. A Guidance Note providing samples of other ways to improve visibility is attached.

The JSDF Program’s Logo
The logo (usually the Japanese national flag) will be used on the JSDF website. All grant approval notifications to the Regions will include this guidance note and a “Word” and a “PDF” version of the logo for use by the Bank and the grant recipients. The Bank will make every effort to ensure that: (i) publications, training programs, seminars, workshops, financed by the JSDF grants clearly indicate that the activities in question have received funding from the Government of Japan; (ii) all press releases issued by the Bank with respect to the JSDF grants refer to the financial contribution of Government of Japan; and (iii) the logo is used in publications financed by the JSDF program, banners and any other materials used in seminars and training programs financed by the JSDF grants.

Local Publicity Opportunities
In addition to use of the logo, Bank staff are urged to take all appropriate measures to encourage Recipients to ensure that JSDF-financed activities are well covered by local print and electronic media, and that all related publicity materials, official notices, reports and publications explicitly acknowledge Japan as the source of funding received. Below is a standard text suggested for use by those who prepare publicity materials: “The grant which financed this (name of activity) was received under the Japan Social Development Fund which is financed by the Government of Japan.”

Many Bank Country Offices periodically publish newsletters. New grant approvals and signing should be publicized in these newsletters.

Most country offices have Communications staff. Task Teams are encouraged to consult with them on ways to increase the visibility of Japan regarding JSDF grants. Opportunities to publish articles on high visibility projects financed by JSDF grants should be explored and utilized.

During supervision missions of JSDF projects, task teams are advised to interact from time to time with the Embassy of Japan to inform them of progress under their project. They are encouraged to invite them to participate in supervision missions and to visit project sites to meet beneficiaries.

Task teams are advised to brief the Country Managers/Country Directors about the implementation status of JSDF grants. Such information will help the Country Offices highlight Japan’s contribution, where relevant, in their meetings and presentations in seminars and workshops.

Ceremonial Events
Country Directors will, at the same time as the task teams, receive notification of grant approvals and will be informed of the importance of signing ceremonies to Japanese officials and the public. At grant signing ceremonies and other publicity events, the Bank’s country-based staff are expected to foster the attendance and participation of country-based officials of the Embassy of Japan in a manner that provides due recognition of their donor status. Grant recipients should take the lead in organizing such ceremonies, and whenever possible, Recipients should issue the formal invitation to attend. Such ceremonial events should also be alerted to the media and publicity outlets referred to above.

Visibility from Headquarters
Country-based Bank staff are requested to forward copies of all visibility material, such as press releases, newspaper and magazine articles, and photographs (including descriptive captions) to the following address:

JSDF Unit
Mail Stop H3-305
Trust Fund Operations
Concessional Finance and Global Partnerships
The World Bank
Washington, DC 20433
USA