

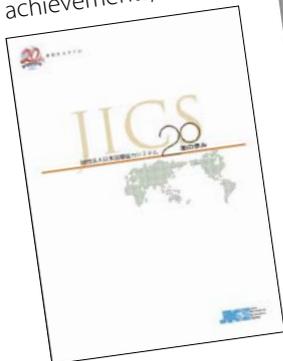
Part 1

Principal Activities in FY2009

Highlights of Operations in FY2009

JICS 20th Anniversary in April 2009

JICS marked the 20th anniversary of its establishment on April 12, 2009, commemorating the organization's April 1989 launch. Since that start, JICS has expanded the scope of its operations and is presently engaged not only in operations relating to grant aid and technical cooperation projects but also those relating to loan programs and projects implemented by international agencies and organizations. To commemorate two decades of JICS' progress and achievements, in June 2009 we published a booklet in Japanese entitled *JICS' 20-Year Journey*. In addition, with the aim of raising the profile of JICS among the Japanese public, we published a DVD in Japanese that provides an overview of JICS' operations.



Increased Food Aid for Africa

Since September 2008, the global economy and many countries around the world have been hit by a financial and economic crisis of unprecedented proportions. The initial trigger for the crisis was the so-called subprime loan crisis in the United States. To alleviate the severe impact of this economic crisis on low-income and extremely poor countries, since FY2008 the Japanese government has bolstered the implementation of its food and humanitarian aid programs as a means of contributing to food security. In response to this government policy, in FY2009 JICS increased its operations relating to food aid projects. Among new food aid projects announced in FY2008, there was a particular focus on projects to assist countries in Africa.



Grant Aid for Community Empowerment Helps Build Schools in Developing Countries

A large number of the school construction projects that began in FY2008 in Senegal, Niger, Madagascar, Ethiopia and Bolivia reached completion during FY2009, and many of the new school facilities were opened during the fiscal year. The projects encompassed a total of 105 buildings and necessitated the establishment of the JICS offices in Niger. The buildings in Madagascar were designed to withstand both cyclones and earthquakes, while construction in Ethiopia needed to avoid the rainy season, when many roads become extremely muddy. For this reason, JICS carried out construction contractor selection in Ethiopia rapidly to enable projects to be undertaken during the dry season. As illustrated by these cases, JICS responds appropriately to the particular conditions in each region and is working toward progress in each of the remaining projects to improve the educational infrastructure for today's children, who represent the future of these countries.



Highlights of Operations in FY2009

2009 Highlights

JICS Establishes Office of Special Project Management to Handle Increased Number of Program Grant Aid for Environment and Climate Change Projects

The Japanese government is taking an active approach to assisting developing countries in their response measures to climate change. As one part of this policy, the government established the Environment program grant aid scheme in FY2008. In FY2009, the number of projects under this scheme increased substantially, and the scheme grew to the point where it became a significant proportion of JICS' overall operations. In response to the growing importance of the scheme, JICS established an Office of Special Project Management within the Second Management Department. The new office mainly handles operations related to the Environment program grant aid scheme, and its establishment aims to bolster JICS' organizational capabilities in that field.



Board of Trustees Member Shunichi Hiraki Visits Disaster Reconstruction Projects in Guatemala

In November 2009, a study team headed by JICS Board of Trustees member Shunichi Hiraki visited Guatemala as part of a self-assessment of the procurement process within the Project for Support for Reconstruction Efforts after the Hurricane Stan Disaster. The study team inspected bridges and water supply facilities rebuilt through this project and also visited the Department of Irrigation and Drainage, which is part of the Ministry of Agriculture, Livestock and Food (MAGA), and irrigation associations. Furthermore, as part of the hearing process related to the method of implementation of JICS projects, the study team conducted interviews with personnel from contractors who were responsible for carrying out the facilities' construction projects.



JICS' Then-President Takahisa Sasaki Visits Landmine Clearance Project Site in Cambodia

In December 2009, JICS' then-President Takahisa Sasaki visited Singapore and Cambodia to inspect project sites and carry out other duties. In Cambodia, then-President Sasaki's visit included an inspection of a site of the Program for Integrated Mine Clearance and Landmine Victim Assistance. At the mine clearance site, then-President Sasaki received an explanation of the project from Mr. Heng Ratana, Director General of the Cambodian Mine Action Centre (CMAC) and observed

such operations as mine clearance, training for mine clearance personnel and training of mine detection dogs. Then-President Sasaki also had an opportunity to exchange opinions with CMAC staff.



JICS' Then-Secretary General Yoshinari Oshima Attends Ambulance Handover Ceremony in Iraq

Japan has provided reconstruction assistance to Iraq since 2003. Although all major equipment procurement and construction projects have been completed, in FY2009 additional procurement and construction work was carried out using remaining grant aid funds. In September 2009, as part of an additional procurement project, 312 new ambulances arrived in Iraq, and on October 29, a ceremony was held in Baghdad to mark the official handover of the ambulances. JICS was represented at the ceremony by a delegation headed by JICS' then-Secretary General Yoshinari Oshima, who conveyed JICS' appreciation to the Iraqi Ministry of Health for their cooperation in the execution of the project.



Highlights

JICS' Current Roles and Functions



An elementary school in Madagascar built using JICS' procurement agent services

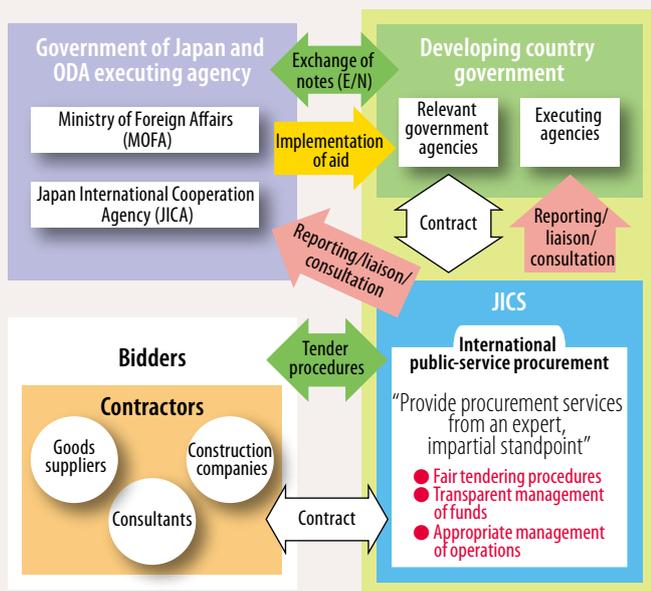
Special Feature: JICS' Current Roles and Functions

Continuous Expansion of JICS' Procurement Agent Services

JICS undertakes a wide variety of procurement-related operations to support the Japanese government's ODA programs. In particular, JICS has a deep involvement with Japan's grant aid programs.

Meanwhile, in recent years, JICS has seen an increase in the number of grant aid projects in which it acts as a procurement agency on behalf of the ODA counterpart government. In this special feature, we explain the outline of procurement agent services and introduce the roles and functions performed by JICS as a procurement agency within Japan's "Grant aid for community empowerment" and "Program grant aid for environment and climate change" schemes.

● JICS' Position within Japanese Government's Grant Aid Projects



Exchange of notes (E/N) refers to the formal exchange of written documents between states or international agencies and organizations by which certain legal rights and obligations are defined according to international law. In the case above, an E/N relating to international aid stipulates the content of the aid agreement between the Government of Japan and the recipient government.

The mechanism for procurement carried out by JICS

Appropriate and efficient procurement operations covering all necessary materials and equipment are absolutely essential in the execution of ODA projects. In the 1980s, when the Japanese government's ODA budget was steadily increasing and the number of counterpart countries was expanding, Japan was mainly reliant on foreign agencies to carry out the procurement of materials and equipment to be used in aid projects. Against this backdrop, there were calls to establish a Japanese procurement agency. Under the initiation of the Ministry of Foreign Affairs (MOFA), JICS was launched as a specialist organization to conduct procurement operations relating to Japanese ODA projects.

In the field of ODA-related procurement, JICS has provided technical, specialized services, which the Japanese government or counterpart government is not necessarily able to handle sufficiently on their own. Such services include the preparation of tender documents including technical specifications, the implementation and evaluation of bids and the management of funds.

"Procurement" in the context of ODA refers to the acquisition of goods and services (i.e., transportation, design, construction, etc.) required by developing countries using ODA funds based on internationally accepted norms and rules. This

type of procurement requires the same level of neutrality, fairness and transparency as that of procurement conducted by domestic public agencies.

The emergence of projects that utilize the procurement agent system

In recent years, a growing number of grant aid projects have utilized the procurement agent system. Under this system, a procurement agency manages and supervises the entire procurement process as an agency for the counterpart country based on a contract with the government of that country.

There are significant advantages in conducting procurement through a procurement agency that possesses specialist knowledge and expertise and which is able to operate from a position of neutrality as a public-service foundation. In addition to ensuring fairness and transparency, such organizations are able to perform the procedures related to the execution of projects appropriately and expeditiously. This system is used not only in Japan but also in other donor countries and international agencies and organizations in the execution of aid projects.

JICS as a procurement agency

JICS began providing services as a procurement agency in FY1993 when it was commissioned by the Government of Mongolia to handle procurement relating to non-project grant aid. In 2002, JICS commenced its involvement in construction projects when the Japanese government provided reconstruction assistance for Afghanistan. In response to the major earthquake and tsunami that occurred in December 2004 off the coast of Sumatra and which affected many countries surrounding the Indian Ocean, Japan extended reconstruction support to the affected countries. JICS was commissioned by several counterpart countries to act as the procurement agency for the reconstruction. Despite facing severe turmoil in the immediate aftermath of the disaster, JICS was able to respond flexibly to the needs of the devastated areas and implement aid expeditiously. Based on this experience, the Japanese government established two new grant aid schemes in FY2006—"Grant aid for community empowerment" and "Grant aid for disaster prevention and reconstruction"—which aim to construct facilities by utilizing local enterprises, and JICS acts as the procurement agency for these two schemes. Under these schemes, the procurement agency not only provides such traditional services as management of funds and procurement of goods and equipment but is also responsible for overall project management. This includes such services as selection of consultants and construction companies, on-site project management, coordination and communication with related organizations, and management of progress on projects.

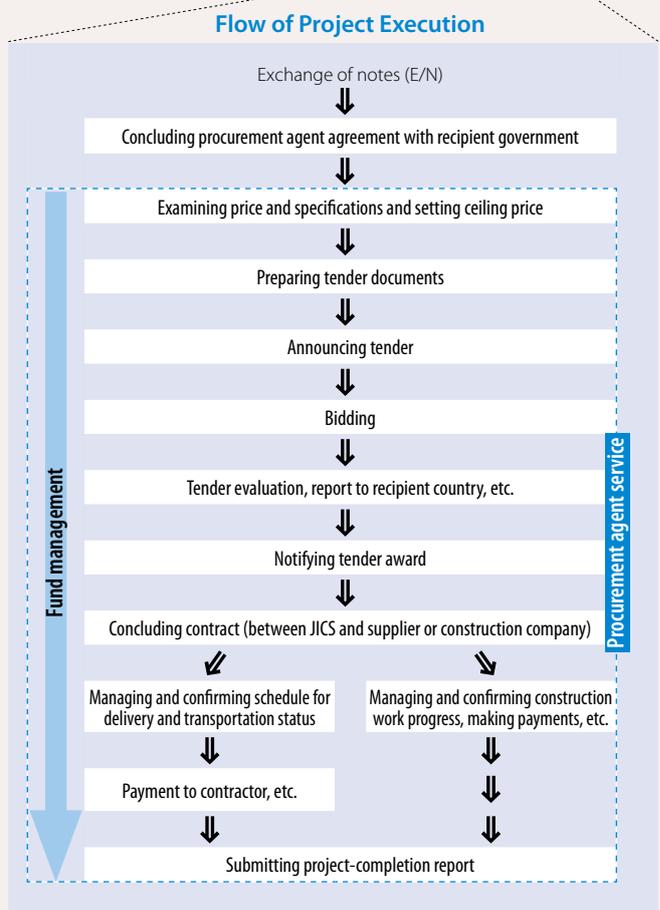
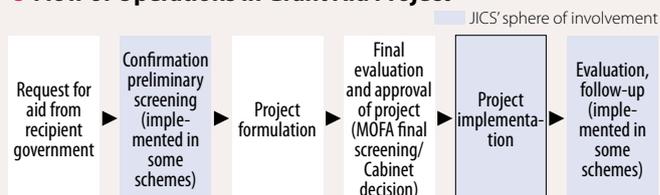
Operations responsive to changing conditions in developing countries

The global financial and economic crisis that began in September 2008 has had a severe impact on the lives of people in developing countries. In response, together with the international community, the Japanese government is working

vigorously to provide increased assistance to developing countries in Africa and other regions. The Japanese government has also adopted policies to combat such global-scale issues as climate change by further bolstering its financial and technical cooperation programs.

Driven by the circumstances outlined above, JICS' operations in FY2009 experienced a marked increase in the number of projects in the following schemes: Grant assistance for the food aid project, which mainly comprised procurement of rice and wheat for developing countries, particularly focusing on Africa; Grant aid for community empowerment, whose objective is to assist capacity building in communities grappling with poverty; and Program grant aid for environment and climate change, which provides assistance for developing countries in their efforts to deal with global warming. JICS is reinforcing its systems for the implementation of such projects and is committed to achieving even greater efficiency and effectiveness in such operations.

● Flow of Operations in Grant Aid Project



A procurement agency acts as an agent for the recipient government to execute the entire procurement process. Specifically, the procurement agency has a core role in managing the overall project, including management of the tender process, signing contracts with consultants, suppliers and/or contractors and supervising progress in the fulfillment of contracts.

Grant Aid for Community Empowerment

Lesotho: Assistance in Alleviating a Shortage of Secondary School Classrooms



1. Masowe High School in Lesotho's capital city of Maseru, which was built as part of this project 2. Pupils gather for the groundbreaking ceremony at Masowe High School 3. JICS staff (center) presents the school with commemorative gifts from JICS 4. The Prime Minister of Lesotho, Mr. Pakalitha Mosisili (right), and the Japanese Ambassador to Lesotho, Mr. Toshiro Ozawa (left), view the inside of one of the new classrooms.

Working to increase school enrollment rates through the construction of additional secondary schools

Lesotho is a small and landlocked country in southern Africa completely surrounded by the Republic of South Africa. Lesotho contains many high mountain ranges and the entire country sits at over 1,400 meters above sea level. This geography has earned the country such nicknames as the "Mountain Kingdom" and "Kingdom in the Sky." In the 2008 Human Development Index (HDI) published by the United Nations Development Program (UNDP), Lesotho was ranked 155th out of 179 countries surveyed, making it one of the world's least developed countries (LDCs).

Lesotho has been implementing a range of measures designed to increase school enrollment rates as it works toward the goal of "Education for All." However, a shortage of classrooms meant that there was an immediate need to build more schools. In light of these circumstances, on March 7, 2008, the Government of Japan and the Government of the Kingdom of Lesotho agreed to implement the Project for the Construction of Secondary Schools under the "Grant aid for community empowerment." Subsequently, on April 7, 2008, JICS entered into a procurement agent contract with the Lesotho government and carried out a range of services, including management of the funds allocated for the construction of secondary schools, selection of suppliers of equipment, such as desks and chairs, selection of construction contractors and management of the overall project.

Under this project, one secondary school was built in each of seven high-priority districts. The design of each school was adapted to conditions in each local area. For example, in mountainous regions where the school's pupils were to be drawn from a wide geographic area, the school included a student dormitory, and in areas with a large student population, a combined cafeteria and multipurpose hall was included in the school's design.

In this Mountain Kingdom the weather is very changeable, and in mountainous areas there is snow cover in the winter.

Despite such harsh conditions, during the project's implementation JICS staff members supervised progress through frequent visits to all of the construction sites.

Handover ceremony watched by school pupils and local residents

Among the seven new schools, construction of one was delayed owing to a change from the originally planned site to an alternative site after consideration of the impact of a nearby radio transmission tower. With construction of the other six schools completed, a handover ceremony was held at Masowe High School—one of the new schools—in the Lesotho capital city of Maseru on March 5, 2010.

Lesotho was represented at the ceremony by the Prime Minister, the Minister of Education and other senior cabinet ministers. Japan was represented by the Ambassador of Japan to the Republic of South Africa, who is concurrently accredited as Ambassador to Lesotho, the JICA South Africa Office Deputy Resident Representative and members of the JICS Lesotho Project Office. In addition, a representative of the UNDP, the ambassadors of several countries, local government representatives and the principals of each of the newly constructed schools were invited to the ceremony, which was also watched by 150 school pupils and approximately 100 local residents. Although rain during the evening prior to the ceremony caused some concerns about the weather, the day of the ceremony brought clear skies. Under strong summer sunshine, the two-hour ceremony, including songs and dances performed by the school students, was a great success.

At the closing of the ceremony, the JICS staff presented each of the schools with commemorative gifts as part of JICS' own support for the project. The gifts were chosen based on requests received from teachers at each of the schools and included tools used in mathematics lessons, teaching materials for geography classes and balls for several types of sports that are popular in Lesotho. When the master of ceremonies announced the soccer ball gifts, a large cheer arose from the students.

Vietnam: A Multi-Component Project for Community Empowerment



1. A part of the completed embankment commences with children singing 2. A completed health center 3. Infant incubators provided to a hospital 4. The school groundbreaking ceremony 5. One of the canals leads to the project sites

Diverse assistance, from equipment procurement to infrastructure development

The U Minh Ha area of Cà Mau Province is one of the poorest areas in Vietnam. Forest products are a key source of the area's livelihood, but forest growth is often affected badly by floods in the rainy season and forest fires in the dry season. The area is also handicapped by a lack of sufficient roads, schools and medical facilities. Adding to these problems, a major forest fire in the area in March 2002 destroyed over 6,000 hectares of forest, and restoration programs implemented by the Vietnamese government were making only slow headway.

In light of these circumstances, on March 12, 2008, both the Government of Japan and Vietnam agreed to implement the Project for Empowerment to the Community Damaged by Forest Fire in Cà Mau Province. Within this project, based on an agent agreement signed with the Cà Mau Provincial government, from April 2008 JICS undertook overall management of the project, including such functions as management of project funds, procurement of equipment, and selection of/contract with consultants and construction contractors for infrastructure development.

The project was designed to provide comprehensive development assistance, whose goal was to enhance the livelihood of all communities in the U Minh Ha area. It was also JICS' first involvement in a multi-component project under the "Grant aid for community empowerment." JICS carried out a diverse range of assistance operations, from procurement of such items as construction machinery, barges, lumber processing equipment, medical equipment, radio transceivers and firefighting pumps to infrastructure development, including embankment construction (for the planting of forest plantations), canals, roads, bridges, hospitals, elementary schools and fire monitoring stations with towers.

The equipment initially requested by the Government of Vietnam were all procured to the project sites by July 2009. JICS had also entered into contracts with construction companies for all 15 lots of facilities' construction one after another, and on July 23, 2009, a joint groundbreaking ceremony was held at the construction site of the elementary schools. At the ceremony, there were representatives of Japan from the Embassy of Japan in Vietnam, the JICA Vietnam Office and the JICS Project Office,

and representatives of Vietnam from the Cà Mau Provincial People's Committee, various related local government departments, district government office, schools and the forest company. Although it was already in the middle of rainy season, which starts in May, and there had been heavy rain on consecutive days leading up to the ceremony, fortunately the day chosen for the ceremony was blessed with clear weather. Ceremony proceedings got underway with singing by children who were to attend the school after its completion. All construction lots are scheduled to be completed by September 2010.

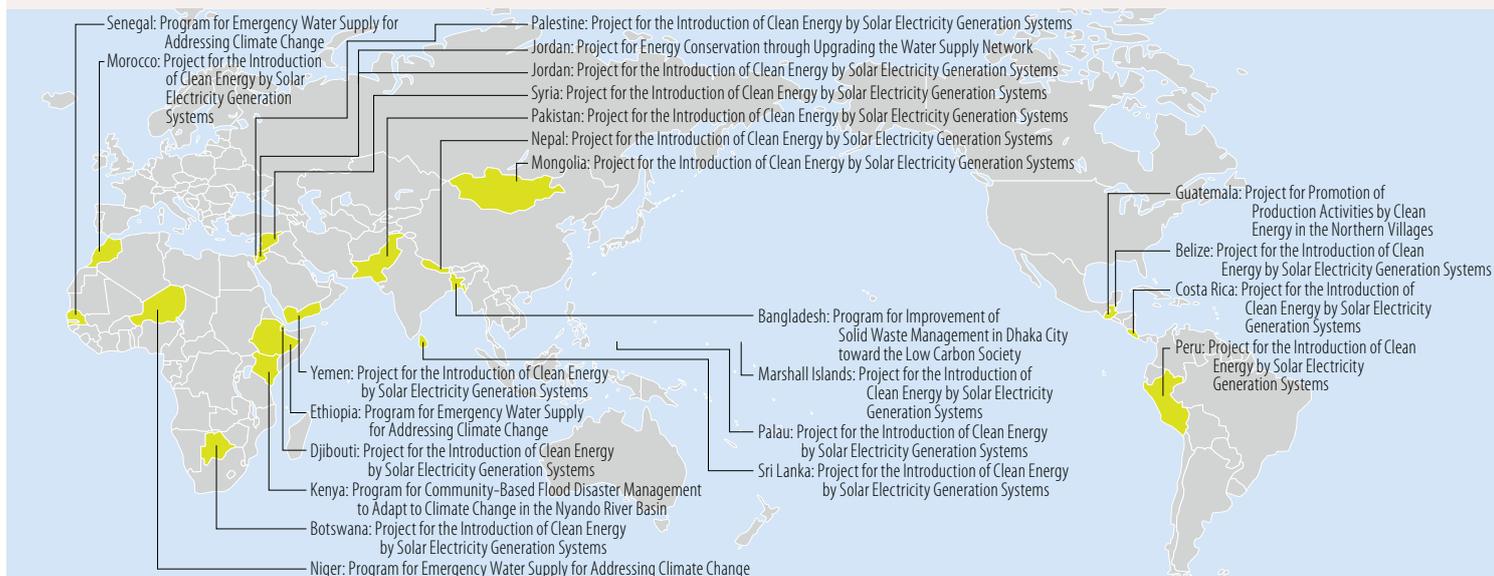
Aiming to improve the lives of local people

A total of 43 construction sites in the project are widely spread over a forested area of approximately 1,000 square kilometers. Owing to the geographical condition of the project area, the transportation of people, materials and equipment to the project sites is limited to the use of an intricate network of canals by motorboats and sometimes rowboats. In some places, the very narrow canals and overgrowing bushes make it difficult to pass through, hence movement between different locations can often take much longer than expected. Although the course of the project has not been easy, the local people have high hopes for its outcome and all of the project staff have been united in their efforts to help improve the lives of the local people and promote friendship between Japan and Vietnam.

One of the main pillars of the project is the construction of an embankment to be used for forest plantation over approximately 500 hectares. The project area is covered by strong acidic soils unsuitable for agricultural production. Many of the area's residents obtain their livelihoods from growing melaleuca, a type of tree that grows even in acidic soils and whose timber is used for such things as construction stakes. However, the growth of melaleuca is severely hindered by flooding. To remedy this persistent problem, the embankment was constructed to raise the level of the land and thereby protect the melaleuca plantations from flooding. This measure aims to increase the productivity of melaleuca growing in the area as well as help improve the income of local communities. After completion of the embankment's construction and handover of the embankment sites, the forest company and local communities commenced the planting of melaleuca seedlings in September 2009.

Program Grant Aid for Environment and Climate Change

Solar electricity generation



1. Study of candidate sites: 1. Samoa 2. Sri Lanka 3. Kenya 4. Mongolia 5. Signing of procurement agent contracts: 5. Palestine 6. Pakistan 7. Kenya 8. Ethiopia 9. Garbage collection trucks delivered as part of the Program for Improvement of Solid Waste Management in Dhaka City toward the Low Carbon Society 10. The Mayor of Dhaka City pays a courtesy call to JICS (right: former JICS Vice President Yukihiisa Sakurada) 11. Signing of contract with a goods supplier

Supporting developing country efforts to deal with climate change

The Japanese government is taking an active approach in assisting developing countries to deal with climate change. In 2008, the Japanese government announced the Cool Earth Partnership, under which \$10.0 billion was allocated to new programs to be carried out over five years. As part of this policy, in 2008 the Japanese government established the "Program grant aid for environment and climate change" scheme. Although developing countries have a willingness to contribute to climate stabilization, many such countries lack sufficient capacity and financial resources of their own to simultaneously achieve both reductions in greenhouse gas emissions and economic growth, while other countries face situations made more fragile due to the negative impacts of climate change, including drought and desertification. Hence, this scheme was established to support climate change mitigation measures in such countries.

The principal fields in which the scheme is being undertaken are solar electricity generation, flood control, forest conservation, geothermal electricity generation and solid waste management. Among the projects for which JICS is acting as the procurement agency, there are a particularly large number of solar electricity generation projects.

Within these projects, it is expected that by utilizing Japan's advanced photovoltaic power generation-related technologies, a significant number of additional benefits will accrue. For this reason, procurement of the main equipment for these projects is tied to Japanese-manufactured products. The projects aim to contribute to the adoption of solar electricity generation systems in developing countries, and counterpart governments have expressed high hopes that the projects will not only

promote environmental goals but also facilitate economic development by improving energy supply, in which many developing country governments are struggling to keep up with demand.

Installation of large-scale solar power generation facilities

In "Program grant aid for environment and climate change," JICS appropriately manages funds on behalf of counterpart governments as a procurement agency and carries out procurement of necessary goods, equipment and services.

Most of the solar power generation-related equipment to be procured for these projects will be used in such locations as car parks of public facilities and on unused land as part of the installation of large-scale and centralized solar power generation facilities. Since a variety of specialized technologies are essential to the development of such facilities, JICS has entered into contracts with consultants who possess a high level of expertise in this field as it carries out its operations. Working closely with these consultants and a wide range of other related organizations, JICS strives to realize smooth implementation of the projects through coordination, troubleshooting of any problems that may arise and by managing the overall projects.

Following the installation of solar electricity generation systems, JICS plans to undertake capacity development assistance in the form of training programs related to basic system knowledge, maintenance and operational management. In addition, where necessary, JICS also plans to implement educational programs in counterpart countries to increase knowledge relating to the use of renewable energy.

The Role of JICS in ODA

The needs fulfilled by ODA

Many people in the world are struggling to overcome poverty and hunger. In recent years, as globalization has rapidly advanced, the international community has faced an increasing number of issues that transcend borders—problems that cannot be solved by countries acting alone. Such issues include environmental problems, the spread of infectious diseases, and financial and economic crises. As a member of the international community, there is an expectation on Japan to help address these issues through ODA.

Furthermore, Japan is highly dependent on imports of a wide range of raw materials, energy and food, many of which come from developing countries. From this perspective, it is clear that the lives of people in Japan are deeply affected by and are dependent on stability within the international community.

To contribute to the maintenance of peace and stability in the international community, and through that ensure Japan's own security and prosperity, Japan carries out ODA as an important part of its national policy.

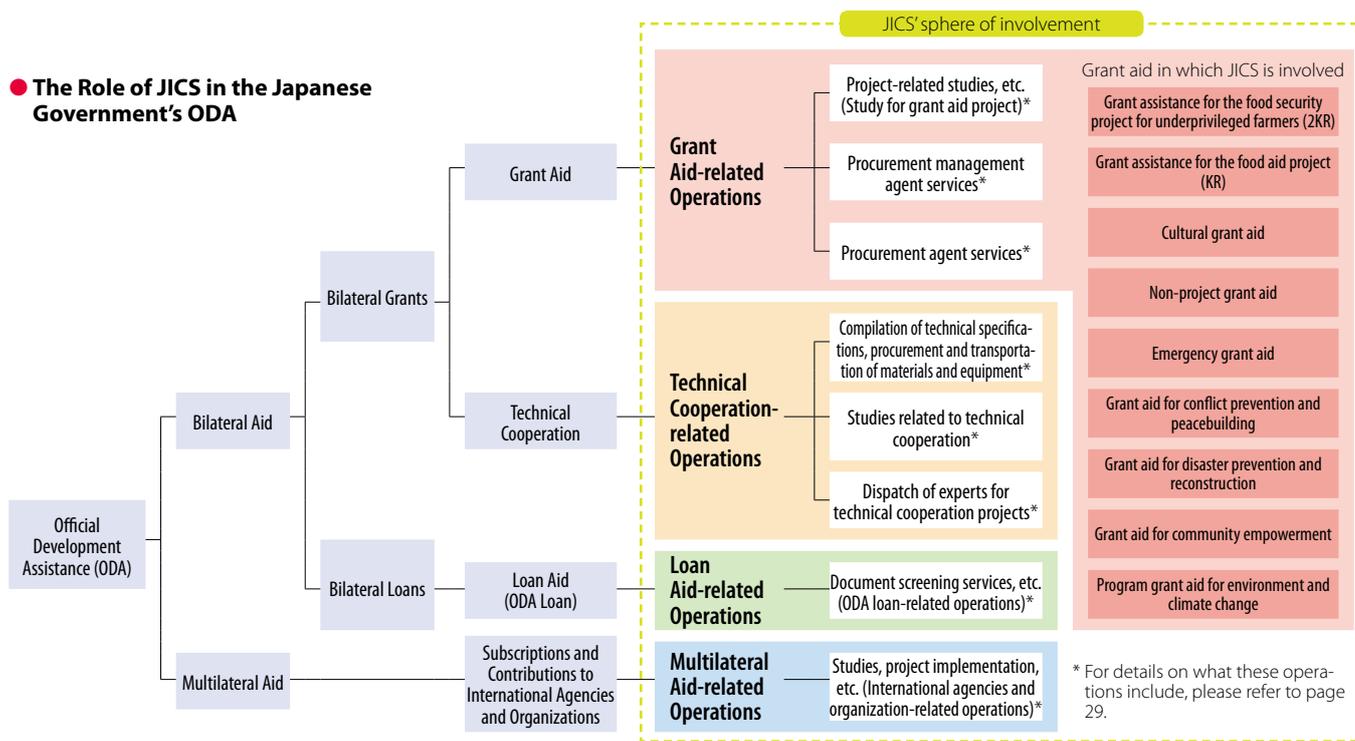
The role of JICS in ODA

ODA refers to economic cooperation undertaken by the government for the purpose of assisting developing countries in the development of their economies and societies, and helping improve the welfare of the people of developing countries and promote stable livelihoods.

ODA is divided into two broad categories—bilateral aid that is conducted directly in cooperation with a particular developing country and multilateral aid that is carried out through an international organization. Bilateral aid can be further divided into three modes—grant aid, technical cooperation and loan aid.

Since its launch in 1989, as a fair and neutral procurement organization, JICS has provided a broad array of services related to the procurement procedures for goods, equipment and services necessary in the execution of many types of ODA projects. The information below provides an overview of the main operation in which JICS is involved.

● The Role of JICS in the Japanese Government's ODA



Program grant aid for environment and climate change: Conducting a preliminary study on flood control (Kenya)



Food aid: Procured wheat (Ethiopia)

Grant aid-related operations

With the objective of contributing to the economic and social development of developing countries, grant aid is a form of assistance that includes no requirement for the counterpart country to repay the funds needed for the procurement of goods, equipment and services. JICS is involved in the execution of the following grant aid schemes.

■ Grant assistance for the food security project for underprivileged farmers (2KR)

For developing countries that face food shortages, Japan provides grant assistance for the purpose of procuring fertilizer and agricultural goods and equipment that will help bolster the production of grain crops (rice, wheat, maize, etc.) in the counterpart country. Japan commenced this scheme in 1977, and it is carried out annually in Asia, Africa, Central and South America, Eastern Europe, the Commonwealth of Independent States (CIS) and others. The alternative name for this program is "2KR," which is derived from the name "KR" that is used to refer to Grant assistance for the food aid project.

JICS' role: Since its establishment, JICS has been commissioned by JICA to carry out studies in Japan and in counterpart countries for this program. Since FY1997, based on contracts signed with developing country governments, JICS has been acting as a procurement management agency to undertake the fair and expeditious procurement of agricultural goods and equipment. JICS also acts as the secretariat for inter-governmental consultative committees, which are tasked with monitoring the distribution of the procured goods and equipment as well as the counterpart funds* set aside by counterpart governments. Additionally, since FY2004 JICS has been undertaking procurement agent services, including the management of funds.

* Note: Under self-help efforts, developing country governments set aside local currency counterpart funds equivalent to a certain proportion of the value of goods and equipment procured by grant assistance. These funds are utilized for local economic and social development projects after consultation with the Japanese government.

■ Grant assistance for the food aid project (KR)

For developing countries grappling with food shortages, Japan provides grant aid for the procurement of rice, wheat, maize and other staple grains. This scheme was launched in 1968. Food aid is sometimes referred to as "KR" owing to its



Grant aid for community empowerment: A class being taught prior to the implementation of a grant aid project (Mozambique)

historic link with the Kennedy Round (KR) of negotiations under the General Agreement on Tariffs and Trade (GATT). The International Grain Agreement came into effect in 1967 as a result of the KR negotiations, and this aid program was launched in accordance with the aforementioned agreement.

JICS' role: Since FY2001, JICS has provided food procurement services under agreements signed with developing countries. Under these agreements JICS also acts as the secretariat for intergovernmental consultative committees, which are tasked with monitoring the distribution of the procured foodstuffs as well as the counterpart funds set aside by counterpart governments. Furthermore, since 2007 JICS has been undertaking procurement agent services, including the management of funds.

■ Cultural grant aid

Japan provides grant aid for the purpose of promoting culture and education, as well as for the preservation of cultural heritage in developing countries. This grant aid comprises funds for the purchase, transportation, installation of materials and equipment, and construction of facilities necessary for the aforementioned cultural and educational activities. General cultural grant aid is carried out vis-à-vis governmental and public agencies while grassroots grant aid is provided to non-governmental organizations (NGOs) and local public agencies.

JICS' role: MOFA first commissioned JICS to carry out preliminary studies on requested equipment in FY1993. Since FY1995, based on contracts signed with developing country governments, JICS has provided ancillary services related to the procurement of equipment, including public notice, implementation and evaluation of the tendering process. Since FY2000, JICS has been providing a range of follow-up services, including the dispatch of technical experts to assess the usage status of previously procured equipment. Since FY2004, JICS has been undertaking the analysis of project applications.

■ Non-project grant aid

Japan's Non-project grant aid provides funds to developing countries that are implementing poverty reduction programs and other economic and social reforms for the procurement and importation of necessary goods and equipment from overseas. The scheme is called Non-project grant aid since it is not tied to any specific project at the time it is approved.



Grant aid for community empowerment: A JICS technical expert carries out construction project management while also providing training to local technical staff (Niger)

JICS' role: Since FY1993, under contracts signed with developing country governments, JICS has been carrying out the appropriate management of grant aid funds and procurement of necessary goods and equipment, including raw materials (petroleum products, steel, paper, etc.) and machinery for public works (vehicles and construction machinery), which are selected from a list of eligible products agreed upon between the two governments.

■ Emergency grant aid

Japan provides Emergency grant aid from a humanitarian perspective in situations that require rapid relief, particularly for victims of natural disasters and conflicts, refugees and displaced people. One of the most important features of this scheme is its rapid execution in response to extremely urgent needs. The Emergency grant aid scheme may also be used to support democratization in developing countries, including the holding of elections, and to assist the reconstruction development process following a conflict.

JICS' role: Since FY1998, based on procurement agent contracts signed with developing country governments, JICS has been appropriately managing grant aid funds and carrying out emergency procurement of necessary goods, procurement procedures required for the construction of facilities and project management operations.

■ Grant aid for conflict prevention and peacebuilding

The objectives of this scheme are to assist developing countries in conflict prevention and peacebuilding efforts through such measures as programs for the reintegration of former soldiers, recovery of small arms and ethnic reconciliation. The scheme provides funds for the procurement of goods and services necessary for programs carried out in developing countries. This type of grant aid has been implemented since FY2002 as part of Non-project grant aid.

JICS' role: Since FY2002, based on procurement agent contracts signed with developing country governments, JICS has been managing funds as well as undertaking project progress management and implementation support of programs in accordance with the particular characteristics of the assistance being provided. Core services include the management of aid funds.

■ Grant aid for disaster prevention and reconstruction

For developing countries that are vulnerable to natural disasters, Japan provides grant aid comprising funds necessary for facility construction and restoration to assist disaster prevention measures and post-disaster reconstruction.

In post-disaster reconstruction, to facilitate rapid response even in turmoil-affected situations and enable the provision of several types of assistance simultaneously, it is essential to utilize very advanced coordination capabilities. Japan's assistance draws on expertise across a diverse number of fields and manages relief efforts through an integrated approach.

JICS' role: Since the establishment of this scheme in FY2006, based on contracts signed with developing country governments, JICS as a procurement agency has been undertaking the management of funds, carrying out the procurement of necessary goods and equipment, handling the procurement of such services as those provided by consultants and construction companies, and providing overall project management services.

■ Grant aid for community empowerment

This scheme was established with the objective of assisting comprehensive capacity development in communities facing such threats to human life and secure livelihoods as poverty, hunger and infectious disease. This program is intended to enhance competitiveness and reduce costs for such communities through the proactive utilization of local enterprises and locally sourced goods and equipment, and by emphasizing local input into project specifications and design. While enabling flexible responses to local conditions, this grant aid scheme also requires sophisticated procurement management capabilities owing to the wide array of innovations utilized to ensure that projects achieve high-quality outcomes.

JICS' role: Since the establishment of this scheme in FY2006, based on contracts signed with developing country governments, JICS as a procurement agency has been undertaking the management of funds, carrying out the procurement of necessary goods and equipment, handling the procurement of such services as those provided by consultants and construction companies, and providing overall project management services.



Grant aid for community empowerment: Children at a completed elementary school (Madagascar)



Non-project grant aid (Counterpart fund project): A police patrol vehicle (center) to support policing activities (Afghanistan)

■ Program grant aid for environment and climate change

From the perspective of strengthening developing countries' response measures to climate change, this grant aid scheme provides funds necessary for the formulation of climate change-related policies and response plans, and for the procurement of materials and equipment and facility construction services needed for the execution of such plans. The scheme has three main focus areas—measures to combat global warming, antipollution measures and protection of the natural environment.

JICS' role: Since FY2008, under contracts signed with developing country governments, JICS as a procurement agency has been undertaking the management of funds, carrying out the procurement of necessary goods and equipment, handling the procurement of such services as those provided by consultants and construction companies, and providing overall project management services.

Technical cooperation-related operations

Technical cooperation promotes nation building in developing countries by facilitating the adoption of technology among people in developing countries and by helping to raise the level of technology used. This mode of aid enables counterpart countries to draw on Japan's extensive range of technology and experience. With the primary objective of facilitating "human resources development"—especially for younger generations who will play an important role in their country's future—the implementation of technical cooperation is led by JICA through such programs as the acceptance of training participants from developing countries, the execution of technical cooperation projects and the dispatch of experts and volunteers overseas.

JICS' role: Since its launch in 1989, JICS has been commissioned by JICA to undertake the provision of a broad array of services. These include the provision of information related to equipment necessary for the execution of technical cooperation, preparation of such procurement-related documentation as technical specifications and tender documents, and procurement operational support for JICA overseas offices.



Grant aid for community empowerment: A completed secondary school (Lesotho)

Loan aid-related operations (ODA loan)

Loan aid (ODA loan) involves the loan of development funds to developing countries under such concessionary conditions as long repayment periods and low interest rates. In the implementation of loan aid to developing countries, the lending terms are determined after consideration of a broad range of factors, including average income levels in the counterpart country. Unlike grant aid, loan aid requires repayment of aid funds. Hence, this mode of aid aims at nurturing ownership of the development process within the developing country by promoting the efficient use of loan funds and appropriate execution of projects.

JICS' role: Since FY2004, JICS has been carrying out preliminary screening of procurement-related documentation prepared by the counterpart country concerning the projects to be implemented by that country under the loan agreement. This screening verifies that documentation conforms to the aid program guidelines. JICS also conducts studies aimed at facilitating the smooth execution of loan aid programs.

Multilateral aid-related operations

Multilateral aid enables Japan to contribute indirectly to the development of developing countries through subscriptions and contributions to development aid institutions that are part of the United Nations, and international development finance institutions, such as the World Bank.

JICS' role: As part of its multilateral aid efforts, the Japanese government contributed to the establishment of the Japan-ASEAN Integration Fund (JAIF) by the ASEAN Secretariat to support ASEAN's integration. Utilizing a part of this fund, in FY2006 JICS was commissioned by the ASEAN Secretariat to undertake a project to assist in the implementation of avian influenza countermeasures. Since then, JICS has also provided procurement-related services for multilateral aid programs carried out by international agencies and organizations and for international cooperation projects implemented by foreign governments.



Grant aid for conflict prevention and peacebuilding: An area designated for landmine clearance (Cambodia)

JICS' Major Activities in FY2009

In this section, we introduce major assistance and procurement activities carried out by JICS in countries and regions around the world in FY2009.



Reconstruction Assistance

Ambulance handover ceremony held in Baghdad

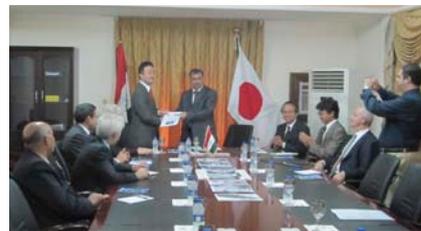
[Emergency grant aid]

Since FY2003, the Government of Japan has been involved in providing a wide range of support for reconstruction in Iraq. In the implementation of 21 grant aid projects, as the procurement agency acting on behalf of the Iraqi government, JICS has handled such tasks as the selection of equipment suppliers, carrying out procedures for the execution of contracts, and managing the progress of projects and project funds. Procurement and construction works for all of the initially planned projects were completed in previous fiscal years, but in FY2009 remaining grant aid funds were used in the implementation of additional procurement and construction projects.

In response to a request in 2004 from the Iraqi Ministry of Health, the Japanese government made a formal decision on January 1, 2005, to provide emergency aid for the provision of ambulances. Under this program, Japan delivered 700 ambulances to Iraq.

An additional procurement lot of 312 new ambulances arrived in Iraq in September 2009, and to mark the occasion, a handover ceremony was held in Baghdad on October 29, 2009. On the day of the ceremony, although there was a slight disruption to the scheduled time and place for the official handover owing to an electrical power outage, the ceremony was attended by Dr. Amer al-Khuzai, Senior Deputy Minister of Health, and four of the main prime ministerial advisors involved in the project, underlining the high level of interest within the Iraqi government in Japanese assistance programs. Representing JICS at the ceremony were JICS' then-Secretary General Yoshinari Oshima and Director of Planning and Coordination Department Shunichi Kudo. Mr. Oshima conveyed JICS' appreciation to the Iraqi Ministry of Health for their cooperation in the execution of the project.

The 312 ambulances delivered on this occasion, similar to the 700 ambulances provided previously, were assigned to hospitals throughout Iraq by the Ministry of Health and are now being used for the transfer of patients in emergency situations.



The handover ceremony in Baghdad



The ambulances lined up inside the port warehouse



Assistance for the Federally Administered Tribal Area (FATA)

Delivery of ambulances receives coverage by the Pakistani media

[Non-project grant aid]

The Federally Administered Tribal Area (FATA) is located in Pakistan's northwest region along the border with Afghanistan. While this area has been granted a high degree of autonomy, it lags other parts of the country in terms of social development and measures to address poverty. Poverty can lead to the emergence of destabilizing factors, including terrorism, hence there is a strong need for the implementation of poverty-reduction measures. Recognizing this need, in January 2008 the Japanese government made a formal decision to provide assistance aimed at reducing poverty in FATA, focusing on improvement of the area's medical and school infrastructure.

After holding discussions with the FATA Secretariat, JICS carried out the procurement of ambulances, medical equipment and electrical generators as assistance in the medical field, and school furniture, such as desks, chairs

and blackboards, as assistance in the field of school education. In general, it is difficult for foreigners and people from other areas to enter FATA. For this reason, the delivery had to be carried out while maintaining a constant awareness of the security situation. Delivery of the procured items was at times affected by the execution of military operations in the area. Consequently, JICS requested the cooperation of the FATA Secretariat and carried out delivery while making safety considerations its highest priority.

In December 2009, when the 15 ambulances procured by JICS arrived at the FATA Secretariat in Peshawar, this event gained significant national media coverage in Pakistan, attesting to the high level of interest and anticipation among the people of Pakistan regarding Japan's cooperation programs in the country. Subsequently, the procured medical equipment, generators and school furniture were also delivered, and these items

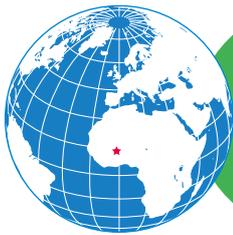
are now contributing to the improvement of FATA's medical and educational infrastructure.



School pupils receive lessons while using the new desks and chairs



The new ambulances await allocation to individual hospitals



BURKINA FASO

Ninety percent of Burkina Faso's population is engaged in agriculture. However, since most of this is rain-fed agriculture, production is highly dependent on weather conditions and hence subject to severe fluctuations. Furthermore, in recent years, climate change and other factors have led to severe damage to production from droughts in some years and an ongoing situation of food shortages. In the UNDP Human Development Index published in October 2009, Burkina Faso was ranked 177th out of 182 countries, and it was reported that 39% of the population was affected by chronic malnutrition.

To help remedy this situation, Japan has provided food aid to the Government of Burkina Faso in FY2000 and each year since FY2002. In light of continuing food shortages, the Japanese government made the decision on April 2,

2009, to implement food aid in FY2008. As a procurement agent for the Burkina Faso government, JICS was tasked with selecting the company to supply wheat flour—the food aid item on this occasion—and manage delivery of the aid. Flour manufactured in the Netherlands was shipped to Burkina Faso in multiple shipments commencing in November 2009. Shipment of the entire 12,855 tons of flour was completed in August 2010.

This aid project was appraised highly by the Burkina Faso government for its contribution to food security in the country. Similar to procurements of rice carried out for Burkina Faso in the past, a portion of the wheat flour delivered as food aid on this occasion will be utilized in responding to emergencies and disaster situations, and it is planned that some will be distributed to local NGOs at no charge.

Contributing to the alleviation of chronic food shortages

[Grant assistance for the food aid project (KR)]



Sacks of the Netherlands-produced flour after arrival in Burkina Faso



Local people sing and dance in front of the flour warehouse



RWANDA

The Republic of Rwanda is situated near the center of the African continent, and is said to have the highest population density of any country in Africa. Agriculture accounts for 80 percent of the total labor force and a significant proportion of the Rwandan economy. Although most agricultural production comprises such food crops as grains, potatoes, beans and bananas, domestic production is insufficient to cover total food consumption in Rwanda, necessitating the importation of food from neighboring countries. Moreover, the annual per capita available food supply has continued to decline since the end of the country's civil war in July 1994. Although an increase was recorded in 2006, the level of food supply is still far below that recorded prior to the civil war in 1990.

From 1983 to 1993, the Japanese government carried out 2KR (at the time called Grant Aid for Increase of Food Production) for Rwanda. After the civil war,

Japan recommended this aid program to Rwanda in FY2006. In FY2008, Japan provided 2KR aid through the procurement of fertilizer necessary for the production of potatoes, one of Rwanda's staple foods.

As the procurement agency of the Government of Rwanda, JICS carried out a tender in June 2009, and managed delivery of the fertilizer without any hitches. The fertilizer arrived at its final destinations between November 2009 and January 2010 and will be sold in the next planting season. Local farmers reported that by using the fertilizer they were able to increase their potato crop yields by 70–80 percent, and that they were very happy as the aid program had been a major help in boosting food production. In addition, in February 2010 an inter-governmental consultative committee meeting was convened in the Rwandan capital of Kigali between the Government of Japan and the Government of

Fertilizer procurement contributes to increased food production

[Grant assistance for the food security project for underprivileged farmers (2KR)]

Rwanda. In the capacity of committee secretariat, JICS undertook preparations for the meeting and was responsible for compiling the meeting's minutes.



Fertilizer essential to potato production



Local farmers harvest potatoes, which are one of Rwanda's staple foods



MEXICO

Emergency Assistance for Countermeasures to Prevent the Spread of a New Strain of Influenza

Procurement of infrared thermographies helps strengthen quarantine measures

[Emergency grant aid]

In late-April 2009, an influenza outbreak occurred in Mexico caused by a new strain of the virus. Owing to the rapid spread of the outbreak around the world, the World Health Organization (WHO) raised the alert level to Phase 5 (human-to-human transmission in at least two countries, providing a strong signal that a pandemic is imminent).

Faced with these circumstances, on April 28, the Mexican government made a request to the Japanese government for assistance related to equipment necessary for the implementation of measures to prevent the further spread of the outbreak. Such measures included the provision of treatment to people who have contracted the disease and the strengthening of medical inspection and quarantine procedures.

In response, on May 1, 2009, the Japanese government implemented its first phase of specific assistance measures related to the outbreak of a

new strain of influenza in Mexico. Under this assistance program, the Japanese government provided emergency relief goods, including 190,000 masks, 3,000 pairs of protective goggles, 3,000 pieces of disposable surgical clothes, 3,000 pairs of disposable gloves for medical use and 1,370 bottles of antiseptic solution for washing hands. For the second phase of assistance, the Japanese government decided to provide emergency grant aid to enable Mexico to strengthen medical inspection and quarantine in airports and other key locations within the country. Based on this decision, on May 3, 2009, JICS entered into a procurement agent contract with the Mexican Embassy in Japan and subsequently implemented the procurement procedures and supervised operations, including the management of aid grant funds. As a result, the infrared thermographies and related equipment were delivered to the Mexico City International Airport on May 7.

After all of the items arrived in Mexico, they have been utilized to prevent the further spread of the new influenza strain.



A doctor using the procured thermography quarantine station



A thermography monitor



BULGARIA

Follow-up study facilitates the continued use of audio equipment

[Cultural grant aid]

In Bulgaria, owing to the slow pace of transition to a market economy after the fall of the socialist regime, the country faced severe difficulties in adequately maintaining the facilities and equipment necessary for cultural activities. The National Palace of Culture (NDK) in the Bulgarian capital of Sofia has 14 concert halls, and Hall 1 is the largest concert hall in the Balkan Peninsula. However, as the audio systems got older, the Bulgarian government made a request to the Japanese government, which responded by implementing a Cultural grant aid project in FY2002 for the provision of audio equipment to the NDK.

In January 2010, after being commissioned by MOFA, JICS conducted a follow-up study relating to the aforementioned project. As a result, Japan was able to assist in the upgrading of NDK's audio systems, which led to a

significant improvement in the quality of audio acoustics in the concert halls. The new systems have been highly praised by musicians, and the equipment is being used on almost a daily basis. Every year NDK organizes a "Japanese Culture Week," which provides an opportunity for cultural exchange between the two countries.

In addition, in response to a report from the NDK audio manager regarding insufficient speaker volume, the JICS study team provided advice on methods of adjusting acoustic pressure. The main services carried out as part of the follow-up study included assessment of measures to remedy malfunctioning equipment (supply of spare parts, dispatch of repair technicians, etc.) and the preparation of cost estimates for the necessary repairs and upgrades. The JICS team always makes efforts to ensure that

the provided equipment is effectively utilized by giving advice on the operation and maintenance of the equipment.



The National Palace of Culture (NDK) in Sofia



A poster for the NDK show of Japanese rock musician Kazufumi Miyazawa's European concert tour



On October 7, 2009, a handover ceremony was held in the east-African country of Ethiopia for fertilizer (27,800 tons of urea) procured through FY2008 Non-project grant aid from Japan.

Non-project grant aid is carried out to assist the counterpart country to implement programs in such areas as economic and social development and poverty reduction. The aid funds are used to purchase materials and equipment from overseas. It is called "Non-project grant aid" owing to the fact that the aid is not tied to a specific project (for example, the construction of a school) at the time it is approved.

JICS was involved as the procurement agency for the Ethiopian government, undertaking such tasks as the appropriate management of aid funds, the selection and contracting of the fertilizer supplier and supervision of delivery of the fertilizer.

The fertilizer handover ceremony was attended by the Japanese Ambassador to Ethiopia, Kinichi Komano; Minister of Agriculture and Rural Development, Yacob Yala; General Manager of the Agricultural Inputs Supply Enterprise (AISE), Mebratu Gebregziabher; and others. Mr. Mebratu's speech—given in front of the warehouse that was filled with bags of fertilizer stacked high—included an expression of deep appreciation for the aid from Japan.

The handover ceremony was reported on Ethiopian television and in the country's newspapers, generating significant public interest.



Personnel involved with the aid program watch the ceremony



Ambassador Komano and Minister Yacob shake hands



Sudan has the largest land area of any country on the African continent, and its potential as an agricultural producer is so great that in the past it has been called the "breadbasket of Africa." However, the country still bears major scars from the civil war that continued intermittently from the 1950s until January 2005. Against this backdrop, the international community is undertaking vigorous aid efforts to ensure that peace takes root in Sudan, and Japan is playing a significant role in this process.

In the city of Juba—the regional capital of Southern Sudan—as the region recovers, there is increasing demand for technically qualified personnel, including construction workers and automotive mechanics. However, owing to a lack of training available for technicians during the civil war, there is currently an urgent need to nurture more workers with technical skills.

Since 2006, the Japanese government has implemented the Project for

Country works to entrench peace through the strengthening of vocational training programs

[Grant aid for conflict prevention and peacebuilding]

Strengthening Basic Skills and Vocational Training at the Multi-Service Training Center (MTC) in Juba. To further bolster and maintain the effectiveness of this project, the Sudanese government made a request in July 2008 for assistance in upgrading facilities and equipment at the MTC in Juba. In response, the Japanese government made the decision in June 2009 to implement the Project for Improving Facilities and Equipment of Multi-Service Training Center in Juba under Grant aid for conflict prevention and peacebuilding.

On October 2, 2009, JICS signed a procurement agent agreement with the Southern Sudan regional government in relation to this project and commenced activities after establishing a project office in Juba. JICS carried out management of the overall project, including: (1) the selection of a construction company through a competitive tender process and the conclusion of a contract with the successful bidder; (2) procurement

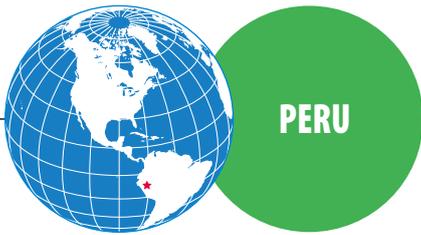
of vocational training equipment for the MTC; and (3) appropriate management of the funds.



The Multi-Service Training Center (MTC) in Juba



Trainees receive instruction inside the center



All post-earthquake rebuilding works completed [Grant aid for disaster prevention and reconstruction]

The Project for the Reconstruction of the Area Affected by the Earthquake in the Region of Ica, carried out by the Japanese government under Grant aid for disaster prevention and reconstruction, has been completed. This project was implemented as part of the Japanese government's ODA to assist with the reconstruction of areas badly damaged by the major earthquake that struck the Ica Region on the southern Pacific coast of Peru on August 15, 2007. Under an agreement signed with the Government of Peru, JICS provided procurement agent services related to the rebuilding of four schools and water supply facilities and the provision of school equipment.

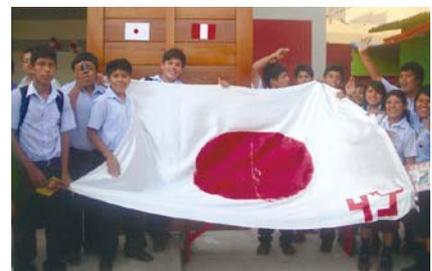
In October 2009, the Japanese Ambassador to Peru, Shuichiro Megata, conducted an inspection of two of the rebuilt schools—Colegio San Antonio de Padua and Colegio John F. Kennedy. The school at Padua was already in use, and

the bright and smiling faces of the students were filled with hope. For the ambassador's visit, the students performed songs and dances, and school officials expressed their gratitude for Japan's assistance. In responding, the ambassador offered these words of encouragement to the students, "I would like all of you to greatly further your learning in this newly rebuilt school, and I hope that in the future each of you will contribute to Peru's development."

The construction work carried out at each site was able to overcome many severe difficulties in the aftermath of the disaster thanks to the cooperation of all parties involved in the project. As a result, in January 2010 all of the rebuilding work and school equipment procurement that had been assigned to JICS was completed.



The handover ceremony at Colegio John F. Kennedy



Students at the school gather around a Japanese flag

Project
Sequel

Java, Indonesia

Rebuilt schools are highly regarded by local communities

[Grant aid for disaster prevention and reconstruction]



Pungkuran Elementary School immediately after the 2006 earthquake



The children use their new desks and chairs with great care

A powerful earthquake that struck the coast of central Java in Indonesia on May 27, 2006, caused enormous damage and claimed 5,700 lives.

Among aid programs implemented by the Japanese government in response to the earthquake damage, JICS acted as procurement agency for a project under Grant aid for disaster prevention and reconstruction relating to the rebuilding of two elementary schools, seven junior high schools and five district health centers. Approximately one-and-a-half years after the handover of the newly rebuilt schools, a JICS staff member that had been involved with the execution of the project visited one of the schools, Pungkuran Elementary School.

After monitoring how clean and well organized the school was, with all of the equipment kept in its appropriate place, the JICS staff member was strongly impressed by the level of determination and efforts to utilize the facilities effectively. When he spoke to the principal, he heard how Pungkuran Elementary School had won the provincial school contests at the subdistrict, regency and provincial levels. At the national school contest, the school represented its province and was the fifth-placed school nationally. In June 2009, the school received a commendation from the Ministry of National Education of Indonesia.

In Indonesia, even for children who want to enter a public elementary or junior high school, pupils do not automatically attend the school closest to where they live. Instead, they choose a school based on such factors as its facilities and the reputation of its teachers, and must then take a scholastic ability test to gain entry to the school. The school rebuilt through this aid project was constructed using an earthquake-resistant design, hence it is regarded highly by people in the local community, which sustained significant damage in the 2006 earthquake. The other schools rebuilt as part of the project have also seen an increase in the number of applicants for enrollment. The JICS staff member felt particularly glad that the schools appeared to have entered a positive cycle whereby the high-quality facilities are attracting students and this in turn is helping to bolster academic achievement.



Procurement Support to Meet a Diverse Array of Needs

[Technical cooperation]

Since FY2004, JICA has adopted a policy of promoting the procurement of equipment locally, which is necessary for the technical cooperation projects it carries out. In line with this policy, JICS dispatches procurement support personnel to JICA's overseas offices to assist in strengthening their procurement systems.

In FY2009, JICS dispatched procurement support personnel to a total of 14 countries. To meet the particular needs of each JICA overseas office, JICS staff provided such services as seminars on local procurement, advice on putting in place a procedural system for procuring consultant services, practical training programs for local JICA employees involved in procurement and support for the preparation of procurement manuals formats and lists of qualified suppliers.

At a seminar in Uzbekistan conducted by JICS staff, after the instructors used a role-playing exercise based on the way

an actual tender would be carried out, participants commented that it was a useful exercise as it enabled them to visualize a real-life tender situation.

In the Dominican Republic, to facilitate reconstruction support following the devastating earthquake in neighboring Haiti in January 2010, JICS carried out domestic-market studies to prepare for third-country procurement as a Caribbean regional office.

In addition, JICS provides a range of other support to meet needs relating to technical cooperation, including lectures on procurement for experts and procurement staff prior to their dispatch by JICA to work on technical cooperation projects overseas. JICS also provides information relating to equipment procurement (delivery times, prices, specifications, etc.) through its Help Desk for Equipment Procurement.



Participants in Uzbekistan with their seminar-completion certificates



A JICS staff member gives a lecture as part of pre-dispatch training



JICS Dispatches Lecturer to Give Seminars in Morocco and Tunisia

[Loan aid (ODA loan)]

On December 8 and 10, 2009, JICA held seminars on procurement in Morocco and Tunisia, respectively, for counterpart agencies in those countries involved in the implementation of loan aid (ODA loan) programs with Japan.

The seminars were held for the purpose of explaining revisions to the ODA loan program guidelines and the handbook used in the program's execution. These changes stemmed from the merger between JICA and the overseas economic cooperation section of the Japan Bank for International Cooperation (JBIC) in October 2008.

JICS is commissioned by JICA to conduct screening of documentation relating to tenders and contracts prepared by the counterpart country's ODA loan-executing agency to confirm that the documentation complies with the ODA loan program guidelines. As part of

these operations, JICS dispatched a staff member to act as the lecturer for these seminars.

In the seminars, the lecturer provided an analysis and summary of potential problems she perceives based on her previous experience of projects carried out with Morocco and Tunisia. Using actual case examples, she explained the points that require particular attention when preparing tender documents. In both Morocco and Tunisia, the large number of working-level staff from the project-executing agencies participating in the seminars served to highlight the significant interest in the seminars.

In addition to the seminars for project-executing agencies, the JICS staff member also provided briefings to JICA personnel in the Morocco Office and Tunisia Office responsible for ODA loan programs. In the future, JICS is commit-

ted to supporting measures to promote understanding of procurement procedures related to ODA loans.



The seminar in Morocco



Projects Commissioned by International Agencies and Organizations

Preparing for pandemics caused by new influenza strains

Since FY2006, a project to support countermeasures against new strains of influenza in the ASEAN region has been carried out utilizing a portion of the Japan-ASEAN Integration Fund (JAIF), which was established through a contribution from the Japanese government. This project has focused on the procurement of anti-influenza virus drugs and personal protective equipment and the management of stockpiles of such goods in Singapore in preparation for scenarios involving the rapid spread of a new strain of influenza through human-to-human infection. The objective of the project is to contain the spread of new influenza strains to the minimum possible by quickly distributing the stockpiled goods to the target country when infection is regarded as a pandemic influenza by the WHO.

JICS concluded an implementation-agency contract for this project with the ASEAN Secretariat—the project's executing agency—in April 2006, and since then JICS has been coordinating its

operations with the WHO and relevant authorities in each ASEAN country. As a result, to date JICS has carried out the procurement of anti-influenza virus drugs sufficient to treat one million people and personal protective equipment for 700,000 people. JICS has also provided a range of services, including the arrangement of warehouses for the stockpiling of the procured goods and management of the stockpiles.

In addition, to reinforce preparations against the pandemic of a new strain of influenza, the Japanese government has decided to implement a similar project on an even broader scale encompassing non-ASEAN neighboring countries. Based on this goal, the Asia-Europe Foundation (ASEF) established a fund totaling approximately ¥3.2 billion through a contribution from the Japanese government. A project is now being executed utilizing a portion of this fund. JICS concluded an implementation-agency contract for this project with ASEF on May 18, 2009, and is coordinating its activities with

(Support for countermeasures against new strains of influenza)

a large number of relevant organizations. While paying particular attention to competitiveness and transparency, JICS has been performing procurement services based on the specifications and quantities determined for anti-viral drugs and personal protective equipment in cooperation with the WHO.



A tender opening for personal protective equipment



Personal protective equipment after arrival at a warehouse

Working to bolster logistics efficiency in the ASEAN region

The ASEAN region has been serving not only as the "world factory" but also as a major market with a population of over three hundred million. Accordingly, its economic weight and expectations are assumed to be increased. The ASEAN countries have made various efforts to form an ASEAN Community by 2020. For the ASEAN region to better function as a globally competitive place for production and to further develop as an attractive market, it is necessary to improve mobilization and effectuation of the commodity distribution that supports production and market activities, especially cross-border transport within the region.

The improvement of intra-regional cross-border logistics is consistent with the objectives of the JAIF, which was established with a contribution from the Japanese government to assist ASEAN integration. In line with this, a portion of the JAIF is being utilized in "Japan's

("Japan's program for improving efficiency of logistic and distribution of the 'East-West Economic Corridor' and the 'Southern Economic Corridor'")

program for improving efficiency of logistic and distribution of the 'East-West Economic Corridor' and the 'Southern Economic Corridor,'" which was launched in June 2009. The program includes Cambodia, Laos, Myanmar and Vietnam.

The program comprises four projects: (1) the improvement of customs clearance and other customs functions; (2) the establishment of freight transfer terminals; (3) the establishment of model areas (roadside stations); and (4) human resource development in the logistics field.

JICS and the Japan International Cooperation Center (JICE) have formed a consortium through which they are carrying out operations related to this program. Utilizing their respective strengths, JICS is responsible for procurement related to hard aspects, equipment and facilities necessary for the program's execution, while JICE is tasked with providing services relating to its expertise in soft aspects.



Construction site for a roadside station in Laos

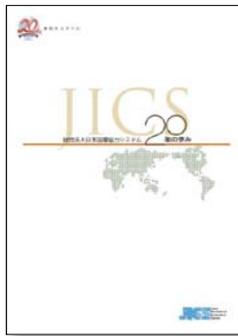


Workers building a roadside station

JICS Recent Events

JICS 20th Anniversary in April 2009

JICS marked the 20th anniversary of its establishment on April 12, 2009. To commemorate two decades of JICS' progress and achievements, we published a booklet in Japanese entitled *JICS' 20-Year Journey*. We also published a DVD in Japanese that provides an overview of JICS' operations, with the aim of raising the profile of JICS among the Japanese public.



JICS' 20-Year Journey

First Meetings of the Board of Trustees and the Board of Directors for FY2009

The first regular meetings of the Board of Trustees and the Board of Directors for FY2009 were held on June 17, 2009, at Arcadia Ichigaya in Tokyo.

At the meeting of the Board of Trustees, which took place in the morning, the following four points were discussed and approved: (1) selection of the Chairperson and Vice Chairperson of the Board of Trustees; (2) operations report for FY2008; (3) financial statements and audit report for FY2008; and (4) selection of members of the Board of Directors. With this approval, Ms. Yoriko Meguro and Mr. Masahiro Murakami assumed office as Chairperson and Vice Chairperson of the Board of Trustees.

In the afternoon, the Board of Directors discussed and approved the above-mentioned points (2) and (3) and the selection of members of the Board of Trustees.



Meeting of the Board of Trustees

New member of the Board of Directors.... Mr. Hirohide Kamikawa
Executive Officer and Regional Manager, Tokyo & Eastern Japan, Japan Airlines International Co., Ltd.

New AuditorMr. Ryuichi Nakai
Director, Economic Cooperation Division, The Bank of Tokyo-Mitsubishi UFJ, Ltd.

New Member of the Board of Trustees...Mr. Kenichi Yanagisawa
Managing Director, General Affairs Department, The Japan Foundation

Participation in International Cooperation Events

During FY2009, JICS participated in Global Festa JAPAN 2009 held at Hibiya Park in Tokyo on October 3 and 4, 2009, and in the One World Festival held at the Osaka International House Foundation on February 6 and 7, 2010.

In its booth at Global Festa JAPAN 2009, JICS displayed panels showing its organizational structure, procurement operations, "Grant aid for community empowerment" and "Grant aid for disaster prevention and reconstruction." The booth also presented six "JICS Staff Works Introduction Meetings," where staff gave explanations of the works they are responsible for at JICS.

At the One World Festival, JICS participated as one member of the Joint ODA Booth together with MOFA, JICA and other organizations involved with ODA. This year marked the third time the organizations presented a Joint ODA Booth.

This year's booth featured an "Africa Aid Tour," introducing the Africa support activities of each organization.



A JICS staff member explaining his work at a "JICS Staff Works Introduction Meeting" at Global Festa JAPAN 2009



A JICS staff member presenting the "Africa Aid Tour" at the One World Festival Joint ODA Booth

Reports and Exchange of Views on the NGO Support Activities of JICS

A meeting for reports and exchange of views on the NGO support activities of JICS was held on September 15, 2009. The meeting was attended by eight of the organizations that received support in FY2007.

In the meeting, each NGO reported on the contents and results of its activities implemented with JICS support. Experts, examiners and other participants asked questions and made comments about feedback.

The second half of the meeting featured a lively exchange of opinions regarding the issues facing each organization, areas where they are having administrative difficulties and other topics, with introductions of their respective approaches.



Report by an NGO receiving JICS support

JICS Trustee Shunichi Hiraki Leads Research Delegation to Guatemala



Trustee Shunichi Hiraki (center) inspects reconstructed irrigation facilities

In November 2009, JICS dispatched a research delegation chaired by Board of Trustees member Shunichi Hiraki to Guatemala for the self-assessment of the procurement operations process in the "Grant aid for disaster prevention and reconstruction" Project for Support for Reconstruction Efforts after the Hurricane Stan Disaster.

JICS was responsible for the procurement operations.

Under this project, irrigation facilities, bridges and water-works facilities damaged in the large-scale hurricane Stan, which struck Guatemala in October 2005, were reconstructed in the affected area. For this project, as the procurement agency of the Government of Guatemala, JICS managed funds, conducted an international competitive bidding for the selection of construction companies, concluded contracts and implemented progress management.

The research delegation inspected the facilities rebuilt through this project. The delegation also visited the Department of Irrigation and Drainage in the Ministry of Agriculture, Livestock and Food (MAGA), irrigation associations, the Department of Roads in the Ministry of Communications, Infrastructure and Housing and the Quetzaltenango City Water Authority. The delegation exchanged opinions with the Mayor of Quetzaltenango City.

The delegation also conducted interviews with personnel from contractors who were responsible for carrying out the facilities' construction projects. They asked about the implementation of JICS operations in this project. One contractor said "When we bid on a bridge reconstruction project, we were disqualified because we did not meet the bid requirements. But seeing the fair, transparent and resolute JICS bidding process, we felt that we really wanted to work with this kind of partner, so we also participated in the bidding for the water supply project."

Then-President Takahisa Sasaki Conducts Field Inspections in Singapore and Cambodia

Mr. Takahisa Sasaki, who was then serving as the President of JICS, traveled to Singapore and Cambodia for six days from December 14, 2009, for field inspections of projects, and to exchange opinions with concerned organizations.

In Singapore, he inspected a storage warehouse and other facilities related to the Project for Stockpiling of Anti-viral Drugs and Personal Protective Equipment for Rapid Contain-



Then-President Sasaki receiving an explanation from CMAC Director General Heng Ratana.

ment of Pandemic Influenza under JTF2 at ASEF (FY2007), and exchanged opinions with local concerned parties.

In Cambodia, then-President Sasaki inspected a site of the "Grant aid for conflict prevention and peacebuilding" Program for Integrated Mine Clearance and Landmine Victim Assistance. At the mine clearance site located 320 km northwest of the Cambodian capital Phnom Penh, then-President Sasaki received an explanation of the project from Mr. Heng Ratana, Director General of the Cambodian Mine Action Centre (CMAC). He observed such operations as mine clearance by people, mine detection dogs and mine removal equipment, training of mine clearance personnel, and training of mine detection dogs. Then-President Sasaki also had an opportunity to exchange opinions with CMAC staff.

JICS Employment Explanation Meetings

JICS held employment explanation meetings for job candidates on February 17, 2010, and March 3, 2010.

The meetings presented an outline of JICS' organization and projects using an introduction video, followed by presentations by young JICS staff members about what they have learned through their jobs and responsibilities.

The second half of the meetings included a corner for dialogue between participants and JICS employees for questions and answers regarding the organization and its projects, the ways in which employees find their jobs to be satisfying and the mental preparations required for conducting job-hunting activities.

The impressions received from participants included such comments as "I came to understand more specifically the flow of procurement, which is the main activity of JICS"; "I came to clearly understand the role of JICS in the ODA structure;" and "I gained a more definite desire to work for JICS by speaking directly with staff."



Participants eagerly listening to the explanations of JICS staff

Second Meetings of the Board of Trustees and the Board of Directors for FY2009

The second regular meetings of the Board of Trustees and the Board of Directors for FY2009 were held at the JICS conference room on March 18, 2010.

At the meeting of the Board of Trustees, which took place in the morning, the following points were discussed and approved: (1) FY2009 operation planning and revised budget; (2) FY2010 project policy and planning; and (3) FY2010 budget. In the afternoon, the Board of Directors discussed and approved the above-mentioned points (1) ~ (3).

The lunch break between the Board of Trustees and Board of Directors meetings included the showing of a DVD produced to introduce JICS' organization and projects in an easy-to-understand manner, and a report by Board of Trustees member Shunichi Hiraki on the JICS project assessment investigation on reconstruction aid to Guatemala.

Social Activities of JICS

Operation of Technical Information Center for Medical Equipment

As part of follow-up activities, JICS has established the Technical Information Center for Medical Equipment. This center provides information concerning medical facilities and equipment manufactured in Japan and provided under prior Japanese grant aid. The center provides technological information concerning equipment operating methods and maintenance, information on the purchase of spare parts and other information in response to inquiries from staff at local medical institutions.

The center was established on February 1, 1999, with the endorsement of MOFA and JICA. It conducts activities with cooperation from Overseas Medical Equipment Technical Assistants (OMETA) and other concerned organizations. In FY2009, the center received 15 inquiries, and provided information as required in response to their respective needs.

The NGO Support Activities of JICS

JICS began its NGO Support Activities to celebrate its 10th anniversary in FY1999, and has continued implementing these activities each year. The NGO Support Activities contribute to "advancing still higher quality international cooperation," which is one of the goals of JICS. This program provides funds assistance to small and medium-size Japanese NGOs conducting activities in developing nations, toward the development of international cooperation implemented in unison by the public and private sector.

A total of 25 organizations applied for assistance in FY2009, out of which 11 organizations were selected to receive support amounting to ¥10.2 million. Many of the applications were from newly formed organizations, and from groups seeking funds to strengthen their organizational foundations.

● NGOs Supported by JICS in FY2009

Name of NGO	Country	Support Description	Amount Granted (yen)
Amani Ya Africa	Kenya	Equipment and materials purchase and transport expenses; project operation expenses; NGO operation expenses	1,000,000
AMURT (Ananda Marga Universal Relief Team) Japan	Niger	Equipment and materials purchase and transport expenses; project operation expenses	910,620
ACE (Action against Child Exploitation)	India, Ghana, etc.	Funds for strengthening the foundations of the NGO	994,700
Okinawa NGO Center	Japan	Equipment and materials purchase expenses; project operation expenses; NGO operation expenses; funds for strengthening the foundations of the NGO	1,000,000
Kansai NGO Council	Japan	Project operation expenses	1,000,000
Japan Infrastructure Partners	Myanmar, etc.	Equipment and materials purchase and transport expenses; project operation expenses; NGO operation expenses	720,700
Study Tour for Alternative Relations (STAR)	Japan	Project operation expenses; NGO operation expenses	1,000,000
Salt Payatas Foundation	Philippines	Funds for strengthening the foundations of the NGO	1,000,000
Chernobyl Medical Support Network	Ukraine	Equipment and materials purchase and transport expenses; project operation expenses	1,000,000
Japan-Cambodia Interactive Association	Cambodia	Equipment and materials purchase and transport expenses	600,000
Free The Children Japan	Philippines, etc.	Funds for strengthening the foundations of the NGO	1,000,000

School Groups Visit JICS

JICS receives school groups to deepen understanding of ODA and JICS activities among a wider public.

In FY2009, students from the Matsushima Town (Miyagi Prefecture) Municipal Junior High School visited JICS on May 12, and students from the Nagoya City Municipal Hojin Junior High School visited JICS on June 2 as part of their educational class trips. They received explanations from JICS staff about the goals and arrangements of the Japanese government's ODA, and the role of JICS.

Also, in February 2010 a JICS staff member was invited as a guest lecturer to an international relations class for 8th graders at the junior high school that is affiliated with Japan Women's University, and spoke about relations between Afghanistan and Japan.



JICS Initiates Project Support Program on a Trial Basis

JICS has initiated a project support program on a trial basis since FY2009, in commemoration of JICS' 20th anniversary in April 2009. As one activity toward the JICS goal of "advancing still higher quality international cooperation," this program presents memorial gifts to facilities constructed by projects for which JICS served as the procurement agency, and to institutions where equipment and materials were supplied. The memorial gifts are given to help promote the future activities of the recipient facilities and organizations. The gifts are determined based on the requests of the facilities and organizations. They are purchased and delivered using JICS' own financial resources. JICS now aims at more effective support through cooperation with donation activities and other social contribution activities by private-sector companies and other bodies, while seeking ties with NGOs conducting aid activities in developing countries.

In FY2009, the project support program was implemented in Senegal, Niger, Madagascar, Bolivia and Lesotho, where JICS conducted procurement agency works for "Grant aid for community empowerment" projects.

● FY2009 Project Support Program Results

Project Name	Gift Items
Senegal: Project for Construction of Classrooms for Elementary Schools and Junior High Schools	Senegal maps, world maps
Niger: Project for Construction of Classrooms for Elementary Schools in the Regions of Maradi and Zinder	World maps, teachers' ruler sets (1 m rulers, 60 cm triangles, 30 cm protractors and 30 cm compasses)
Madagascar: Project for Construction of Classrooms for Elementary Schools in the Regions of Antsirana and Tolara	Loudspeaker, batteries
Bolivia: Project for Construction of Educational Infrastructures in the Municipalities of Potosi and Sucre	Globes
Lesotho: Project for the Construction of Secondary Schools	Blackboard compasses, blackboard rulers, blackboard triangles, protractors, globes, world maps, netballs, air pumps, ball stands, soccer balls, volleyballs