

ANNUAL REPORT



Information on JICS

Name of organization: Japan International Cooperation System (JICS)

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President: Takahisa Sasaki
Vice President: Yukihisa Sakurada

Date of Establishment: April 12, 1989. JICS was established as a public-service foundation authorized by the

Ministry of Foreign Affairs of Japan.

Endowment: 387 million yen

Number of employees: 149

Purposes: The purposes of the Foundation are to promote higher-quality international

cooperation through cooperation in the appropriate and efficient implementation of bilateral grant activities and other assistance within the framework of Japan's economic cooperation activities and thus contribute to the development of the world economy as

well as friendly relations with other countries.

Business: The Foundation shall conduct the following business:

1. Business contributing to the promotion of the appropriate and efficient implementation of grant aid programs, technical cooperation programs and loan programs which are part of Japan's Official Development Assistance (ODA);

2. Follow-up and after-care activities for the above-mentioned programs;

3. Research and studies on methods to efficiently implement international cooperation;

4. Education and support promoting international cooperation; and 5. Other activities necessary to achieve the purposes of the Foundation.

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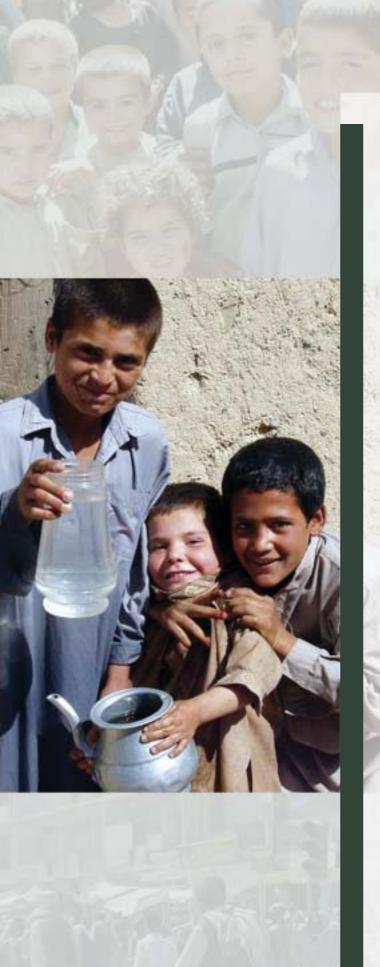
Cover photos

Pre-shipment check of blood gas analyzers provided under emergency grant aid to China to deal with the spread of SARS.

Children rejoice at the arrival of a water tank truck procured for Afghanistan under emergency grant aid.

In areas where wells have been dug, residents have access not only to water for agricultural purposes but also clean drinking water. (Cambodia)

MACA staff member (left) and Afghanistan client (right) attend a demining experiment conducted in Japan under grant aid for research (landmines) to Afghanistan.



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The JICS Vision

JICS is a public-service corporation working to ensure appropriate and effective procurement of goods and services required in developing countries, within the framework of the Japanese government's official development assistance and other support for developing countries. JICS endeavors to carry out its operations in accordance with the following precepts.

JICS plays a bridging role in assistance projects

Working for the further development of developing countries, we procure goods and services suitable for local conditions at appropriate prices and in an effective manner, while ensuring that available funds are used in the best way possible. In the field, we make optimal use of our mobility and experience, acting as a bridge between Japanese and foreign assistance organizations, NGOs and private companies to offer fine-tuned support and coordination for the smooth implementation of various types of projects.

JICS maintains an impartial stance to ensure fairness and transparency

In carrying out our operations, our priority is to maintain an impartial stance to ensure fairness and transparency. Our procurement of goods and services is carried out following procedures detailed in guidelines drawn up in conformity to legal and ethical requirements and internationally accepted practices.

JICS puts its knowledge and experience to work in assistance projects

We actively engage in public relations activities to communicate information and knowledge acquired through our operations; research activities in the pursuit of better assistance activities; and support activities directed at individuals working in the field in developing countries, all with the aim of contributing to the growth of developing countries.

JICS endeavors to manage its operations appropriately and to train capable personnel

To ensure that we can reliably carry out our roles described here, we have strengthened our internal auditing functions and required compliance, by staff and the organization itself, with all legal requirements in place. We have introduced a safety management system to create a safe and healthful workplace for all. We also hire skilled and experienced personnel and offer staff training in the skills, knowledge and experience required for offering the most appropriate proposals and coordination in various phases of assistance projects.

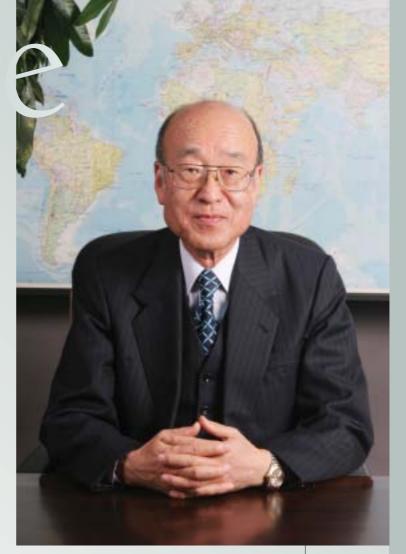
Prefac

Responding to Diversifying Assistance Needs

(JICS) was established as a public-service foundation in April 1989 upon authorization from the Minister for Foreign Affairs. As part of Japan's economic cooperation activities, JICS aims to promote high-quality international cooperation by providing appropriate and effective assistance in implementing bilateral grant activities. Since its establishment, JICS has been able to grow steadily, under the guidance of the Ministry of Foreign Affairs, the Japan International Cooperation Agency (JICA), and other related agencies and with the support of various foreign governmental organizations and ODArelated bodies, marking its fifteenth anniversary on April 12, 2004. I wish to express my sincere appreciation for the support and cooperation that JICS has received from many quarters.

The environment surrounding ODA has changed greatly over the past fifteen years. The Japanese governmental budget for ODA, which had previously been expanding, is now smaller, necessitating more effective and efficient use of funds. Meanwhile, with various new undertakings such as the Millennium Development Goals, poverty reduction, human security and peacebuilding being proposed in relation to development strategies, the international community's expectations toward Japan have never been higher.

Given these new ODA undertakings, JICS' activities have become increasingly diversified. Over the past few years, assistance for reconstruction and development and for peacebuilding activities has rapidly expanded in such countries as Afghanistan, Iraq, Cambodia, and Sierra Leone, where JICS has played an active role. JICS has now been handling a broader variety of operations, including yen loan- and NGO support-related activities which have been recently delegated to us. JICS has thus developed into an organization as a comprehensive international procure-



ment agent which is capable of appropriately responding to the assistance needs of developing countries

This Annual Report, the first for JICS, describes project results and activities in fiscal 2003. JICS formulated three policies regarding its activities in fiscal 2003; to become positively involved in new projects, to promote efficiency and reduce expenses, and to strengthen its implementing capabilities. JICS has carried out its activities with these policies in mind. In October 2003, JICS also put together a new "JICS Vision" (see the opposite page) to clarify its operating principles.

JICS will continue its activities with your support and cooperation, endeavoring to become an organization considered reliable by all. I hope that this Report will give you a better understanding of JICS' activities.

Dasaler

Takahisa Sasaki, President Japan International Cooperation System (JICS)

JICS Activities in FY2003

2003		Main JICS Activities	Related Developments in Japan and Abroad
April	4	East Timor—procurement agent contract signed for FY2002 non-project grant aid (first non-project grant aid for this country).	SARS spreads
	16	Afghanistan—procurement management contract signed for FY2002 grant aid for research: Research Project for Developing Mechanical Demining Machines in Afghanistan.	
	20	Cambodia—grant aid for conflict prevention and peacebuilding for FY2002. JSAC support measures team formed.	
	28	JICS Headquarters moves to new location.	
	29	Afghanistan—procurement management contract signed for FY2003 grant aid for general projects: Project for Improvement of Equipment for Afghan Police.	
May	1	JICS administrative structure reorganized (Office of Management Audit created).	Final report of the Commission on
	5	Sierra Leone—procurement agent contract signed for FY2002 grant aid for conflict prevention and peacebuilding.	Human Security released
	15	Afghanistan—emergency grant aid for FY2001 (medical field). Opening ceremony for the National Tuberculosis Center, attended by JICS president, held.	
	16	China—procurement agent contract signed for FY2003 emergency grant aid to deal with the spread of SARS.	
	24	Afghanistan—FY2002 emergency grant aid: Programme for Improvement of the Trunk Road from Kabul toward Kandahar. Handover ceremony of road maintenance equipment held.	
	26	Afghanistan—procurement agent contract signed for FY2003 sector program grant aid: Programme for Improvement of the Trunk Road from Kabul toward Kandahar.	
June	13	1st meeting of the JICS Board of Trustees and Board of Directors for FY2003.	Palestine and Israel accept the "road
September	21	Cambodia—FY2002 grant aid for conflict prevention and peacebuilding. "Flame of Peace" ceremony to destroy weapons held.	map" for Middle East peace The Iraq Governing Council, a
	24 (-October 5)	Sierra Leone—FY2002 grant aid for conflict prevention and peacebuilding. Field monitoring survey conducted.	provisional body led by the United States and the U.K., is formed (July)
	29 (-October 1)	JICS participates in side-event at the Third Tokyo International Conference on African Development (TICAD III).	Japan's ODA Charter revised (August)
	30	JICS begins study for grant aid for Japanese NGO projects by the Ministry of Foreign Affairs.	
October		JICS Vision formulated.	JICA becomes an independent
		JICS administrative structure reorganized into 2 offices, 3 departments and 8 divisions. Office of Personnel Affairs created.	administrative institution Japan pledges 5 billion dollars at the
	4, 5	JICS participates in International Cooperation Festival 2003.	International Donors' Conference on Reconstruction in Iraq
	28	Meeting held to report on activities and exchange opinions concerning support for non-governmental organizations (NGOs).	UN General Assembly High-Level Dialogue on Financing for
November	10 (-16)	Cambodia—FY2002 grant aid for conflict prevention and peacebuilding: board of trustees member Yoriko Meguro, professor, Sophia University, carries out field inspection of project.	Development held
	11	Afghanistan—JICS secretary general visits two companies receiving grants in connection with a grant for producing a magazine with a small circulation.	
	19	Students from Sayama Municipal Chuo Junior High School visit JICS as part of "integrated study."	
December	3	JICS Afghanistan office moves to a new location (following a bombing incident on November 22 at the Kabul Intercontinental Hotel, where the JICS local office was then located).	Major earthquake in Iran
	16	Afghanistan—Ceremony held to mark completion of Phase I of the Programme for Improvement of Trunk Road from Kabul toward Kandahar, FY2003 Road Sector Programme Grant Aid.	
2004			
January	16	Iraq—procurement agent contract signed for FY2003 emergency grant aid: Project for the Provision of Police Vehicles.	Japanese Self-Defense Forces deployed in Iraq
	27	Organizations selected to receive support through the FY2003 program in support of NGOs.	New constitution adopted for
	28	Project manager handling 2KR receives The Medal for Distinguished Civil Merits from the government of Albania.	Afghanistan by the Loya Jirga
March	23	2nd meeting of the JICS Board of Directors and Board of Trustees for FY2003 (change of President and Chairman of the Board of Trustees).	International Conference on Afghanistan held in Berlin
	29	Afghanistan—procurement agent contract signed for FY2003 Road Sector Programme Grant Aid: Programme for Improvement of Trunk Road from Kandahar toward Herat.	
	31	Sri Lanka—procurement agent contract signed for FY2004 non-project grant aid (first non-project grant aid for this country).	