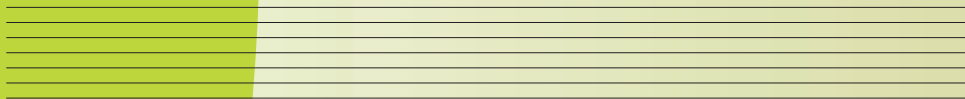


Part I

# Main Activities in FY2007





# New Challenges for JICS

## Special Feature

JICS has been working on two new grant aid schemes since fiscal 2006 as a procurement agent. One is the Grant Aid for Community Empowerment (1), which supports comprehensive capacity building in communities facing threats to their lives or livelihood, such as poverty, famine, and epidemics. The other is the Grant Aid for Disaster Prevention and Reconstruction (2), which aims at disaster prevention and restoration and reconstruction after a disaster, and allotted for developing countries which are vulnerable to natural disasters. These are new frameworks that arose from particular experiences during the Major Earthquake off the Coast of Sumatra and the Tsunami in the Indian Ocean, and make use of Japan's experience and knowledge of the past.

JICS has carried out diverse activities involving postwar reconstruction and development support in Afghanistan and Iraq, which began with the September 11,

2001 terrorist attack on the United States, and the demining and reduction of small arms in Cambodia, a country suffering from the negative legacy brought on by civil war. These areas of support for post-war reconstruction and for restoration/reconstruction after natural disasters have many things in common — both are for rehabilitation. Such reconstruction aid is deliberately carried out to support development of the whole area by using varied local technologies and capabilities of local people.

JICS is also working hard to support international cooperation activities conducted by international organizations and foreign governments. JICS is delegated by the ASEAN Secretariat to support the Project for the Stockpile of Tamiflu and PPE (Personal Protective Equipment) against Potential Pandemic Influenza and to give assistance to the development of the Mekong Region using the Japan-ASEAN Integration Fund

(JAIF). JICS is also delegated by the World Organization for Animal Health (OIE) to support the Project for the Stockpile of Tamiflu and PPE against Potential Pandemic Influenza. Moreover, in Mongolia, JICS is engaging in new services, including implementation of the MCA (Millennium Challenge Account) project which is the new Grant Aid assistance of the United States.

Thus, JICS is developing much more diverse international cooperation activities under the new frameworks of Japan's Grant Aid assistance through projects with international bodies.

### New Challenges of JICS

#### Japan's New Grant Aid Assistance

##### Assistance for Reconstruction and Development

- (1) Grant Aid for Community Empowerment
- (2) Grant Aid for Disaster Prevention and Reconstruction

#### Major Reconstruction Projects Engaged by JICS

**Conflicts/Wars:** Iraq Emergency Grant Aid / Afghanistan Emergency Grant Aid / Cambodia Grant Aid for Conflict Prevention and Peacebuilding

**Natural Disasters:** Support for the Sumatra Earthquake and Tsunami Disaster in the Indian Ocean / Support for the Pakistan Earthquake Disaster / Assistance for Disaster Prevention and Reconstruction for the Earthquake in Central Java

#### Assistance for International Organizations

**ASEAN Secretariat** ... Project for the Stockpile of Tamiflu and PPE against Potential Pandemic Influenza / Support for Development in Mekong Region

**OIE** ... Project for the Stockpile of Tamiflu and PPE against Potential Pandemic Influenza

**MCA** ... Support for Development of Mongolia

Photo a: Sewon Second Healthcare Center right after it was hit by an earthquake in Central Java. Medical treatments were conducted at the right green tent  
 b: Children in the area for support in Peru  
 c: Officers checking the Laos investigation route for support of the development in the Mekong Region

# 1. New Grant Aid Assistance

## (1) Grant Aid for Community Empowerment Using Local Capabilities

The Grant Aid for Community Empowerment was initiated on the basis of acquiring lower building costs in reconstructing education facilities by using local businesses, local specifications and design, as well as on the experiences granting general support to correlating multiple fields such as the Earthquake off the Coast of Sumatra and the Tsunami in the Indian Ocean in 2004. At present, the aid mainly supports the ongoing construction of classrooms for elementary and junior high schools in Africa and other countries. It is expected that support will be provided not only for educational facilities, but also for solving diverse problems that a community is facing, such as water supply, hygiene, farm development and other fields.

Under the Grant Aid for Community Empowerment, a project plan is drawn up based on JICA's outline design study, and following the plan, necessary funds for executing the project will be provided collectively for the recipient government\*. JICS enters into a procurement agent contract on these projects on behalf of counterpart governments, selects and procures consultants and builders needed for the projects, and manages the whole project's progress including payment and fund management through untied bidding (international competitive bidding), which does not limit to any particular country.

The big features of this Grant Aid cooperation are adoption of design based on local specifications and the use of local consultants and builders. Thus, it is expected to promote local economy through employment, training capable personnel, and improving technical levels. The Ministry of Foreign Affairs also aims at a 30% cost reduction in the Grant Aid for Community Empowerment in 5 years by fiscal year 2010, as compared with the expenditures of the school buildings constructed under the Grant Aid for General Projects.

With regards to the use of local consultants and builders, various ingenuities and efforts are necessary to secure the appropriate quality and construction period, as well as ensure a high level of procurement management (project management) capability.

Therefore, under this assistance, the participation of lawyers, public testing organizations, and NGO groups, which exercise soft component-type of support, is being planned in addition to consultants and contractors. Local lawyers can offer legal checks and advice on the contracts, which JICS enters into as an agent, to help prevent problems that the Japanese business culture may be unable to foresee. Using public testing organizations, JICS is empowered with carrying out projects with greater transparency as well as aiming to secure quality work by conducting spot testing at the construction site when necessary.

Under this assistance, so-called "custom-made" or flexible support, which takes into consideration local conditions of the counterpart country, is also required. For these purposes, JICS creates a "committee" where delegates from each related bodies, including the Japanese government and counterpart governments, get together to confirm operation policies and adjust opinions.

Although this new support scheme involves some difficulties, JICS staff is working hard to meet the large expectations of local residents and school authorities.

*\* Provided funds are actually deposited into an account in the name of the recipient country first, and then paid to the procurement account managed by JICS.*

### For Africa before Everything

Based on the perspective of promoting "human security", the Japanese government plans to promote the building of schools in Africa as the first step to achieve one of the Millennium Development Goals (MDGs) — the achieving "universal primary education" by 2015. Following this, in fiscal 2006 when the Grant Aid for Community Empowerment started, the government determined a plan to construct classrooms



Constructing a school in Senegal

in three countries — Senegal, Niger and Madagascar — and set another plan in fiscal 2007 to construct classrooms in Ethiopia, Benin and Lesotho.

### Building 314 Classrooms

#### Senegal Project for Construction of Classrooms for Elementary and Junior High Schools

The government of Senegal had set goals to achieve an increase of 50% in junior high school enrolment by 2007 and 100% primary school enrolment by 2015. For these targets, the government has allocated more than 30% of the national budget to education to build 2,500 classrooms for elementary schools and 500 classrooms for junior high schools annually. However, since executing the plan had met with financial problems, the Japanese government decided to provide Senegal with the Grant Aid for Community Empowerment.

The Grant will be used to construct 314 classrooms, 56 headmaster offices, and 288 toilet buildings for 68 elementary and junior high schools in the five Regions of Kaolack, Louga, Fatik, Dakar, and Thies in Western



Authorities inspecting a site planned for school construction in Senegal



Senegal, and makes it possible to improve the learning environment of 16,000 school children.

**Construction and Rebuilding of 79 Elementary Schools**

**Niger  
Project for Construction of Classrooms for Elementary and Junior High Schools**

Niger has a population of 12.1 million with a low GNI (Gross National Income) per capita of 240 dollars. To improve this situation, the Niger Government has set a target of 70% school enrollment in the "Ten-year Education Development Program (2003-2013)." The rate improved to 52.4% in the national average in 2004; however, it remained as low as 36.8% in farming vil-lages.

The Regions of Maradi and Zinder in the South have a large population after Capital Niamey, and have a rapid population increase (3.2% annually); thereby, increasing the number of children enrolled. However, because the government faced financial problems, construction of the necessary number of classrooms was deterred.

Hence, Japan decided to provide the Grant Aid for Community Empowerment for Niger. The Grant will be used to construct and rebuild 284 classrooms of 79 elementary schools, construct toilet buildings, and provide school supplies; thus, improvement of the learning environment of 26,600 school children is expected. Under this project, NGOs, which can work on this site, will be selected to provide sustainable repairs and maintenance for the constructed school facilities, and provide hygiene education, especially on the use of toilets for local resi-

dents and school children as a soft compo-nent project.

For 12,600 children

**Madagascar  
The Regions of Antsiranana and Toliara Project for Construction of Classrooms for Elementary Schools**

Madagascar is located on the Indian Ocean in southeastern Africa, with a population of 18 million and a low GNI per capita of 290 dollars. The Government of Madagascar has set a target of 100% completion rate of stu-dents in primary school by 2015 and pro-vides free primary education; and yet the number of classrooms is far from enough. To achieve the target, 2,000 classrooms need to be constructed every year. However, like other African countries, construction cannot catch up with the proposed classroom num-ber due to the government's financial diffi-culties. In order to construct classrooms, procure furniture, and provide water supply and sanitary facilities in the Antsiranana Region of in the North and the Toliara Region in the Southwest, endowment of the Grant Aid for Community Empowerment was signed by the Japanese and Madagascar Governments on March 5, 2007.

The Grant will be used to construct and rebuild 200 classrooms of 64 elementary schools, and is expected to improve the learning environment of 12,600 school children.

**Aid for Latin America and Asia**

Besides Africa, the Grant Aid for Community



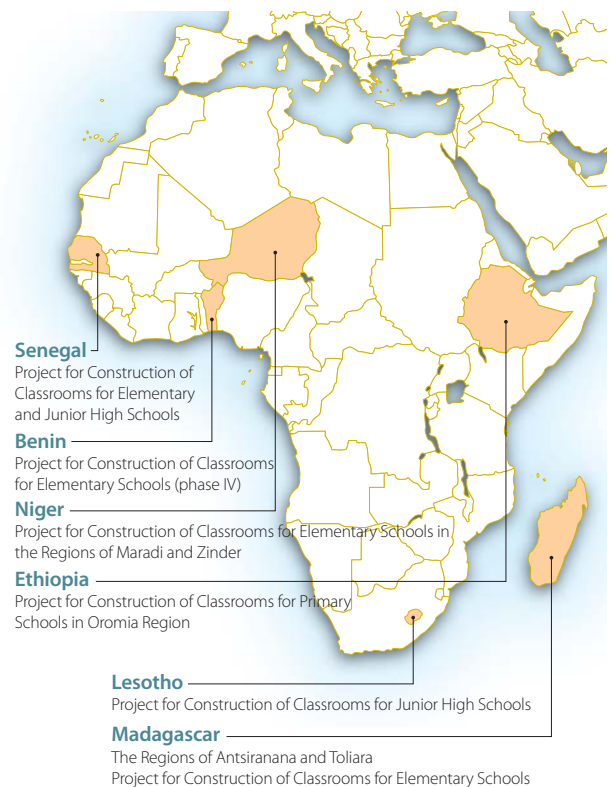
The area for support in Lesotho

Empowerment will be used to construct 30 educational facilities in Bolivia and 27 in Nicaragua in South America, as well as pro-vide school supplies. In Asia, in Ca Mau Province in Southern Vietnam, improvement of livelihood of the whole community affect-ed by a forest fire is underway, the first multi-component project which combines forest improvement and the construction of waterways, roads, medical institutions, and schools. Also, in Bhutan, construction of facilities and provisions of desks, chairs and blackboards for four junior high schools are set to be implemented.

The Grant Aid for Community Empowerment is expected to expand main-ly in Africa and other developing areas.



Children in an area in Niger eligible for support



## (2) Grant Aid for Disaster Prevention and Reconstruction

### Using Diverse Experiences in Reconstruction Assistance

The Grant Aid for Disaster Prevention and Reconstruction also began in FY2006. The Grant aims at realizing seamless support, from emergency relief which will be provided right after a big disaster, like an earthquake or hurricane, to the provision of full-scale rehabilitation and reconstruction aid. Including rehabilitation and reconstruction aid for the Major Earthquake off the Coast of Sumatra and the Tsunami in the Indian Ocean, it is expected that the know-how, experiences, and technologies that Japan has cultivated for many years in the field of disaster and disaster prevention will be utilized.

In the Aid for the Major Earthquake off the Coast of Sumatra and the Tsunami in the Indian Ocean, adopting the method of Non-Project Grant Aid has made rapid project implementation and flexible deadlines of construction to be possible. As a result, seamless assistance was realized by providing emergency relief right after the disaster, followed by a full-scale rehabilitation and reconstruction aid, which was necessary for the changing needs of the affected areas. In addition, provision of facilities by using available local builders, equipment, and materials following local specifications, was implemented. Based on the experience, a new grant aid scheme, the "Grant Aid for Disaster Prevention and Reconstruction" was initiated to provide goods and services needed in reconstruction sites and to manage such operations comprehensively (procurement management).

In the Grant Aid for Disaster Prevention and Reconstruction, the results of JICA's outline design study has to be followed, whereby an operation program which involves multiple components is drawn up for rehabilitation and reconstruction, and necessary funds will then be collectively provided for the affected government\*. JICS serves as a procurement agent, managing the funds on behalf of the counterpart government, as well as managing the project's whole progress, including procurement of equipment, materials and human resources needed in the project.

Under this grant aid scheme, builders are selected through untied bidding (international competitive bidding), wherein choices are not limited to any particular country, thus resulting in cost reduction and efficient assistance. In line with the purpose of

reconstruction aid, several assistance programs may sometimes be carried out simultaneously, according to the needs of the affected areas. Therefore it is very important to confirm operation policies and adjust approaches among the concerned bodies, including both the Japanese and counterpart governments. For this purpose, JICS holds a plenary "committee" where the concerned parties get together to confirm policies. Such assembly is indispensable and plays an extremely important role in the implementation of timely and accessible aid.

Through the Grant Aid for Disaster Prevention and Reconstruction, the "Project for Support for Reconstruction Efforts after the Hurricane Stan Disaster" for Guatemala and the "Project for the Reconstruction of the Area Affected by the Earthquake in Yogyakarta and Central Java" for Indonesia were carried out in FY2006. In FY2007, the new "Project for the Reconstruction of the Area Affected by the Earthquake in the Region of Ica" following the earthquake disaster in Peru was undertaken.

*\* Provided funds are actually deposited into an account in the name of the recipient country first, and then paid to the procurement account managed by JICS.*

#### Reconstruction of Bridges, Waterways and Irrigation Systems

##### Guatemala

#### Project for Support for Reconstruction Efforts after the Hurricane Stan Disaster

Guatemala was hit hard by major hurricane "Stan" in October 2005, whence torrential rains were experienced as a result of the hurricane. Flooding caused by overflowing of rivers and landslides killed 670 people, with the number of casualties rising up to 494,000 people altogether. Reports of total damage caused by the disaster amounted to about 970 million dollars, which was about 3.4% of the GDP of Guatemala in 2004. In response to this disaster, the Government of Japan immediately extended emergency aid to Guatemala, and on August 10, 2006 decided to provide a Grant Aid for Disaster Prevention and Reconstruction to reconstruct bridges, water supply and irrigation facilities. JICS worked as the procurement agency for these projects.

As far as reconstruction of water supply facilities in Quetzaltenango City was concerned, JICS worked as the procurement agency for services, materials and equipment required for the project, and also worked for the resources and progress management of



Inauguration of the Aldea Las Barancas Bridge

the project. The city of Quetzaltenango, located 200 km west of the capital city of Guatemala City, is the second most populous city in Guatemala, with a population of some 130,000. The water supply that is the life line of half of the population, i.e. 65,000 people, was damaged due to the disaster. This aid program helped to reconstruct the damaged water supply facilities to ensure a water source to the population of Quetzaltenango. JICS received a message from the Mayor of the city, stating "Each and every citizen of Quetzaltenango is grateful for the generous aid of the government and people of Japan."

The reconstruction of the Aldea Las Barancas Bridge and Sobre Rio Cabuz Bridge in San Marcos Province in the western part of Guatemala was completed in October 2007, and both bridges were opened to traffic on October 11 and 12 respectively. The deputy mayor of San Marcos City, JICS officials, and numerous residents were present at the opening ceremony to celebrate the completion of the Barancas Bridge. The deputy mayor expressed words of gratitude towards Japan, and the bridge was decorated with Japanese flags of various sizes prepared by the residents along with the Guatemalan flags. The opening ceremony for the Cabuz Bridge was held the next day, and feelings of gratitude towards Japan for providing aid were also expressed in a message from the mayor of the city and a commemorative gift for JICS was presented during the ceremony.

Promptness in the completion of the reconstruction work before the next rain and typhoon season was of paramount importance for the Guatemalan government, and thus was their major demand. Initially, an outline design study was conducted by JICA, but the plan had to be altered due to various reasons, such as change in natural conditions and occurrence of new disasters. Despite such difficulties, close cooperation among representatives of both countries resulted in the smooth operation of the plan.





Reconstructed Pleret No. 2 Junior High School

## Health Centers and Schools

### Indonesia Project for the Reconstruction of the Area Affected by the Earthquake in Yogyakarta and Central Java

On May 27, 2006 an earthquake of magnitude 6.2 struck off the shores of Central Java in Indonesia. The number of dead due to the earthquake rose up to 5,800, and the Bantul Regency of Yogyakarta Special Region was reported to be the hardest hit. As a response to this disaster, the Government of Japan provided aid in various forms, such as dispatch of a Japan Disaster Relief Team and materials as extension of the Emergency Grant Aid, etc.

Based on the contract with the Government of Indonesia, JICS worked as the procurement agency in extending the Emergency Grant Aid and the Grant Aid for Disaster Prevention and Reconstruction for Bantul Regency.

JICS was prompt in procuring and distributing large-size tents, small-size tents for households, blankets, etc., and also monitored distribution of materials and culmination of activities carried out by third parties thereafter.

JICS was able to complete reconstruction of two elementary schools, seven junior high schools and five health centers, as part of the Grant Aid for Disaster Prevention and Reconstruction, in a period of time shorter than initially planned. At present, these insti-



The new Sewon No. 2 Health Center

tutions are used to the fullest extent by the students and the residents of the region, and to show their feeling of gratitude towards Japan, the residents wish for continued long-term use of these centers. Also, JICS was able to enter into a new contract with the bidders at a price lower than that stated in the initial plan and was able to restore one more school that was damaged in the disaster.

As for support for central Java, immediately after the provision of the emergency aid, JICS started reconstruction of schools and health centers through the Grant Aid for Disaster Prevention and Reconstruction, and the transition was seamless. The JICS staff in charge of the operation included personnel who were engaged in reconstruction assistance for Afghanistan and disaster assistance in the Indian Ocean tsunami; such experiences were very useful in this operation.

## For Children's Smiling Faces

### Peru Project for the Reconstruction of the Area Affected by the Earthquake in the Region of Ica

On August 15, 2007, a magnitude 8.0 earthquake struck the Pacific coastal Department of Ica in Peru, killing more than 500 people and causing a great deal of damage to the region. In response to the disaster, the Government of Japan extended the Emergency Grant Aid in the form of materials such as tents, blankets, and mats. Furthermore, on March 17, 2008, the Government of Japan decided to provide the Grant Aid for Disaster Prevention and Reconstruction. Accordingly, JICS signed a procurement agent contract with Peru on April 18, 2008. As a procurement management agency, JICS is carrying out procurement of services and materials along with management of funds necessary for the implementation of the project.

The intended recipients of the aid are the Provinces of Chincha, Pisco, and Ica in the Ica Department, south of the capital city of Lima, where



An elementary school immediately after the disaster. The building was thoroughly destroyed.



Water tank with visible cracks. As there is danger of the tower collapsing, a new water tower will be constructed in a new site.

five elementary schools and a water tower would be reconstructed. At present, most of the children are accommodated in prefabricated temporary classrooms, as their schools have been damaged in the earthquake. The children are eager to attend school in the new school buildings, and the principals of the schools, with much hope, expressed their gratitude towards Japan for extending aid for the reconstruction of the schools.



## 2. Collaboration with International Agencies

### Fighting Avian Flu

#### Pandemic of infection

In recent years, the highly pathogenic avian flu virus (H5N1) that infects poultry, such as chickens, has posed a global threat. By April 2008, an outbreak of avian flu was confirmed in 61 countries and regions, and since 2003, human infection of the avian flu was confirmed in 15 countries and regions. Three hundred eighty-three (383) people were infected by the virus, out of which 241 died due to the illness, thus increasing the fatality rate to 63% (May 28, 2008 WHO). At present, it is evident from the confirmed cases that the infection spread to human beings from fowls, but there is potential danger of sudden mutations occurring in the avian flu virus and forming a new virus that can spread via human-to-human infection. Especially in the ASEAN region in Asia, where most of the cases have been of bird-to-human infection, there is a high possibility of human-to-human infection due to a mutation in the virus.

#### Prompt Containment

Prompt containment is extremely essential at the initial stage to prevent a pandemic of the avian flu. As a measure of realizing prompt containment in cases of confirmed evidences of human-to-human infection in the ASEAN region, the Government of Japan has made a contribution (70 million dollars)



Stockpile warehouse in Singapore

towards establishing a Japan-ASEAN Integration Fund (JAIF) within the secretariat of the ASEAN, which works towards the integration of the ASEAN members, and a part of JAIF is being provided as avian flu assistance package. In this project, JICS is working as a procurement management agency for the secretariat of the ASEAN and is involved in managing the stockpiles of materials necessary for the prompt containment of the avian flu and the implementation of 24-hour round-the-clock emergency transfer, in case such infection is detected in any of the countries or regions. Singapore is the stockpile-base, and has stockpiles of Tamiflu that can treat 500,000 people and materials such as protective suits, disinfectants, and masks that can be used by 700,000 people. There are plans for the additional procurement of materials as and when the need arises.

This project involves a variety of organizations, including the ASEAN Secretariat, the Ministry of Foreign Affairs, the Embassy of Japan in Indonesia, the Western Pacific Regional Office of WHO (WHO/WPRO), the Ministry of Health of Singapore, and drug manufacturers. Moreover, as there is need for emergency arrangements for customs clearance of material stockpiles among all members of the ASEAN, JICS is maintaining close contact not only with the ASEAN Secretariat, but also with each of the member countries.

#### Simulation Exercise

A tabletop exercise (simulation) in containing an influenza pandemic outbreak took place in April 2007. The exercise assumed an outbreak of a new type of avian flu in Cambodia, wherein the secretariat of the ASEAN decided on an emergency shipment of materials as advised by WHO/WPRO.

Upon receiving instructions from the secretariat of the ASEAN, JICS carried out a simulation of the actual flow of transportation and verified whether the decision-making and liaison among the concerned agencies were prompt and effective.

On February 7 and 8, 2008, the concerned agencies that are to counteract the avian flu crisis met at the JICS headquarters for a forum to exchange information. This project is

highly complicated in nature as it involves coordination among a number of agencies and different countries. However, JICS, with its accumulated experiences, is able to smoothly work out the logistics involving consistency in procurement, stockpile and transportation management, and is highly appreciated for it.

#### Cooperation with OIE

Similarly, as far as avian flu is concerned, to help facilitate prompt judgment as to whether there is an occurrence of avian flu infection among its poultry, the World Organization for Animal Health (OIE: Headquarters in Paris) has entrusted JICS with the procurement of testing and analyzing equipment, such as mobile laboratories for the research institutes in eight countries, including Thailand, Cambodia etc.; and with an upgrade of a research institute in Thailand. It is pointed out that the threat of a mutation of the avian flu virus, causing human-to-human transmission, is heightening day by day. With such a situation, JICS thus plays an important role in combating the avian flu in Asia.

### Cambodia, Laos, and Vietnam

#### Development Aid for the Mekong Region

#### Development Triangle

A summit meeting of the Heads of State of Cambodia, Laos and Vietnam was held in November 2004, and it was decided that they would cooperate in developing the border regions of the three nations, which they called the "Development Triangle." This region is a forest area and, until now, is home to many minority tribes. The region is not well connected to the major cities of their respective countries, and has inadequate social and economic infrastructures.

The Government of Japan has attached great importance to providing aid to the Mekong Region, among the areas of the ASEAN nations, and has been extending assistance in various forms centered on ODA. The Government of Japan announced its willingness to cooperate in the development of the "Development Triangle" and decided to provide assistance amounting to 20 million dollars out of the Japan ASEAN-Integration Fund (JAIF). Taking the initial letters from the names of the three countries—Cambodia, Laos, and Vietnam—the assistance package is entitled the "Japan-CLV Cooperation."





Measuring the width of the road from the border of Laos to Cambodia. The road is inaccessible to vehicle.

February 2008 as the procurement agent team for "MCA Mongolia," formulated by the Mongolian Government as the main implementation body. Thus, work on the project has started.

A major part of the work consists of support for procurement

procedures for services and materials procured by MCA Mongolia. In concrete terms, the support involves making bid announcements, preparing bidding documents, and handling of bid evaluations, contract documents, etc. The first bid was announced on June 9, 2008, which marked the actual start of procurement work.

JICS, with its rich experience of working in Mongolia in various projects such as Non-Project Grant Aid, Food Aid, Grant Assistance for Underprivileged Farmers, etc., aims for a smooth run of the project.

### Challenges for JICS

A four-nation working-level meeting was held between Cambodia, Laos, Vietnam, and Japan in June 2007, where development assistance for the "Development Triangle" through the JAIF funds was discussed. The three countries presented a proposal of a feasibility study (F/S) for a project to improve (and partially construct new roads) the entire length of the 570 km highway network that will require 1.5 million dollars (approximately 170 million yen) in funding. This project is of the utmost priority, according to the three countries. In the Japan-Mekong Foreign Ministers' Meeting, held in January 2008, the Foreign Ministers of the four nations approved the execution of the F/S and the implementation and management of the project by JICS. Following this, in March 2008, a procurement management contract was signed with the ASEAN Secretariat, and the work now is being carried out.

In the past, JICS has been involved in the procurement management of many aid projects in these three countries. Taking advantage of past experiences, JICS is ready to take on new challenges.



Road close to the national borders of Vietnam and Cambodia, which is difficult for traffic

## US Aid in Mongolia

### Joint Acceptance of MCA

#### What is MCA?

In January 2008, JICS accepted responsibility as the procurement agency for MCA Mongolia, together with the Crown Agents (CA), a procurement agency of the United Kingdom.

MCA is the framework of a new type of grant aid, started by the United States, called the "Millennium Challenge Account". The aid, presented by the US, will be awarded to developing countries that meet the criteria in three categories - "Governing Justly," "Investing in People (health, education)," and "Promoting Economic Freedom"—inclusive of 16 indicators. The aid program is of a large-scale measure aimed at poverty eradication.

#### In Mongolia

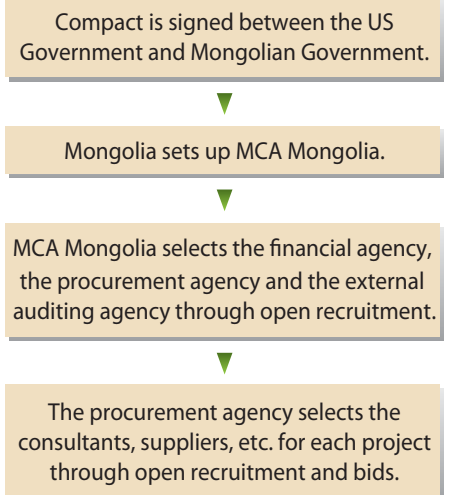
On October 22, 2007, a Compact (basic aid document between the US Government and the Government of Mongolia) worth nearly 285 million dollars was signed with the Government of Mongolia as the MCA for Mongolia. The aid package is valid for 5 years starting from January 2008. The Compact is designed to contribute to poverty reduction and sustainable economic growth through the following four projects: 1) Railroad Upgrading, 2) Property Rights Reform, 3) Vocational Education, and 4) Health Services.

After the signing of the Compact, JICS set up a project office in Ulaanbaatar in



Members of the MCA Mongolia procurement agent

#### Work flow of the MCA Mongolia project





# The Role of JICS in ODA

Japan provides official development assistance (ODA) as an important national policy in response to the expectations of the international community.

JICS plays an important role in implementing ODA through various supporting operations, mainly grant aid projects, technical cooperation projects and yen loan projects. Since its establishment in 1989, JICS, as a fair and impartial procurement agency, has built on its experience in equipment procurement to provide services appropriate for conditions in developing countries and that truly meet their needs. JICS will continue to contribute to promoting a high standard of international cooperation by providing timely support for appropriate and effective implementation of assistance. The information below describes the main projects in which JICS is involved.

## Grant Aid

Grant aid is a form of assistance whereby funds are provided to a developing country without repayment obligation, for a specific, agreed-upon purpose. JICS is involved in the types of grant aid described below.

### Grant Aid for Infectious Diseases Prevention and Treatment

Grant aid for infectious diseases prevention and treatment provides aid for vaccination and procurement of therapeutic drugs to control various infectious diseases such as polio, tuberculosis, malaria and AIDS and others that threaten lives in developing countries.

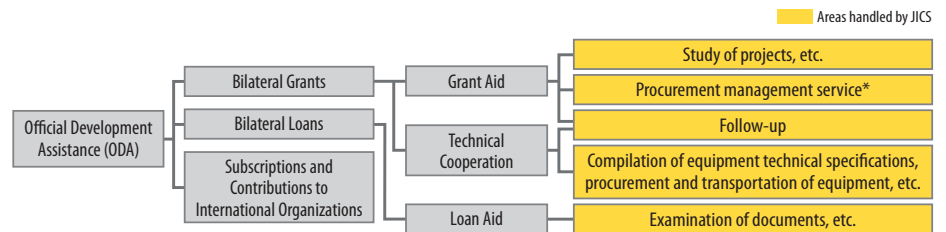
JICS has been delegated by JICA since 1997 to carry out studies in Japan and on site concerning equipment needed in the field of infectious diseases control. Following these studies, JICS carries out procurement management based on contracts with the developing countries' governments.

Since infectious diseases control must be put into action without delay and the validity periods of vaccines and drugs are also limited, project management always demands swiftness and accuracy.

### Grant Assistance for Underprivileged Farmers (2KR, formerly known as Grant Aid for Increase of Food Production)

Grant Assistance for Underprivileged Farmers (2KR) is aid provided for purchasing agricultural equipment such as machinery and fertilizer to help increase production of food crops (rice, wheat, maize, etc.) in developing countries where there are food shortages. This grant aid, begun in 1977, is implemented yearly in Asia, Africa, Latin America, Eastern Europe, CIS countries, and others.

## Japan's ODA and the Role of JICS



\*Through contracts with the developing country's government, JICS manages and supervises the overall tendering process for procuring equipment and services in connection with grant aid. In some cases, JICS supports the developing country's government, which implements projects, while in others it acts as the developing country's agent, handling all duties, from managing grant aid funds provided to making contracts with equipment suppliers. The latter system is referred to as the procurement agent system and is used for KR, 2KR, non-project grant aid, emergency grant aid, grant aid for conflict prevention and peacebuilding, grant aid for community empowerment, and grant aid for disaster prevention and reconstruction.

Grant aid for increase of food production (2KR) has been changed since FY2005 to grant assistance for underprivileged farmers (2KR) in order to show that Japan will provide more effective support to developing countries in their self-help efforts for achieving food self-sufficiency. By clarifying that aid recipients are poor, small-scale farmers, Japan will strengthen its efforts to support increase of food production in those countries.

Since its founding in 1989, JICS has been delegated by JICA to carry out studies concerning this grant aid in Japan and on site.

Since FY1997, JICS, in accordance with contracts with developing countries' governments, has been serving as a procurement management agent contributing to fair and rapid procurement of agricultural equipment. It also acts as the secretariat for intergovernmental committees following up on how the equipment procured was distributed and monitoring accumulation of counterpart funds (Note). Additionally, since FY2004, JICS has been carrying out management of funds.

Note: Developing countries' governments set aside local currency funds equivalent to a certain amount of the value of equipment procured by grant aid. These funds are then used for local economic and social development projects after consultation with the Japanese government.

### Food Aid (KR)

This grant aid is provided to developing countries with food shortages for the purpose of buying rice, wheat, maize or other grains. Based on the food aid rules of the International Grain Agreement, which came into effect as part of the Kennedy Round (KR) at GATT in 1967, food aid began in 1968 and is referred to as "KR" because it came out of the Kennedy Round.

Since FY2001, JICS, in accordance with contracts with developing countries' governments, has been serving as a procurement management agent helping ensure

the fair and rapid procurement of food. It has also been acting as the secretariat for intergovernmental committees following up on how the food procured was distributed and monitoring accumulation of counterpart funds. Additionally, since FY2007, JICS has been carrying out management of funds.

### Cultural Grant Aid

Cultural grant aid provides funds for purchasing, transporting and installing various types of equipment used for cultural and educational activities, with the aim of promoting mutual understanding and friendship between Japan and developing countries through support for the development of culture and education.

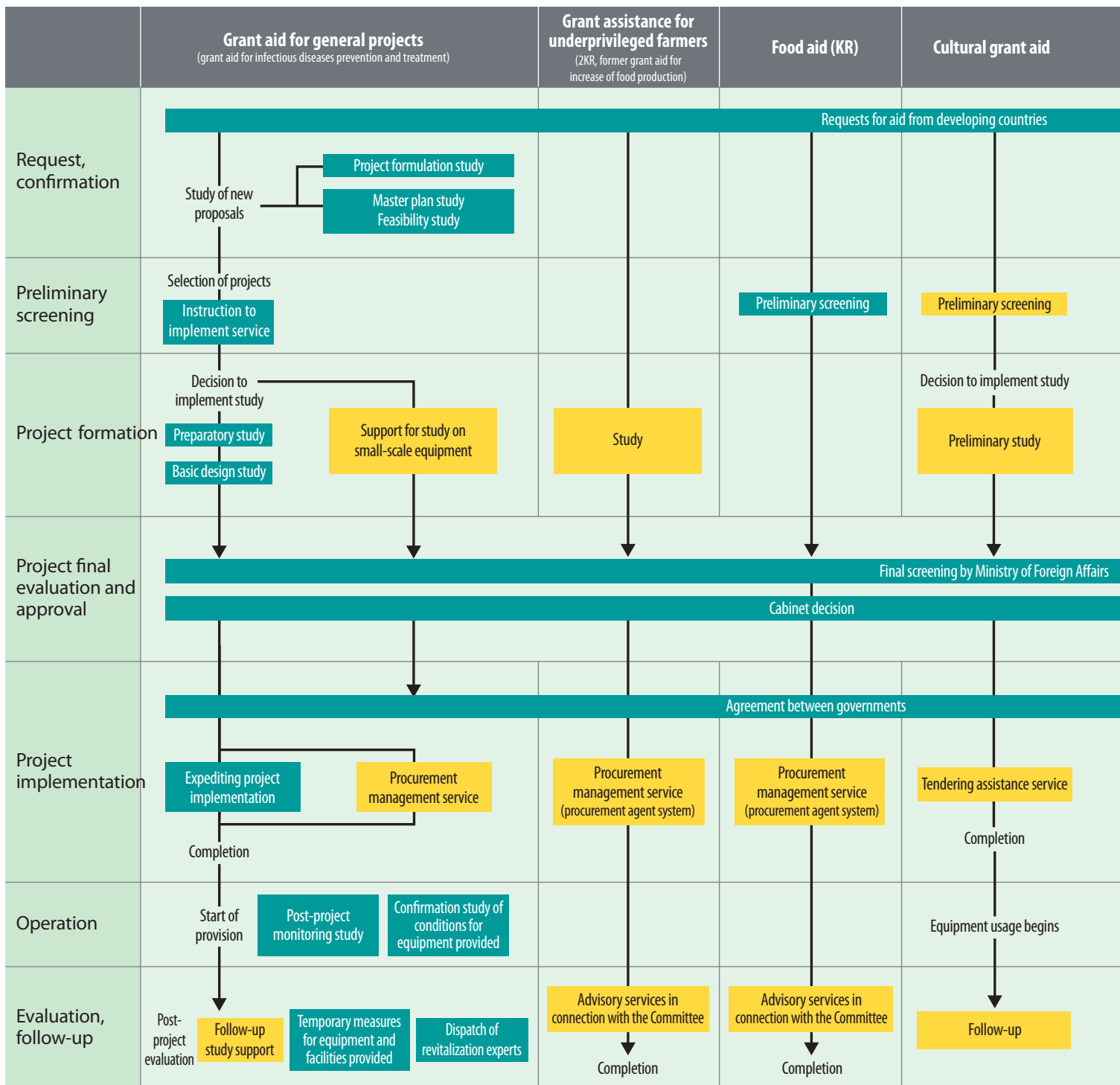
Delegated by the Ministry of Foreign Affairs of Japan, in FY1993 JICS began carrying out preliminary studies both in Japan and on site concerning equipment requested for this grant aid. Since FY1995, in accordance with contracts with developing countries' governments, JICS has assisted with tendering (public notice, implementation and evaluation of the tendering process) for equipment procurement. Additionally, since FY2000, JICS has been carrying out follow-up activities by procuring repair parts and dispatching technical experts to ensure that the equipment procured is used continuously and effectively.

Since FY2004, JICS has been analyzing project applications for general cultural grant aid and grassroots cultural grant aid. The main types of equipment procured by this grant aid include sound and lighting equipment for theaters, sports equipment, equipment for excavating and preserving archaeological sites, musical instruments, equipment for producing cultural and educational programs, materials related to Japanese language education, and others.

### Grant Aid for Research

This grant aid supports research activities

### Areas Handled by JICS in the Case of Grant Aid Projects



into various problems affecting developing countries, and supports research and development and commercialization of new technologies for products intended for developing countries.

Since FY2001, in accordance with contracts with the governments of developing countries, JICS has been managing grant aid provided for research and development

activities, and offering coordination and support to ensure that activities among researchers and manufacturers in Japan and developing countries are carried out smoothly.

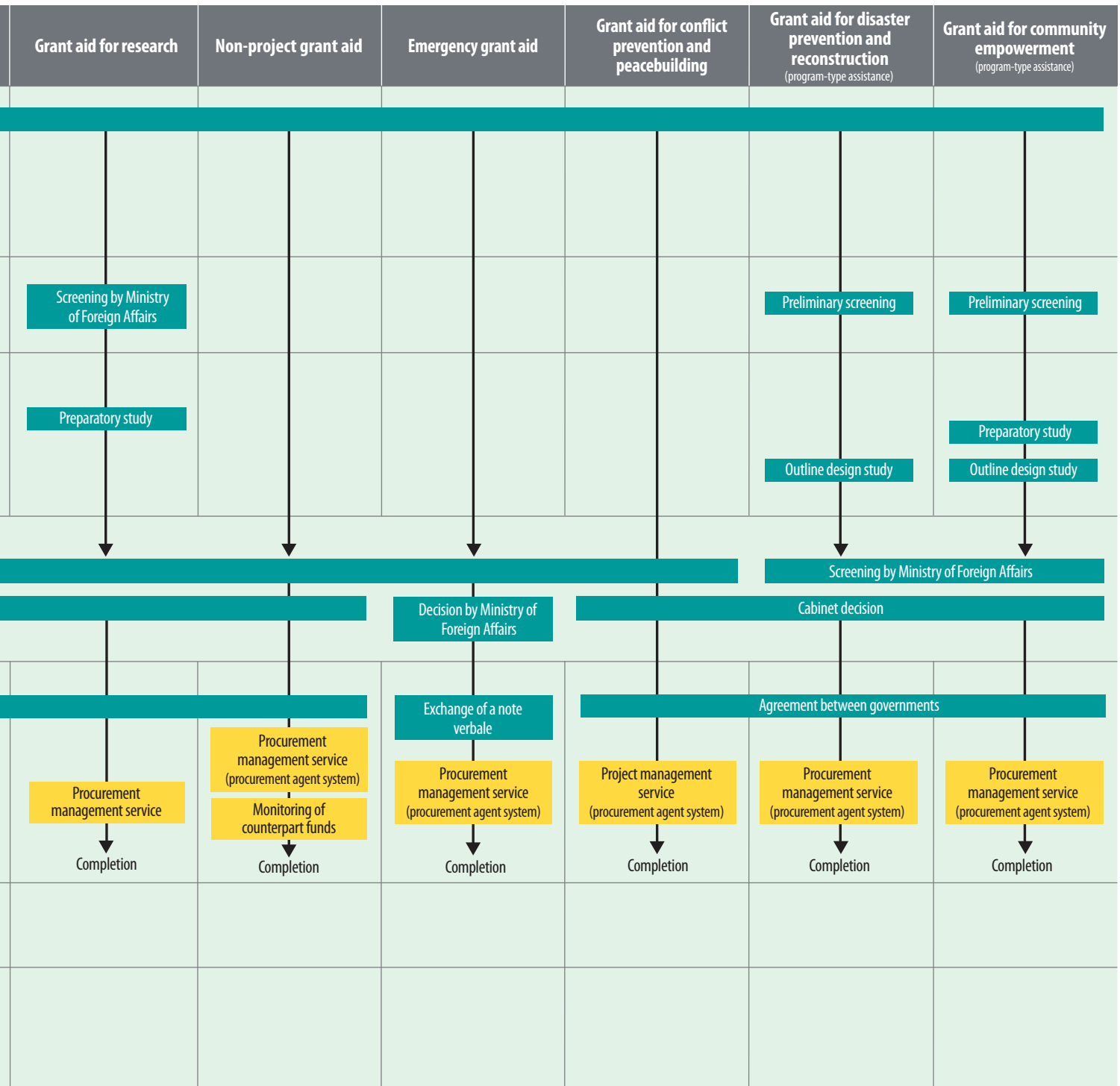
#### Non-Project Grant Aid

Non-project aid is grant aid intended to provide rapid support to developing countries

with economic difficulties such as growing accumulated debt or a rising international balance of payments deficit, as part of assistance to improve the country's economic structure. Since this aid is not earmarked for specific projects when a decision is made to provide it, it is called non-project grant aid.

Since FY1993, JICS, in accordance with contracts with developing countries' gov-





ernments, has been helping procure the necessary equipment, such as raw materials (petroleum products, steel products, paper products, etc.) needed to improve the country's economic structure, machinery (vehicles, construction machinery, etc.) required for public works projects and others, as well as managing the funds provided for this purpose.

### Emergency Grant Aid

Emergency grant aid is provided for emergency assistance in the following three areas:

- (1) **Emergency disaster assistance**  
Support for rehabilitation after natural disasters or man-made disasters such as civil war.
- (2) **Support for democratization**  
Support for establishing democracy after the

collapse of undemocratic regimes or in the aftermath of long-running civil conflict.

(3) **Assistance for reconstruction and development**  
Support for smooth implementation of the rehabilitation and reconstruction process in countries and areas involved in conflicts. It is bridge support implemented in the period between emergency and humanitarian sup-

port for refugees and affected people before the restoration of peace, and development assistance after a certain period after peace has been restored.

Since FY1997, in accordance with contracts with the governments of developing countries, JICS manages procurement of food, medical equipment, drugs, vehicles (water tank trucks, ambulances, etc.), construction equipment and so on, and also manages the funds provided. Depending on circumstances, JICS also carries out its own monitoring of how the equipment is being used after procurement.

### Grant Aid for Conflict Prevention and Peacebuilding

Grant aid for conflict prevention and peacebuilding is intended for assisting social reintegration of former soldiers, helping recover small arms, and promoting ethnic reconciliation in developing countries. It provides funds for procuring the necessary equipment and services for conflict prevention and peacebuilding programs in developing countries. This grant aid has been provided since FY2002 as part of non-project grant aid.

Since FY2002, in accordance with contracts with developing countries' governments, JICS has been serving as a procurement management agent, managing funds and overseeing and supporting activities appropriate to various program formats.

### Grant Aid for Disaster Prevention and Reconstruction

Grant aid for disaster prevention and reconstruction is intended to provide seamless assistance, from emergency relief for natural disasters to full-scale rehabilitation and reconstruction aid. It began in FY2006, aiming at providing multi-component assistance such as restoration and reconstruction of schools, medical institutions and roads, according to the changing needs of the affected areas. Since disaster response requires speed and multi-faceted support simultaneously, a higher level of procurement management capabilities and knowledge of diverse fields are needed. JICS supports the smooth and effective implementation of grant aid for disaster prevention and reconstruction as a procurement management agency, and has been managing the funds, in accordance with contracts with the governments of developing countries, since FY2006.

### Grant Aid for Community Empowerment

Grant aid for community empowerment began in FY2006, aiming at supporting comprehensive capacity development of communities facing threats such as poverty,

hunger and disease. This grant aid is expected to reduce costs and make communities more competitive by using local businesses, equipment and materials adopting local specifications and design, allowing flexible response to various situations according to local conditions. On the other hand, a high level of procurement management capabilities is necessary since close attention is required to ensure quality. Since FY2006, JICS, in accordance with contracts with developing countries' governments, has been conducting procurement management including fund management.

### Technical Cooperation

The aim of technical cooperation is to pass on Japan's skills and knowledge to create human resources that can be productive for the future, in order to promote nation-building in developing countries. JICA plays a central role in carrying out technical training of participants from developing countries, dispatching experts and volunteers to developing countries, and implementing technical cooperation projects, development studies and others. Provision of equipment needed for these projects also constitutes an indispensable component of technical cooperation.

Since its establishment in 1989, JICS has been delegated by JICA to handle equipment provision. At the request of JICA headquarters, overseas offices, dispatched experts, volunteers, and staff working in technical cooperation projects, JICS provides various services including direct assistance for procurement-related duties, such as writing out technical specifications necessary for equipment procurement, selecting suppliers through tendering, etc. and handling equipment transportation, providing information about equipment, and carrying out various studies in Japan and abroad.

### Yen Loans

Yen loans, also referred to as loan aid, are long-term, low-interest loans of development funds to developing countries through the Japan Bank for International Cooperation (JBIC).

Since FY2004, JICS, delegated by JBIC, has been carrying out basic verification to examine whether procurement procedures, documents and decisions made by borrowing countries are appropriate in conformity with prior agreements at the time of signing loan contracts, according to guidelines, standard documents and others stipulated by JBIC. In FY2007, JICS also provided support to ensure the smooth progress of yen loan projects' initial steps, such as procedures for selection of consultants by the borrower

country's implementing agency in commissioned studies on development projects implemented by JBIC, by dispatching experts to the countries concerned.

### Follow-up Activities

JICS undertakes the follow-up activities described below, to ensure that equipment procured with ODA funds is being used effectively.

#### Support for Database Creation

Delegated by JICA, JICS provides support for building a database related to past records of grant aid and equipment provision through technical cooperation.

#### Operation of the Technical Information Center

To remedy the shortage of technical information required for operating and maintaining medical equipment procured to developing countries through grant aid, JICS has established the Technical Information Center in cooperation with Overseas Medical Equipment Technical Assistants (OMETA), to provide one-stop access for staff in charge at local medical institutions.

### NGO-related Projects

JICS supports NGO activities from several different perspectives.

#### Grant Assistance for Japanese NGO Projects

Grant assistance for Japanese NGO projects is grant aid provided for economic and social development or emergency humanitarian support projects, etc. by Japanese NGOs in developing countries.

From FY2003 to FY2006, delegated by the Ministry of Foreign Affairs of Japan, JICS evaluated the goals, content, and appropriateness of size and funding requirements for proposal applications submitted by NGOs. In FY2007, JICS prepared and tested a "standard sheet for effectiveness verification" to verify the effectiveness of projects under this grant aid.

#### Support for NGOs

JICS, as part of its social contribution activities, provides funding of a maximum of one million yen per year per NGO to relatively small Japanese NGOs to support their activities. This funding is made available to approximately ten NGOs per year. JICS has implemented Support for NGOs totaling 70 million yen to 88 organizations using its own funds since FY1999, the tenth anniversary of JICS.



## Various Projects

### Iraq

#### Continuing Efforts to Support Reconstruction

##### Emergency Grant Aid

In October 2003 the Japanese Government announced that it would provide 1.5 billion dollars in grant aid to support reconstruction in Iraq. The grant aid was provided with the focus on reconstruction and improvement of the local infrastructure including electricity, health care, hygiene, public safety, etc. In connection to the direct bilateral support (equivalent to 800 million dollars), JICS has been acting as procurement agent for the Iraqi Government, overseeing funds and projects. Since FY2003, JICS has handled equipment procurement (9 cases), facilities rehabilitation (11 cases), and one peace-building grant. So far, all of the equipment procurement cases, six of the conflict prevention and peacebuilding grant cases and the facilities rehabilitation cases have been completed.

Significant cases completed in FY2007 include the "Project for Rehabilitation of the Taji Gas Turbine Power Station" (completed in December 2007) and the "Project for Rehabilitation of the Mosul Gas Turbine Power Station" (completed in March 2008). These power stations play a significant role in supporting the life of the people in the capital city of Baghdad, and Mosul, the second largest city. Poor security made it difficult for Japanese engineers to get into the cities, and the engineers had to supervise the operations by remotely communicating with Iraqi contractors who actually carried out the engineering work. During the projects, progress was often hindered due to sudden interruption of security in the region. However, the projects were completed due

to the valuable efforts of the Iraqi contractors and other concerned parties. JICS, along with other concerned parties, will continue its efforts to maintain the smooth flow of the projects related to reconstruction in Iraq.



Taji Gas Turbine Power Station

### Indonesia, Sri Lanka, Maldives

#### Aiming to Complete Projects Support for the Sumatra Earthquake and Tsunami Disaster

On December 26, 2004 a magnitude 9.0 earthquake occurred off the northwest coast of Sumatra, Indonesia, triggering a massive tsunami in the Indian Ocean and causing catastrophic destruction in countries bordering the Indian Ocean. In response, Japan provided a non-project grant aid totaling to 24.6 billion yen to Indonesia, Sri Lanka and the Maldives. JICS entered into procurement agent contracts with these three countries, and has been engaged in reconstruction efforts.

In Sri Lanka, which received a total of 8 billion yen in aid, projects were carried out in various sectors and centered on the south eastern region, which was affected the most by the disaster. These projects focused on equipment procurement and construction

of facilities. Among them the education sector received 20% of the funding which was used for reconstructing and repairing 13 schools. Although a number of schools were damaged in the Batticaloa District in the eastern part of the country, the grant aid was instrumental in the reconstruction of four schools. At present, 1,300 students are attending school in the new buildings.

In January 2008 a memorial ceremony, titled "Indonesia Thanks the World," was held in the city of Jakarta, Indonesia, to express gratitude towards governments of various countries, aid organizations, NGOs, and agencies that assisted in reconstruction. President Yudhoyono punctuated his speech with the Japanese phrase "arigato" (thank you), giving great attention to the measures taken by Japan in

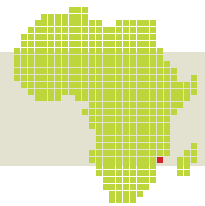
providing aid.

Three years have passed since the earthquake and almost all projects are nearing completion. JICS will continue its work so that the projects will be completed as soon as possible and that people will be able to utilize the facilities.



Ceremony at a reconstructed school in Sri Lanka

## Mozambique



### Saving One Million People from Malaria

#### Grant Aid for Infectious Disease Prevention and Treatment

The infant mortality rate is quite high in Mozambique and the main cause of infant deaths is malaria. As malaria spreads through the Anopheles mosquito, the most effective preventive method is to protect oneself from mosquito bites. It has been recommended that "long-lasting insecticidal nets (LLINs)" with an insecticide incorporated into the net fabric, and having a long-term effect, be used, as it is a low-cost and effective way. Therefore, Mozambique requested Japan to provide aid for such mosquito nets, to be distributed free of cost to pregnant women. JICS was the procurement agency that conducted the local survey and all the business procedures, from bidding to validation, as part of grant aid.

It should be kept in mind that mosquito nets are bulky. Initially, after they were delivered to the central store by the Japanese side, the Ministry of Health of Mozambique was to distribute the mosquito nets from province to districts, then, to the health centers. However, both central and provincial stores had inadequate storage space and the number of vehicles used for transportation was not sufficient.

Thus, after repeated consultations and negotiations with concerned parties, JICS was able to obtain cooperation from the local NGOs and formulated a new framework of operation. Under this new arrangement, the NGOs, with assistance from the Department for International Development (DFID) of U.K., arranged for storage and transportation of the nets to districts in the five provinces of Cabo Delgado, Nampula, Manica, Sofala, Inhambane, and also arranged for the training of health workers,

monitoring of the operation, etc. Delivery of the mosquito nets from each province to the respective health centers, seminars to pregnant women on how to use the nets, and their distribution were carried out by local health service bureaus. More than one million pregnant women and unborn children are expected to be protected from malaria through such measures.



A nurse explaining the use of the mosquito net to a pregnant woman

## Gambia



### Invaluable Food Aid

#### Food Aid (KR)

In the western African nation of Gambia, approximately 1.6 million people live in the 11,300km<sup>2</sup> territory along the river Gambia. Eighty percent of the working population is engaged in agriculture. As most of agriculture depends on the rainfall, agricultural production decreased in FY2007 when the rainy season was unusually short. Food self-sufficiency ratio for rice was about 20% and that of grain, as a whole, about 60%. As help, the Japanese Government administered Food Aid for FY2006 (commodity item: rice) to improve the food shortage situation.

Japan had been providing food aid to Gambia, from FY2002 to 2006, and both countries also agreed on Food Aid to be provided for FY2006 on March 6, 2007. Following this agreement, JICS became the procurement management agency for the Government of Gambia, and was in charge

of administering and selecting companies to transport and deliver government-controlled rice.

A bidding session was conducted in the presence of Dr. Amadou Sowe, the Department of State for Agriculture, and the rice shipment that left the port of Maizuru, Kyoto in August 2007 reached the capital city of Banjul, Gambia at the end of September 2007. The rice was sold to the citizens of Gambia through the Ministry of Agriculture cheaper than the market rate, and proceeds were accumulated as counterpart funds that are being used for social development through, for example, the purchase of fertilizer, etc.

When the rice reached Gambia, an Intergovernmental Committee for Food Aid was

formed in Gambia, and the committee discussed implementation status, points of improvement, etc. The Government of Gambia issued a statement expressing gratitude towards the Government of Japan and the Japanese people, saying, "The food aid is invaluable for the citizens of Gambia."

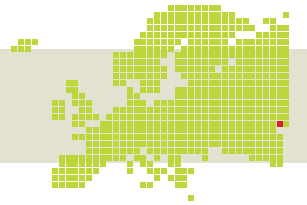


Officials of the Ministry of Agriculture and the staff of JICS interviewing a woman purchasing rice from the store



# Moldova

MOLDOVA



## Effective Use of Counterpart Funds Increased the Number of Tractors Sixfold

### Grant Assistance for Underprivileged Farmers (2KR)

Moldova is one of the states that formed the former Soviet Union; since the collapse of the Soviet Union, supply of energy and materials was cut off, resulting in economic disorder. Continuous conflicts and disasters plunged the country into severe hardships. Despite there was no significant industry other than agriculture and tourism, agricultural production declined. And because agricultural machinery became obsolete and people are not able to purchase new machinery, many farmers abandoned their agricultural land.

Under such circumstances, Japan launched the Grant Aid for Increase of Food Production (2KR, presently the Grant Assistance for Underprivileged Farmers) for Moldova since FY2000 to support their efforts in revitalizing agriculture and stabilizing production in Moldova. JICS has worked as the procurement agency for procedural administration for the purchase of agricultural machinery by the Government of Moldova and has been instrumental in the procurement of tractors and combine harvesters six times.

In the Grant Assistance for Underprivileged Farmers, aid-receiving countries are required to save a part of the proceeds earned through sale of aid materials as counterpart funds for gaining greater

benefits from the aid. In the case of Moldova, the fund produced exceptionally good results. A total of 296 tractors that were procured and delivered at the initial stage were sold domestically in Moldova. Funds created by this transaction were used to procure new tractors and these tractors were sold again. Such repeated procurement and sale resulted in the procurement of about 1,700 tractors, which is nearly six times more than the initial procurement until FY2005.

Furthermore, the total number of agricultural machines that was procured during this period, including combine harvesters, reached up to 2,135. Aid from Japan became the initiating agent that spun the wheel of money-making through the cycle of procurement and sale. A lot of people have expressed their gratitude towards Japan for providing aid.

The Ministry of Agriculture and Food Industry has established a project office (PIU) for seeking and selecting sale destinations for these machines, handling the proceeds of the sale, and conducting activities to enhance aid effectiveness such as holding maintenance and repair workshops. An exhibition of agricultural machinery (MOLDA-GROTECH), held in October 2007, displayed the contribution made by various organizations towards mechanization of domestic agriculture and the PIU was awarded the grand prix.



A procured tractor



A tractor maintenance workshop held by PIU

### From the Field

## The Most Effective Project since Independence

Japan's Grant Assistance for Underprivileged Farmers has been the most effective project since the independence of Moldova in 1991. The project that was started in 2000 has spread throughout the country within 4-5 years of its commencement. It was such that small-scale farmers, who had no collateral, were unable to borrow money from the bank for the acquisition of farm machines. However, with the project they can own a tractor even without collateral and additional interest. They can pay for the tractor in installments, making them eligible right away to own the tractor.

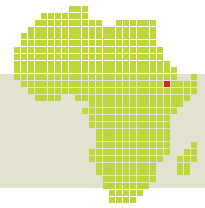
Thus, more than 1,000 farmers or farmers' organizations now had access to agricultural machines and tools that gave rise to new types of work. Capital generated through such activities was invested in land clearing that would sustain more than 200,000 peasants. These practical accomplishments were highly appreciated by each of the aid-giving nations and by international organizations.

The JICS procurement work involved assessing demands of the farmers through interview, managing properly the bidding of prices, etc. There were many lessons learned, and such benefits brought about major changes in Moldova. Millions of people of Moldova are grateful to Japan.



Bumacov Vasile  
Technical Director of 2KR Project  
(Ministry of Agriculture and Food Industry  
of the Republic of Moldova)

## Ethiopia



### Protecting Valuable Fossilized Human Remains

#### Cultural Grant Aid

Ethiopia has excavated abundant fossilized remains, presumably as old as 1 to 5.6 million years of ancient life, including fossilized remains of human beings, and is attracting worldwide attention for being a country with rich reservoirs of such fossils. The National Museum, which is visited by 100,000 people annually, displays the famous "Lucy", the 3.2 million years old fossilized human, and many other domestically excavated fossils and artifacts that are of the same value as a world heritage. Researchers in the Museum are working jointly with researchers from Japan and other countries and are contributing to international academia.

However, the Museum building and facilities used for preservation and research of fossils were quite old, lacking in earthquake-

resistant and fire-resistant features, and hence, not a suitable environment for valuable excavated fossils and artifacts. As a result, the Government of Ethiopia began a renovation of the Museum building, and has been preparing to start activities with the new research facilities since the summer of 2008. Parallel to these plans, the Government of Ethiopia presented its request for Cultural Grant Aid to the Government of Japan so that Ethiopia could purchase a robust archive warehouse for the preservation of important fossils, microscopes and digital microscopes built using Japanese technology, facilities for presenting research outcomes, etc.

Under the consignment contract with the Ministry of Foreign Affairs, JICS carried out a local survey for the "Project for the Improvement of Equipment for Hominid Fossil Related Facilities of the National Museum of Ethiopia"

in August 2007, and assessed the present condition of activities and repair work of the Museum and gathered information on the selection of equipment. On June 9, 2008, based on survey results, an implementation plan was agreed upon between the two countries. JICS will assist in bidding procedures by announcing bids, preparing bidding documents, holding competitive bidding, assessing, etc.



The National Museum of Ethiopia under renovation

## Cambodia



### Protecting People from Landmines

#### Grant Aid for Research

As a result of the long civil war in Cambodia, the land in 40% of farming villages is strewn with millions of landmines and duds that have not yet been cleared. In Cambodia, where agriculture and animal husbandry are the major industries that provide livelihood, people have to use the potential mine-infested land for farming and animal husbandry. Even today, about 5 million people are living under the threat of landmines.

Manual removal of landmines is a dangerous and time-consuming operation. Thus, removal of all landmines will require a substantial amount of time. The Government of Japan has been carrying out research and development of demining equipment, as part of the Grant Aid for Research, with cooperation from Japanese manufacturers

of construction machinery for speedy removal of landmines and ensuring safety of the personnel involved.

Following the development aid for demining equipment in Afghanistan in FY2002-2003, the "Research Project for the Development of Demining Activities Support Equipment" was implemented in Cambodia in FY2005 and FY2007. In the second phase of the project, which started in 2007, the demining equipment developed in Japan has been put to the test in the actual minefields of Cambodia to check its efficiency and safety. The demining equipment in combination with demining personnel and mine detecting dogs have been put to test for study and determination of more efficient demining methods, and for gathering of information. These tests are to be conducted for six months,

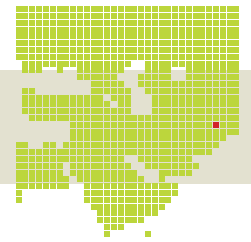
starting April 2008 in Battambang Province, which has huge quantities of buried landmines. The Grant Aid for Research will contribute towards improving efficacy of the demining equipment, and is considered to be the cornerstone in the economic development of Cambodia.



The Japanese demining equipment



# Afghanistan



## Improving Hospital Facilities Emergency Grant Aid

The infant mortality rate in Afghanistan is very high, and it is said that one in every four children succumbs to death by the age of five, an extremely serious problem indeed. One of the causes of death is the collapse of the social infrastructure due to the conflict which has continued for more than 20 years. Bereft of the opportunities of education and employment, people are untrained in the medical field. Afghanistan is also facing problems of insufficient human resources, hospital facilities, medical equipment and lack of budget for the purchase of drugs.

To cope with this situation, the Ministry of Public Health of Afghanistan requested in February 2006 for Japan to construct and renovate facilities of the Dasht-e-Barchi District Hospital located in the western part of the capital city of Kabul. The remaining money from the "Second Emergency Grant Aid for Afghanistan" was used to construct

training facilities, including accommodations, kitchen facilities, and laundry facilities, as well as renovate the maternity ward.

In this project, JICS carried out the selection of a construction company in Kabul through bidding and supervision of construction work. The work was started on August 1, 2007 and was completed in April 2008. Completion of the facilities is expected to facilitate smooth running of essential training, provision of food for the inpatients, washing of linens, etc.

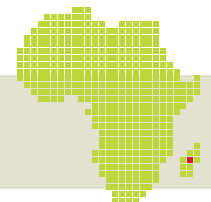
JICA is said to be planning to conduct technical cooperation projects in the near future in this hospital.

By human resource development through technical cooperation as well as reinforcement of facilities through the Grant Aid, more effective use of the facilities is expected.



The newly constructed training facility of the Dasht-e-Barchi District Hospital

# Madagascar



## Opening a Way to the Domestic Production of Notebooks

### Non-Project Grant Aid

Since FY1988, and subsequently for nine occasions, Japan has provided the Non-project Grant Aid, to Madagascar for the improvement of economic structure of the country. JICS, as a procurement management agency for the Grant Aid, has carried out services related to procurement for the Government of Madagascar since FY1999.

The procurement of equipment for the small- and medium-scale industries is a special feature of the Non-project Grant Aid for Madagascar, from the point of view of support and development of domestic industries.

In the projects carried out in FY2005, JICS, as a procurement management agency, was involved in the preparation of bidding docu-

ments, such as specification documents, conclusion of sales contracts, administration of delivery and payment, etc. to procure equipment, including notebook manufacturing machines.

In the past, in Madagascar, notebooks for children were imported from overseas. The delivery of the notebook manufacturing machines paved the way for the domestic production of notebooks in Madagascar. The machines procured through the Non-project Grant Aid produced the notebooks and the children received them in the new semester of FY2007.

The Non-project Grant Aid is the financial aid provided by Japan since FY1987. JICS started work

as a procurement management agency in a project for Mongolia in FY1993, embarking on its mission of supporting developing countries through procurement for grant aid projects.



The notebook manufacturing machines delivered to Madagascar



## Cambodia

### Peacebuilding Activities of JSAC

#### Grant Aid for Conflict Prevention and Peacebuilding

In Cambodia small arms have proliferated all over the country due to the civil war that had continued for 21 years since 1970, and continued possession of these even after the civil war has posed a threat to the people. Therefore, in FY2003, Japan began to extend the grant aid for Peacebuilding and Comprehensive Small Arms Management Program. Following this, JICS launched the Japanese Small Arms Control Support Team (JSAC) which, together with the Interior Ministry of Cambodia, has been working on peacebuilding activities, including the recovery of small arms.

Since its launch in April 2003, JSAC has been successful in recovering about 30,000 small arms, and almost 120,000 explosives and ammunition. Furthermore, as part of an

awareness campaign, activities were conducted, like the burning of recovered weapons in a ceremony called the "Flame of Peace"; the holding of a workshop for the understanding of arms issues; and the building of a peace monument by Cambodian artists using the recovered small arms.

In this program, local residents were encouraged to voluntarily surrender their arms, and communities deemed to have surrendered all their weapons were provided with development aid in the form of projects like building roads, schools, and police boxes. In February 2008, in a ceremony handing over facilities held in Kampong Thom Province of Cambodia, the Governor of the province presented awards to seven staff members of JSAC and expressed gratitude for JSAC's work.

JSAC has finished its work in Cambodia, and the work of recovery of small arms is now continued by the people of Cambodia. JICS shall put to good use its experience gained through JSAC's activities in Cambodia in peacebuilding aids in other regions.



"Naga," the peace monument made from recovered arms

## South Africa

### Supporting JICA's Local Procurement Procedures through Seminars

#### Technical Cooperation

Ever since JICA became an independent administrative entity in FY2004, a big shift was made in the procurement of equipment for JICA's technical cooperation -- from procurement within Japan to procurement in the country granted aid. JICS has also carried out various cooperative procurement activities for overseas offices of JICA as well. Besides dispatching speakers for procurement seminars, JICS' cooperative procurement activities involve the sending of support staff to overseas offices, carrying out actual procurement procedures, guiding national staff, preparing internal regulations for the offices, preparing related documents, etc. JICS also offers support by providing advice based on documents prepared in the

past. In FY2007, JICS sent support staff to 14 countries for 11 projects.

A local procurement seminar was organized in South Africa where JICS staff members were dispatched to the country's JICA office. The seminar was attended by staff from southern African countries such as South Africa, Zambia, Zimbabwe, Madagascar, Malawi, Namibia, Botswana and Kenya.

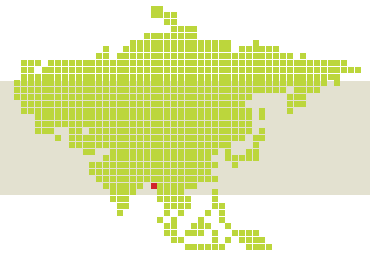
The seminar was organized in South Africa, which is planning to hold the World Cup matches in 2010. The seminar commenced in an amiable and relaxed atmosphere. The lectures started with basic topics, such as "flow of local procurement procedures" and "preparation of specification documents," and included some higher level topics, such as a mock practice of a designated bidding. In the latter half of the seminar, lectures were held in the form of quizzes that helped to deepen the understanding of the topics. Some feedback from

the participants was: "We learned some things which we had not understood before," and "We had a problem of delivery delay and we were benefited by possible solutions gleaned from each other's experiences." JICS intends to indirectly support local procurement procedures hereafter through such seminars and the dispatching of procurement support staff.



Procurement seminar organized by JICS-dispatched staff, held at the JICA Kenya office

# Myanmar



## Verifying Projects Run in Coordination with NGOs

### Effect Measurement Program for Grant Aid for Japanese NGO Projects

The Effectiveness Verification Program, which started in FY2007, was created to develop a practical tool in verifying the effectiveness of the Grant Aid Projects for Japanese NGOs -- aids that are granted in partnership with NGOs, the Ministry of Foreign Affairs, and scholars in the field. The Grant Aid for Japanese NGO Projects is the grant aid for economic and social development projects and emergency humanitarian support projects run by Japanese NGOs for developing countries and regions. The verification program aims at improving the capacities of the effectiveness verification and project execution of the NGOs, in addition to improving the accountability of the Ministry of Foreign Affairs and the NGOs towards the citizens of Japan. In FY2007, the

first year of the program, a standard sheet for effectiveness verification was prepared and its reliability was tested.

Effectiveness verification using the standard sheet was carried out for a "well construction project" of the Bridge Asia Japan (BAJ) and for a "health institution renovation project" of the Japanese Organization for International Cooperation in Family Planning (JOICFP), after which a report was prepared and presented in a meeting. With the knowledge gained from various kinds of Grant Aid for Japanese NGO Projects, JICS has functioned as the secretariat for the effectiveness verification program, and has compiled the effectiveness verification results and reports.

At present, the standard sheet for effectiveness verifi-

cation and the program report are released on the website of the Ministry of Foreign Affairs. The examples of actual application are also open to public viewing, and their results have given impetus to activities of various organizations.



A well constructed in a project in Myanmar

# YEN LOAN

## Applying the Know-how on Basic Verification

### Yen Loan

Loan aid is usually called "Yen Loan," an aid extended to developing countries in the form of development funds with easy conditions of low interest rates for long terms, and provided by the Japan Bank for International Cooperation (JBIC). When a borrower country needs to build socio-economic infrastructures such as electricity, gas, transport, communication, etc., the borrower country is required to abide by the procurement procedures, based on procurement guidelines, consultant employment guidelines, etc., of the JBIC for the procurement of the necessary goods and services. Since FY2004, JICS, delegated by JBIC, has carried out basic verification of procurement documents prepared by borrowers to confirm that they are in accordance with the JBIC guidelines and

procedures.

JBIC has been organizing "yen loan seminars" and "procurement seminars" for better understanding of the implementing agencies in the borrower countries in undertaking yen loans. In FY2007, JICS staff spoke in seminars organized in India, Costa Rica, Panama, and Guatemala.

JBIC organizes a "commissioned survey related to project-monitoring experts" to expedite the projects. This survey is done to support the implementing agency to ensure the smooth progress of the procurement procedures at the initial stage of the project task, such as selection of consultants by the borrower country. JICS was

entrusted with surveying the projects in Indonesia and Iraq in FY2007, wherein JICS applied the knowledge it gained in "basic verification" and supported the implementing agencies in the borrower countries.



JICS staff coaching local staff on the preparation of documents



## JICS Recent Events

### Contributing to the Dissemination of VVM Recognized by WHO

JICS commenced and made a clear notification regarding bid specifications on the use of the Vaccine Vial Monitor (VVM) seal at the time of the vaccine's procurement, which led to its recognition by the World Health Organization (WHO) in May 2007 for contributing to the dissemination of the VVM seal.

VVM is a seal that is stuck onto the vaccine container, the color of which changes whenever there is a change in temperature. Requiring stringent temperature monitoring during the vaccine's transport and storage, sticking the seal onto the container of a vaccine makes it easy to identify if the vaccine had been stored at a controlled temperature and is safe for use.

In the "Tanzanian Polio Eradication Program" in 1997, JICS clearly mentioned the VVM seal on the bid specifications, ahead of any other donor, and continued to do so thereafter, which resulted in its dissemination.

At present, awareness of the VVM seal has been disseminated quite widely, and various types of vaccines, such as tetanus, combined diphtheria-pertussis-tetanus (DPT), combined DPT-polio-Hib, and yellow fever vaccines, can be procured with the VVM seal.



Delivered vaccine with the VVM seal on the cap



Certificate from WHO

### Support for Reconstruction Efforts after the Earthquake Disaster in Central Java Procurement and Project Appraisal by JICS

JICS formulated the "Guidelines on Project Appraisal Implementation by JICS" in November 2006. The first project appraised based on these guidelines was carried out from May 18, 2007 to May 23, 2007. The project that was subjected to the appraisal was the emergency grant aid provided for the "Earthquake Disaster in Central Java." Prior to the appraisal, documents related to procurement were reviewed, questionnaires dispatched, interviews held with the internal and external personnel, and the process assessed taking into consideration the appropriateness and efficiency of the procurement work and whether the work proceeded according to plan.

In the appraisal, although it was pointed out that there were some aspects that should be improved in the process - from the signing of the contract to the delivery of goods - the decision-making processes about the articles to be procured, their specifications, releasing of public announcements, preparing the bidding procedures, etc. had become faster as compared to previous cases.

JICS will continue to carry out project appraisals based on the guidelines for a more efficient flow of projects.



Interviews done for the "Earthquake Disaster in Central Java" project

### Participation in the Global Festa JAPAN 2007

JICS participated in the Global Festa JAPAN 2007 held at Hibiya Park in Tokyo on October 6 and 7, 2007.

In its booth, JICS introduced the structure of the organization, and some of the grants, like the "Grant Aid for Infectious Disease



Visitors at the JICS booth

Prevention and Treatment" and the "Grant Aid for the Research Project for Research and Development of Mine Clearance Related Equipment in Cambodia." The visitors to the booth showed a great deal of interest in the protective gears and helmets that were used during the demining in Cambodia and the mock landmine that were used for the research and development of a landmine detecting device.

### Visit of the Iraqi Ambassador

On October 18, 2007, Mr. Ghanim Alwan Al-Jumaily, the Ambassador of Iraq to Japan, met with Mr. Sasaki, the President of JICS. The Ambassador expressed his gratitude towards Japan for providing assistance for the reconstruction of Iraq, and to JICS for its work. Furthermore, they exchanged views regarding the present condition of Iraq and the projects that are in progress in the country. They also exchanged views regarding future cooperation in the smooth implementation of projects related to assistance for reconstruction.



Ambassador (center), Jassem Al-Janabi, Diplomat (right), and JICS President

### Recognition from JANIC

On December 14, 2007, the Japan NGO Center for International Cooperation (JANIC)





Conferrer of the certificate of merit

conferred honor on JICS. As a cooperate member, JICS has extended support to JANIC, in its role of strengthening the NGO network, for a period of 16 years since 1991. This honor was in appreciation of the long years of JICS' support.

Moreover, JICS has a separate program for supporting NGOs that are working in the international arena. Encouraged by the honor, JICS will continue its support for NGOs in a variety of ways.

## Participation in the One World Festival

JICS participated in the One World Festival at the Osaka International House Foundation on February 2 and 3, 2008. Organizations related to ODA exhibited jointly in one booth, the first of its kind, whereby the position of each organization in the ODA system and its specific operation were explained.

In the JICS booth, displays on the "Support for Reconstruction of Iraq," the "Support for Reconstruction of Afghanistan," the "Grant Aid for the Research Project for Research and Development of Mine Clearance Related Equipment," the "Project for the Stockpile of



Ingenuous three-dimensional display of JICS

Tamiflu and PPE for the ASEAN," etc. were exhibited as specific examples of its projects. When difficult issues or those that demand a lot of attention for procurement services were explained to the visitors, they commented, "We didn't know that such a special organization existed for procurement work, but we realized the difficulties in procurement and hence the need for a special organization," and "Do your best for the effective utilization of ODA."

## Projects Commissioned by International Organizations

JICS is also involved in assistance programs to developing countries that are extended by international organizations and others working in international cooperation.

In addition to the "Project for the Stockpile of Tamiflu and PPE" delegated by the ASEAN Secretariat, JICS undertook the support for the avian flu measures delegated by the World Organization for Animal Health (OIE), and in FY2007, together with the Crown Agents (CA), a procurement agency of the United Kingdom, accepted a Mongolian Project implemented by the MCA (Millennium Challenge Account) of the United States.

## Procurement Training at the Crown Agents

Two JICS staff members received training on risk management in project monitoring at the headquarters of the Crown Agents of UK from February 13 to 17, 2008.

The training consisted of the need for and approaches to risk management and case studies regarding fund management operations, payment, and the responsibility and jurisdiction over the procurement agents. Through the variety of training exercises undergone by its staff, JICS will be able to strengthen its functional skills and improve its competitiveness as an international agency specializing in procurement.

## Second Regular Meetings of the Board of Trustees and the Board of Directors

The second regular meetings of the Board of Trustees and the Board of Directors for FY2007 were held on March 24 and 25, 2008 respectively. In the meeting of the Board of Trustees, the following points were discussed and approved: (1) operations planning and revised budget for FY2007; (2) project policy and planning for FY2008; (3) budget for FY2008; and (4) selection of new members of the board. On the next day, March 25, 2008, the Board of Directors approved the above-mentioned points (1) to (3), and discussed and approved matters regarding (4) the selection of the Trustees.

The establishment of the "new" JICA in October 2008 is expected to greatly affect the environment surrounding JICS. Under the new ODA system of Japan, JICS will aim for further effective, efficient, and prompt implementation of ODA projects.



Meeting of the Board of Trustees

### New Member of the Board of Directors:

Mr. Kazuhisa Matsuoka, President, Japan International Cooperation Center

### New Member of the Board of Trustees

Mr. Takamasa Hayase, Vice President, Japan International Cooperation Center

### Policies for project implementation in FY2008

- Respond quickly and appropriately to the changing needs in ODA
- Improve capability towards a better international procurement organization, and expand project operations
- Strengthen the project implementation system
- Improve JICS financial condition
- Strengthen or improve publicity campaigns and information disclosure

## Social Activities of JICS

### A Meeting for the Report and Exchange of Views on the NGO Support Activities of JICS

JICS launched NGO support activities in FY1999 to support the development of NGOs that are working in the international arena. JICS provides a maximum of one million yen for equipment and materials, transportation expenses, operation expenditures and reinforcement of the organizational infrastructure.

The meeting for the report and exchange of views on the NGO support activities of JICS in FY2007 was held on September 10, 2007, attended by ten organizations that received support in FY2004 and FY2005, examining committee members, experts, etc.

At the meeting for the reporting of activities, the NGOs gave accounts of the projects that had received support from JICS and their accomplishments.

A lively discussion took place at the meeting, where the theme was "Feedback on the assessment and evaluation results." Here, the experts commented that the review of the appropriateness and exchange of information among the bodies involved should be more focused, and emphasized the need for better accountability in various activities.

**NGO Participants:** Asia Mind, Community Action Development Organisation (CanDo), Africa Japan Forum, Institute of Environment Rehabilitation and Conservation, Japan NGO Center for International Cooperation (JANIC), Services for the Health in Asian & African Regions (SHARE), Tanba Green Force, Terra People Act Kanagawa (TPAK), Nagoya NGO Center, and 21st Century Association

### NGOs Selected to Receive Support from JICS in FY2007

In FY2007, 20 organizations applied for assistance from JICS, out of which 10 organizations were selected to receive support amounting to 9.71 million yen.

#### NGOs Supported by JICS in FY2007 (in alphabetical order)

| Name of NGO  | Country          | Support Description  | Amount Granted (yen) |
|--|------------------|--|----------------------|
| ACE  | India            | •Funds for strengthening the foundation of NGOs  | 954,600              |
| Africa Reconciliation Committee                        | Rwanda           | •Funds for strengthening the foundation of NGOs  | 960,000              |
| Atelier for Development and the Future                 | Mongolia         | •Project operation expenses  | 1,000,000            |
| Community Action Development Organisation (CanDo)      | Kenya            | •Project operation expenses  | 1,000,000            |
| CORE Community Road Empowerment                        | Papua New Guinea | •Project operation expenses<br>•Funds for strengthening the foundation of NGOs   | 1,000,000            |
| DIFAR  | Bolivia          | •Equipment and material purchase-related expenses / transportation expenses<br>•Funds for strengthening the foundation of NGOs | 800,000              |
| Ehime Global Network                                   | Mozambique       | •Equipment and material purchase-related expenses / transportation expenses<br>•Project operation expenses                     | 999,036              |
| Japan International Center for the Rights of the Child | Cambodia         | •Funds for strengthening the foundation of NGOs  | 1,000,000            |
| Nagoya NGO Center                                      | Japan            | •Project operation expenses<br>•NGO operation expenses   | 994,140              |
| Second Hand  | Cambodia         | •Equipment and material purchase-related expenses / transportation expenses  | 1,000,000            |

JICS will continue to support the development of NGOs working in the international arena in the future.

### Students from the Tokyo Metropolitan Oshima Kaiyo-kokusai High School visit JICS for Work Exposure

Two second-year students from the Tokyo Metropolitan Oshima Kaiyo-kokusai High School visited JICS on August 13 and 14, 2007 for work exposure, and participated in clerical work for public relations activities and interviewed the staff.

They were very surprised to find out from the in-charge of the Iraqi project that the ambulances, fire engines and patrolling vehicles used in Iraq were part of Japanese aid, and that JICS was instrumental in procuring those vehicles. The two students, who want to work in the field of international cooperation in the future, commented that after the work exposure at JICS, their interest in working for international cooperation has increased.



High-school students interviewing the staff

### Accepting University Students as Interns

JICS has been accepting university students for internship since FY2004. In FY2007, JICS accepted one student each from Ritsumeikan University, Ibaraki University,



Student interns with the JICS Staff

and Osaka University of Economics as interns during the period of September 3 to 14, 2007.

One of the students conveyed his impression, saying: "My work experience regarding technical cooperation, food aid, grant assistance for underprivileged farmers, NGO assistance, and public relations has created the impression that different actors are playing their roles behind the scenes in international cooperation, and that everyone can play their part to contribute to peace."

### Lecture for Integrated Studies at the Junior High School Attached to the Japan Women's University

On February 16, 2008, during the integrated study period of a second year class of the Junior High School attached to the Japan Women's University, one JICS staff member was invited as guest lecturer, and imparted the need for ODA and the role of JICS within the ODA implementation system in the context of aid for reconstruction in Afghanistan. In the panel discussion, entitled, "What We Can Do for International Contribution," held after the lecture, issues such as "Japan seen from the outside" and "what kind of aid is useful for the local people" were vigorously discussed. The students were happy to know that Japan was doing something for developing countries, and that their country's tax collection was used for such projects. The students strongly affirmed the need for peace in the international community.



Panel discussion at the Junior High School Attached to the Japan Women's University