

# Part 1

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# Principal Activities in FY2013

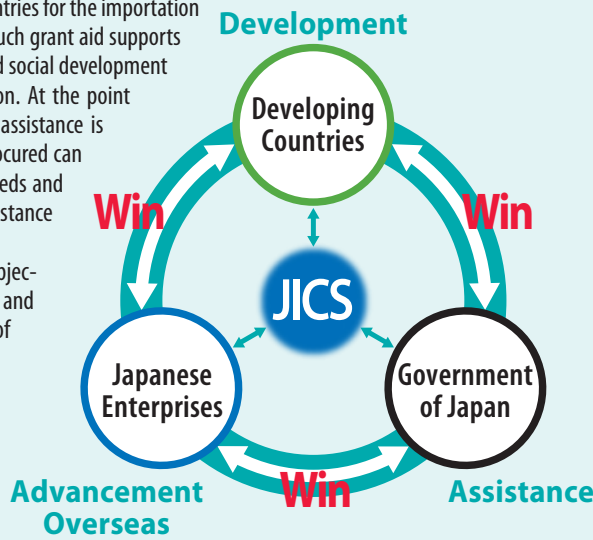


# Support for the Provision of Strategic ODA: Through Non-Project Grant Aid, Aiming to Support Growth in Emerging and Developing Countries Together with Japan

Non-Project Grant Aid provides funds to developing countries for the importation of necessary equipment and materials from overseas. Such grant aid supports developing countries that are carrying out economic and social development programs, including those focused on poverty reduction. At the point when the decision is made to provide assistance, the assistance is not attached to any specific project and goods to be procured can be selected flexibly based on the recipient country's needs and coordination with other donors. Hence this type of assistance has a high degree of latitude.

Some assistance is executed in accordance with objectives considered to have importance at a particular time, and recently there has been a trend toward the utilization of products made by Japanese companies with the aim of simultaneously promoting development in developing countries and the overseas advancement of Japanese enterprises.

In this special feature article, three JICS staff members involved in this area provide an overview of Non-Project Grant Aid, which is becoming more diversified, and discuss JICS' role in these programs.



**Four Programs that Procure Excellent Products Made in Japan**

- Japan's Grant Aid for Provision of Industrial Products
- Non-Project Grant Aid for Provision of Japanese Small and Medium sized Enterprises (SMEs) Products
- Non-Project Grant Aid for Introduction of Japanese Advanced Products and Its System (Next-Generation Eco-Friendly Vehicle Package)
- Non-Project Grant Aid for Introduction of Japanese Advanced Products and Its System (Medical Equipment and Welfare Apparatus Package)

## Through ODA, Building Win-Win Relationships between Japan and Emerging and Developing Countries

Within the "Priority Policy for International Cooperation" set by the Ministry of Foreign Affairs, continuing on from FY2013, in FY2014 one of the priority policies is "ODA to support emerging/developing countries to grow together with Japan." This aims to put Japan's excellent technology and knowledge to use in emerging and developing countries and thereby promote poverty reduction and economic progress in such countries. Simultaneously, it aims to bring about growth in Japan's economy.

To translate this diplomatic policy into reality, several programs have been established to facilitate the procurement of Japanese companies' excellent products through funds granted by the Japanese government. The first of these product-provision-type ODA programs was Japan's Grant Aid for Provision of Industrial Products, which was launched in 2011 following the Great East Japan Earthquake. This was followed in FY2012 by the establishment of Non-Project Grant Aid for Provision of Japanese Small and Medium sized Enterprises (SMEs) Products, Non-Project Grant Aid for Introduction of Japanese Advanced Products and Its System (Next-Generation Eco-Friendly Vehicle Package), and Non-Project Grant Aid for Introduction of Japanese Advanced Products and Its System (Medical Equipment and Welfare Apparatus Package). Based on these programs, in addition to promoting economic growth and other benefits in emerging and developing countries, there are high expectations that a "show window effect" for such Japanese products will help to build a foothold for further overseas expansion by Japanese companies.

Below is an overview of each of these four programs, along with progress in their implementation and issues to be addressed.

## Japan's Grant Aid for Provision of Industrial Products / Non-Project Grant Aid for Provision of Japanese SMEs Products

Japan's Grant Aid for Provision of Industrial Products procures for developing countries such industrial products as construction machinery, electrical equipment and medical equipment, which have been manufactured in areas affected by the Great East Japan Earthquake (northern Kanto and Tohoku regions). In addition to supporting the economic and social development efforts of recipient countries, the program was launched as a means of contributing to recovery in disaster-affected areas.

For the commencement of this program, JICS conducted a survey of information on products produced by companies located in the disaster-affected areas and classified this information into various categories. Hence, JICS was involved from the product-list compilation stage. When the program was implemented, although difficulties were encountered in matching companies with the needs of developing countries due to the limited number of firms that manufacture industrial goods as complete finished



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Special  
Feature

## Support for the Provision of Strategic ODA: Through Non-Project Grant Aid, Aiming to Support Growth in Emerging and Developing Countries Together with Japan

products, by leveraging the information and know-how acquired by JICS through its broad procurement experience, the selection of supplier companies and procurement of products was carried out rapidly. As of August 2014, a cumulative total of 50 contracts had been signed and products were being steadily delivered to 19 countries, including Uzbekistan and Tunisia. In FY2014, grants to such countries as Tonga, Dominica and Saint Lucia have been agreed upon.

Non-Project Grant Aid for Provision of Japanese Small and Medium sized Enterprises (SMEs) Products aims to solve development issues faced by developing countries by procuring and utilizing products manufactured by Japanese small and medium sized enterprises (SMEs). At the same time, the program also has the objective of helping to build a foothold for Japanese SMEs to expand into overseas markets. Since FY2012, grants through this program have been agreed upon with 16 recipient countries, including Mongolia and the Dominican Republic. Sixteen contracts have already been signed, and the delivery of goods has commenced.

Similar to Japan's Grant Aid for Provision of Industrial Products, Non-Project Grant Aid for Provision of Japanese Small and Medium sized Enterprises (SMEs) Products faces the difficulty of matching the products that can be provided by Japanese companies with the requests of developing countries. Although JICS narrows down an optimal list of products in accordance with the content of the requests received from developing countries, there are cases where it is necessary to look for a substitute product due to the actual product not corresponding to the product assumed by the requesting country based on the product name. There are also instances in which it can take an extended period to decide on the product to be procured. This may be due to a company withdrawing from participation in the program since it does not have a local sales office in the recipient country and so there are difficulties in providing inspection, repairs or maintenance services. Such factors can also lead to a change in the actual item to be procured.

It would be useful to provide a brief introduction here to one case example as an illustration. In January 2015, composting toilets are scheduled to be delivered to Peru's national parks, which are famous worldwide for such archeological sites as Machu Picchu and the Nazca Lines. Since the national parks do not have such infrastructure as electricity and water supply, it is planned to install composting toilets, which can operate autonomously using solar photovoltaic (PV) power generation. Sewage will be composted by microbes in wood sawdust, meaning the impact on the surrounding environment will be small. The Peruvian government places a high priority on protecting the environment of its national parks, and hence holds high expectations for this composting toilet system. The aim of this grant program is to introduce overseas the products of Japanese SMEs, which possess advanced technology.

The contract with the SME supplier not only includes delivery of the product but also requires that they provide in-country training and dispatch engineers. By doing so, the contract conditions are designed to facilitate the SME establishing a foothold for overseas business expansion. The Japan International Cooperation Agency (JICA) is also involved in providing a wide variety of support for SMEs involved in expansion overseas, and creating linkage with these programs is now under consideration.

### Non-Project Grant Aid for Introduction of Japanese Advanced Products and Its System (Medical Equipment and Welfare Apparatus Package)\*

This program supports the improvement and development of the medical, healthcare and welfare fields in emerging and developing countries through the procurement of Japanese medical equipment and welfare apparatus, which is underpinned by world-leading technology. The program also helps to build the "Japan Brand" in recipient countries, and aims to promote the spread of Japanese-manufactured products. To date, grants under this program have been agreed upon with Indonesia, the Philippines, Viet Nam, Sri Lanka, Pakistan, El Salvador, Mongolia, Jordan, and Georgia. As the procurement agent for each of these countries, JICS is steadily delivering the procured goods, mainly centering on public hospitals in and near capital cities and regional cities. The products procured include such large diagnostic imaging systems as CT scanners and X-ray equipment as well as such advanced medical apparatus as endoscopes and hemodialysis machines.

In Sri Lanka, the installation of a CT scanner at the recipient hospital along with training for medical staff was completed in April 2014. For JICS, this was the first time we had been involved in the procurement of a large, high-precision medical system,



Medical equipment and materials displayed at the handover ceremony (Pakistan / Japan's Grant Aid for Provision of Industrial Products)



Composting toilet trial model (Peru)

\*In FY2013, the program's name was changed from Non-Project Grant Aid for Provision of Japanese Medical Equipment to Non-Project Grant Aid for Introduction of Japanese Advanced Products and Its System (Medical Equipment and Welfare Apparatus Package).



CT scanner/workstation (Sri Lanka)

making it a particularly valuable experience. (For further details, please see pages 12–13.)

Normally, when a grant is for an industrial product, the warranty period is one year. However, detailed and frequent inspections and maintenance are necessary to maintain the effectiveness and safety of such equipment as well as ensure that it is used appropriately. For these reasons, JICS made a proposal to the Ministry of Foreign Affairs of Japan (MOFA) regarding the supplier contracts recommending that multi-year maintenance and service should be included. This proposal was adopted for procurements made from FY2013. The overall program is being reviewed on an ongoing basis, and when problems are identified JICS makes proposals for their resolution. As a procurement services provider, one of the roles expected of JICS is to find ways of making constant improvements.

### Non-Project Grant Aid for Introduction of Japanese Advanced Products and Its System (Next-Generation Eco-Friendly Vehicle Package)\*

“Next-generation eco-friendly vehicles” refers to types of vehicles that have been developed with such goals as reducing the use of gasoline and other fossil fuels as much as possible and lowering environmental burden. Such vehicles include gasoline–electric hybrid vehicles, electric vehicles (EV), plug-in hybrid vehicles, fuel cell vehicles and clean diesel vehicles.

This program grants vehicles to the public sectors of emerging and developing countries. These world-leading, next-generation vehicles produced by Japan are energy-efficient and have a low environmental footprint. As well as supporting the efforts of recipient-country governments in the environmental field, it is hoped that the products granted will also function as “mobile billboards” that will lead to Japanese companies capturing increased market share. Grants under this program have already been fulfilled in Jordan and Morocco, and further grants have been agreed upon with Indonesia, Peru, Viet Nam, the Philippines, Pakistan, the Dominican Republic, and Serbia.

The average age of public-sector vehicles in recipient countries is 10 years, with the average vehicle having travelled 300,000–400,000 km. Since there are many cases where vehicle fleets in these countries are becoming significantly aged, recipient-country governments welcome the opportunity to receive grants of Japanese-made next-generation vehicles, which boast high fuel efficiency and high-quality interiors and exteriors. For Japanese companies too, even if they have a global network of vehicle dealerships in almost every country, the initial cost associated with next-generation vehicles compared with conventional gasoline vehicles is high, and market penetration is still likely to take a considerable amount of time. Through this program, if state-of-the-art eco-friendly vehicles are seen running on public roads as public-sector vehicles, the promotional effect among the general public is high, and this is likely to act as a major foothold in overseas market development.

Although the particular vehicle model granted depends on the request of the recipient country, EV and plug-in hybrid vehicles require not only the vehicles themselves but also the establishment of such electricity-related infrastructure as charging facilities. While there are difficulties involved, such as the time and effort required for preliminary studies and coordination with related institutions, such projects provide a boost for overseas market development by Japanese companies in the area of electrical charging facilities.

### Proactively Meeting Needs in New Fields

Although the number of years since the establishment of these four programs utilizing products made by Japanese enterprises is still small, and there is room for adjustments and improvements in program design and execution methods, all four programs are centered on tied aid, and they have been received favorably by Japanese companies. However, compared with international competitive tender-based programs, since competition is limited one of the key tasks we face is how to keep costs down while maintaining a satisfactory level of quality.

In addition, through these programs, JICS has the opportunity to exchange detailed information with automobile and medical equipment manufacturers as well as SMEs in local areas, and the points of contact JICS has with a diverse range of enterprises has expanded. Against the backdrop of increased efforts to promote the overseas expansion of Japanese companies as part of a key national policy, JICS is leveraging the knowledge it has cultivated to date while it also seeks to work in new fields in which it still lacks experience.



Ambulances granted through Non-Project Grant Aid for Provision of Japanese Medical Equipment (Viet Nam)

\*In FY2013, the program’s name was changed from Non-Project Grant Aid for Provision of Japanese Next-Generation Eco-Friendly Vehicles to Non-Project Grant Aid for Introduction of Japanese Advanced Products and Its System (Next-Generation Vehicle Package).



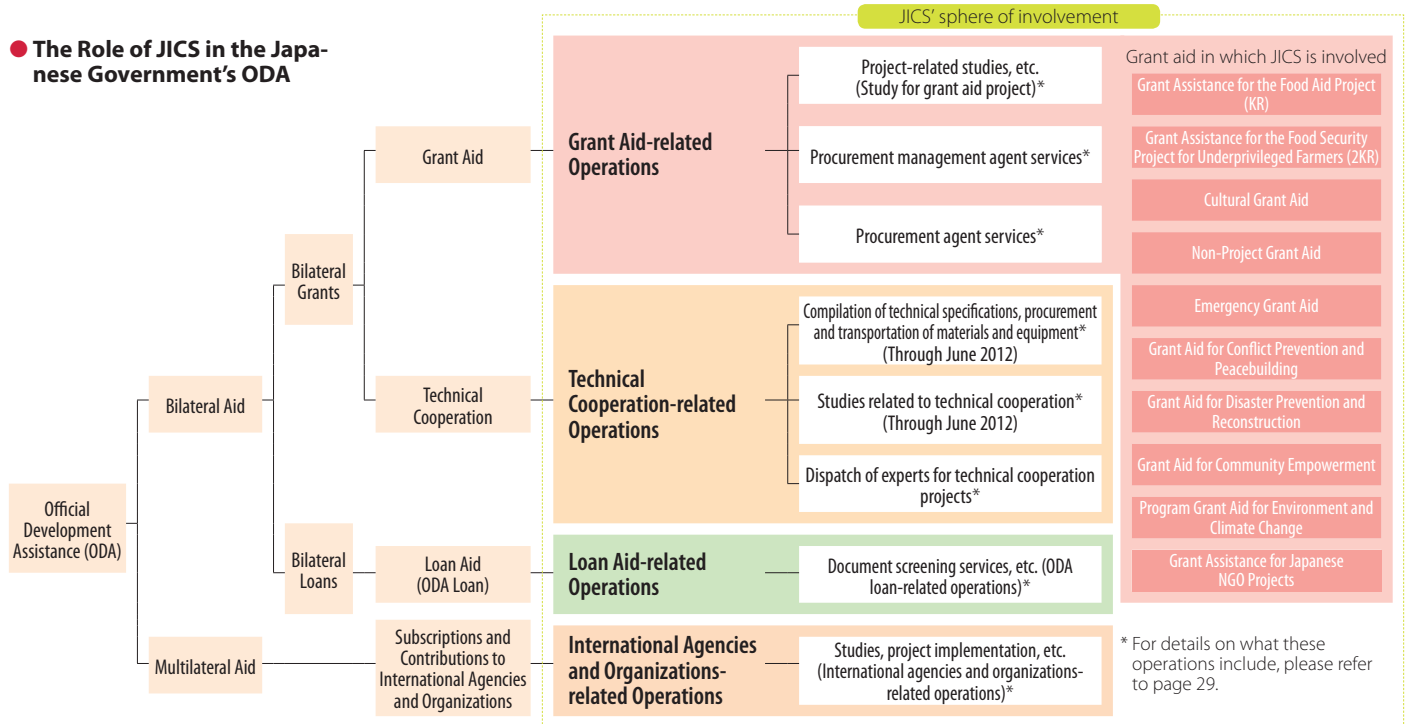
Handover ceremony for hybrid vehicles in Amman (Jordan)



Clean diesel vehicles being transported (Morocco)

# The Role of JICS in ODA

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



## The Role of JICS in ODA

ODA refers to economic cooperation undertaken by the Japanese 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 operations in which JICS is involved.

### Grant Aid-related Operations

Grant aid is a form of assistance whereby funds required for the procurement of goods, equipment and services are provided to developing countries without a repayment obligation.

In operations related to grant aid, JICS carries out procurement services, which include funds management, and project management, as an agent of the governments of recipient countries. We call these services procurement agent services.

JICS also conducts studies to examine the appropriateness of applications by recipient-country governments, and to consider the price and specifications of goods and equipment, and performs procurement management agent services to assist procurement procedures carried out by recipient-country governments, project application analysis, and report screening services.

### Procurement Agent Services

The Japanese government examines and considers applications from recipient-country governments before making decisions to provide funds. Funds are donated to recipient-country governments, but because the funds must be used in accordance with Japan's ODA rules, third-party organizations well-acquainted with those rules carry out procurement procedures and funds management. Through agreements with recipient-country governments, JICS conducts the procurement of goods and equipment and manages construction of facilities on their behalf.

JICS sets terms for tenders after confirming specifications, quantities and conditions for delivery or construction work relating to the goods and equipment or facilities, selects suppliers and construction companies through a tendering process, monitors progress of contract fulfillment by the contracted party, and manages project funds.

Goods and Equipment Procurement	Facility Construction
<p>[Features]</p> <ol style="list-style-type: none"> <li>JICS procures goods and equipment after confirming local import clearance procedures, systems in place for taking possession of and storing the goods and equipment, conditions at the installation site, the recipient country's systems for maintenance, and other factors.</li> <li>Some schemes involve tracking the progress of distribution of the procured goods and equipment and counterpart funds<sup>1</sup> deposited by the recipient country.</li> </ol>	<p>[Features]</p> <ol style="list-style-type: none"> <li>JICS and construction consultants determine facility specifications and construction work terms after checking the proposed construction site, road conditions, and general conditions for construction in the locality.</li> <li>JICS selects construction consultants and construction companies and carries out on-site project management.</li> </ol>
<ul style="list-style-type: none"> <li>Grant Assistance for the Food Aid Project (KR)<sup>2</sup></li> <li>Grant Assistance for the Food Security Project for Underprivileged Farmers (2KR)<sup>2</sup></li> <li>Non-Project Grant Aid</li> <li>Emergency Grant Aid</li> <li>Grant Aid for Conflict Prevention and Peacebuilding</li> </ul>	<ul style="list-style-type: none"> <li>Grant Aid for Community Empowerment</li> <li>Grant Aid for Disaster Prevention and Reconstruction</li> <li>Program Grant Aid for Environment and Climate Change</li> </ul>

\* Notes:

- Under self-help efforts, developing country governments deposit local currency counterpart funds equivalent to a certain proportion of the selling price 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) and Grant Assistance for the Food Security Project for Underprivileged Farmers (2KR) initially consisted of procurement management agent services.
- Goods and Equipment procurement schemes may involve facility construction and Facility Construction schemes may involve goods and equipment procurement.

## Schemes Mainly Involving Goods and Equipment Procurement



Rice stored in a warehouse (Sierra Leone)

### Grant Assistance for the Food Aid Project (KR)

Since 1968, Japan has been providing grant aid to developing countries facing food shortages, for the procurement of rice, wheat, maize and other staple grains. Food aid is sometimes referred to as "KR" owing to its historic link with the Kennedy Round (KR) of negotiations under the General Agreement on Tariffs and Trade (GATT). The International Grains 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 has been running this scheme since FY2001 and in FY2013 implemented procurement services for 27 projects, including ongoing projects from the previous year, mainly in Africa.



Tractor used at a training center (Myanmar)

### Grant Assistance for the Food Security Project for Underprivileged Farmers (2KR)

This is grant aid to developing countries which suffer food shortages, for the procurement of fertilizer and agricultural goods and equipment that will help increase the production of grain crops (rice, wheat, maize, etc.). Japan commenced this scheme in 1977, and it is carried out in Asia, Africa, Central and South America, Eastern Europe, New Independent States (NIS) 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. A decision was made in June 2014 to discontinue this scheme from FY2015.

JICS has been running this scheme since FY1989 and in FY2013 implemented procurement services for 11 projects, including ongoing projects from the previous year, mainly in Africa.



Ultrasonic diagnostic equipment manufactured in the area devastated by the 2011 Great East Japan Earthquake (Mongolia)

### Non-Project Grant Aid

Non-Project Grant Aid provides funds to developing countries that are implementing economic and social development such as poverty reduction programs 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. JICS carries out procurement of raw materials (petroleum products, steel, etc.) and machinery for public works (vehicles and construction machinery) selected by the recipient-country governments from a list of specified items. In recent years, industrial products and other products manufactured in areas affected by the Great East Japan Earthquake have been procured to assist reconstruction efforts, and procurement of equipment manufactured by Small and Medium sized Enterprises (SMEs), medical equipment and next-generation eco-friendly vehicles is also carried out since procuring Japanese products with advanced technologies creates additional opportunities for Japanese enterprises in overseas markets.

JICS started these services in FY1993 and in FY2013 implemented procurement services for a total of 82 projects, including ongoing projects from the previous year or earlier, for various countries in regions such as Oceania, the Middle East, Africa and Asia.



Wheel loader undergoing pre-shipment inspection (Jordan)

### Emergency Grant Aid

Japan provides Emergency Grant Aid from a humanitarian perspective, giving urgently needed funds to assist overseas victims of natural disasters and conflicts, as well as aid to restore the basic living infrastructure of affected communities. Emergency Grant Aid through international agencies and the Red Cross can also be used to support democratization in developing countries, including the holding of elections, and to support post-conflict reconstruction process.

In FY2013, JICS provided procurement agent services for a total of 9 Emergency Grant Aid projects, including ongoing projects from the previous year or earlier in Iraq and Afghanistan, and a new project in Jordan relating to Syrian refugees.



Road repaired following an earthquake (Haiti)

### 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 labor necessary for programs carried out in developing countries. This type of non-project grant aid has been implemented since FY2002 as part of Non-Project Grant Aid.

In FY2013, JICS implemented procurement services for a total of 13 projects, including ongoing projects from the previous year or earlier, in Sudan (now South Sudan), Afghanistan, Cambodia, Haiti, Uganda and other countries. Equipment assisting the holding of elections was procured for Nepal and bomb disposal equipment is being procured for Laos.

## Schemes Mainly Involving Facility Construction



Newly constructed Community Day Secondary School (Malawi)

### 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. Grant Aid for Community Empowerment can reduce project costs by incorporating local input into project specifications and design and positively utilizing local enterprises and locally sourced goods and equipment, and is expected to lead to the efficient use of grant aid funds. While this scheme can flexibly respond to diverse local needs and conditions, it requires high-level procurement management because of the wide range of means needed to meet procurement schedules and secure quality.

In FY2013, JICS managed a total of 32 projects relating to construction work for schools, health centers or other facilities, including ongoing projects from the previous year or earlier, in Africa and Asia.



Primary school-cum-cyclone shelter constructed in an area devastated by 2008 Cyclone Nargis (Myanmar)

### Grant Aid for Disaster Prevention and Reconstruction

For developing countries that are vulnerable to natural disasters, Japan provides grant aid comprising funds necessary for schools, cyclone shelters and other 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.

In recent years, projects involving the procurement of equipment for earthquake and tsunami observation and prediction/warning systems in countries located along the Pacific Ring of Fire (Vanuatu, Fiji, etc.), for disaster response and prevention, have been implemented, making use of relatively advanced Japanese technologies.

In FY2013, JICS implemented procurement services for a total of 7 projects, including ongoing projects from the previous year or earlier, mainly for countries along the Pacific Ring of Fire.



Groundwater desalination plant (white buildings at rear) and solar panels (Tunisia)

### 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.

In FY2013, JICS managed 57 projects continuing from the previous year or earlier.

## Services Other than Procurement Agent Services



Children wearing donated judo outfits (Uruguay)

### 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 nongovernmental organizations (NGOs) and local public agencies.

In FY2013, JICS undertook analysis of Grassroots Cultural Grant Aid project applications and continued from the previous year provision of General Cultural Grant Aid project assistance (procurement management services) for the procurement of equipment for geological research, camera and editing equipment, presentation and storage equipment, and other equipment, for 12 countries in regions including Central and South America and Asia.

### Grant Assistance for Japanese NGO Projects

This grant assistance program conducted by the Ministry of Foreign Affairs covers economic and social development projects carried out by Japanese NGOs and public service corporations in developing countries and regions. In FY2013, within this grant assistance program, JICS undertook examining of application documentation and post-project reports submitted by NGOs and other organizations.

## Technical Cooperation-related Operations



Local procurement seminar under JICA's technical assistance (Bhutan)

Technical Cooperation is a framework for assisting the human resources development, research and development, adoption of technology and establishment of programs required for economic and social development in developing countries. JICA plays a central role, for example by dispatching experts, supplying necessary equipment and implementing human resources training in Japan, in order to help build up issue resolution capability and improve ownership in developing countries.

In FY2013, JICS dispatched short-term assistance staff to 9 countries to facilitate the smooth implementation of procurement at JICA overseas offices by providing operational support for procurement and gathering information on procurement environments.

## Loan Aid-related Operations (ODA Loan)



A presentation on loan execution methods at portfolio conference (Kenya)

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 recipient 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 carries out primary checks of procurement-related documentation prepared by recipient countries to verify that the documentation conforms to JICA guidelines. In FY2013, JICS conducted 424 primary checks for projects in Southwest Asia, Latin America, Africa, the Middle East and Eastern Europe.

JICS also conducted studies aimed at facilitating the smooth implementation of Loan Aid projects and carried out services to revise standard documentation for tenders and other documents relating to procurement under projects receiving ODA Loans.

## International Agencies and Organizations-related Operations



Presentation by JICS at high level ASEAN Health Development meeting

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.

Since FY2006, JICS has provided procurement services for multilateral aid-related programs carried out by international agencies and organizations, including project works commissioned by the ASEAN Secretariat using part of the Japan-ASEAN Integration Fund (JAIF) established by the Japanese government to support ASEAN integration.

In FY2013, JICS implemented procurement services for a total of 8 projects continuing from the previous year or earlier.

## JICS' Initiatives for Developing New Business



Leaflet of JICS medical lecture for travellers

New business development, underway since April 2012, consists of (1) seeking new business which utilizes JICS' know-how to expand operations; and (2) development of new business through Public-Private Partnership (PPP) and private-sector activities. In FY2013, JICS was newly contracted to carry out the following services.

(1) Seeking new business which utilizes JICS' know-how  
MOFA: Grant Assistance for Japanese NGO projects screening services  
ODA loan: Loan aid project development and execution-related facilitation for Sub-Saharan Africa

JICA study: Information gathering and situation analysis relating to assistance for Syria  
Others include Emergency grant aid to Jordan relating to Syrian refugees and Non-Project Grant Aid for Introduction of Japanese Advanced Products and Its System.

(2) Developing new business  
MOFA and JICA promotion to build partnerships with SMEs: Preliminary studies for water purification projects in Viet Nam and Peru through cooperation with private enterprises  
Geothermal development project: Dispatching of personnel for consultant-run procurement services

JICS Medical Lecture for Travellers: A total of five lectures were held to provide information on tropical infectious diseases and methods for their prevention to people preparing to travel to countries where there is a risk of contracting infectious diseases.



# JICS' Major Activities in FY2013

## Non-Project Grant Aid for Provision of Japanese Medical Equipment (Sri Lanka)

Below we introduce the role played by JICS and the results achieved in Non-Project Grant Aid for Provision of Japanese Medical Equipment. This program procured Japan's excellent, advanced medical equipment and apparatus to support the improvement and development of Sri Lanka's medical and welfare sector.

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Director, Second Special Project Management Division  
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### Rumiko Takagi

Second Special Project Management Division  
Second Management Department



- Project Name: Non-Project Grant Aid for Provision of Japanese Medical Equipment\*
- Objective: Procurement of advanced Japanese medical equipment and apparatus as well as related services (installation and training)
- Counterpart of Agent Agreement: Ministry of Finance and Planning, Sri Lanka
- End User: Ministry of Health, Sri Lanka
- Grant Amount: ¥550 million
- Exchange of Notes (Bilateral Agreements): March 18, 2013
- Delivery / Completion: December 26, 2013 (Lot 2); April 25, 2014 (Lot 1)

\*In FY2013, the name of this program was changed to Non-Project Grant Aid for Introduction of Japanese Advanced Products and Its System (Medical Equipment and Welfare Apparatus Package).

## Q1. Please tell us about the background to this project and JICS' role in it.

Sri Lanka's civil war, which continued for over 25 years, came to an end in May 2009. Following that, the government of Sri Lanka implemented a set of policies focusing on the steady improvement of social services. As a result, there have been advances in basic health indicators. However, the capabilities of the country's public healthcare facilities remained insufficient, and owing to the country's provision of free healthcare based on social democratic principles, the public medical sector has suffered from chronic budget shortages.

The Japanese government decided to implement Non-Project Grant Aid for Provision of Japanese Medical Equipment, which would grant funds for the procurement of Japan's excellent, advanced medical equipment and apparatus to contribute to further improvements in Sri Lanka's healthcare indicators.

From an early stage following the decision to go ahead with this program, the Ministry of Health of Sri Lanka made a request regarding its desire, through this scheme, to introduce advanced examination equipment and increase the number of hemodialysis machines at six core hospitals in regions that have large numbers of kidney disease patients and suffer from critical shortages of such equipment. In response, JICS carried out the implementation of studies at the hospitals where the equipment was to be delivered, and undertook procurement of CT scanners and hemodialysis machines along with installation and training services related to this equipment.



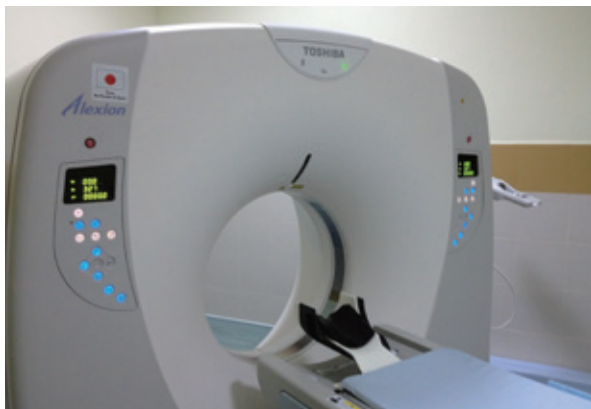
CT scanner/workstation



Hemodialysis machine delivered to Kandy Hospital

## Q2. Did you encounter any difficulties during the implementation of this project?

Prior to our involvement with this project, JICS did not have any experience in the procurement of advanced medical systems, such as CT scanners. Consequently, before commencing discussions with the the Ministry of Health of Sri Lanka, we had to investigate many aspects of the project. This included not only the equipment specifications but also such aspects as X-ray shielding, protection and approval and license procedures in Sri Lanka.



A CT scanner installed at a hospital in Colombo

Next, as a prerequisite for calculating the necessary costs, it was necessary to decide on the location for installation of the equipment at the hospitals that were to receive it. This included finding out the exact route for delivery of the equipment and the scale of the preparatory construction work. For example, if it turned out that the equipment was to be installed on the second floor, it would be necessary to knock out walls and lift the equipment up using a crane. Such large-scale works would take considerable time and expense. To ensure that the equipment would be installed in locations where delivery would be as smooth as possible, JICS visited all six hospitals spread throughout Sri Lanka that had requested the equipment, and held discussions with each hospital director on the details. Based on these talks, the costs to be borne by the Japanese side and the Sri Lankan side were each clearly defined, and we calculated the project costs.

In cases where a CT scanner arrived before delivery and installation preparations by the Sri Lankan side were complete, or the finished equipment was unable to be loaded onto ship for transportation to Sri Lanka and had to be stored in Japan, it would be necessary to secure storage space equipped with specialized air conditioning systems for precision equipment. Since such cases would incur costs, we paid particularly close attention to ensuring that there would be no disruptions to the delivery schedules.

In addition, each of the receiving hospitals were using existing systems to conduct examinations on several dozen patients per day. For this reason, if time was taken in removing the old equipment and delivering and installing the new systems, many patients would have to wait during that period. Hence, it was necessary to minimize the impact of this changeover, and draw up detailed plans that would result in the least disruption to diagnostic schedules.

With this in mind, we formulated meticulous plans and coordinated the manufacture and export of the systems in accordance with these plans. Even so, there were signs that preparations on the Sri Lankan side were tending to run behind schedule. However, through the JICS local coordinator, we conducted close communications in an effort to remain abreast of the situation in real time, and sent rapid instructions to end users and suppliers. As a result, we managed to keep any delays to a minimum.

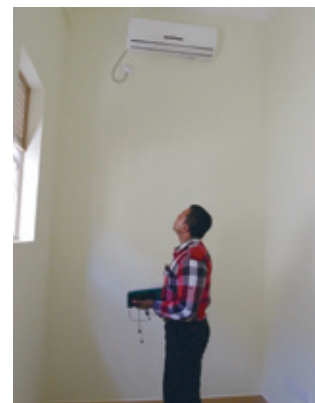


JICS staff member visits Colombo South Hospital

### Q3. Please tell us what achievements were made through this project.

This project involved a large amount of work from the preparation stage. The extent of this was much greater than would be expected in other types of equipment grant projects. After contracts were signed, at a kickoff meeting with the Ministry of Health, suppliers, local coordinators, hospital directors and other related parties, we discussed details of the project and clarified the responsibilities of each party within the process. We believe that these efforts contributed significantly to the smooth implementation of this project, and we are utilizing this experience in subsequent projects.

Simultaneously, the Sri Lankan side not only received the benefits of the grant aid itself but those involved also gained awareness as direct participants in the project execution process. In actual fact, those involved on the Sri Lankan side had to deal with a large number of tasks, including securing the budget for installation work related to X-ray shielding and protection as well as air conditioning systems, and ordering of construction work, carrying out approval procedures and coordinating schedules. As a result of the large amount of effort undertaken by the Sri Lankan side together with JICS, we developed a sense of unity with our Sri Lankan partners. The great level of cooperation and trust that we built up can be called a major achievement of this project.



JICS coordinator inspects the planned installation location of the uninterruptible power supply (UPS) for the CT scanner system at Hambantota Hospital

### Q4. What do you see as the significance of this project?

For the introduction of CT scanners, the Ministry of Health of Sri Lanka took into account not only the capabilities of the systems but also the post-installation running and maintenance costs over a long period. Based on this assessment, the ministry selected the 16-slice CT scanner system rather than the latest model that could photograph cross-section images comprising more than 100 slices. Since the hospitals had until now used models capable of photographing only one or two slices, the project realized improvements in examination accuracy and reductions in the time necessary for examinations. Costs for maintaining and managing the systems were also kept down.



Training at Hambantota Hospital

For the Japanese CT scanner manufacturers, it is hoped that the experience gained in delivering systems for an ODA project will become a stepping stone toward increased future opportunities.

In this project we pursued the twin objectives of contributing to the resolution of issues faced by Sri Lanka's healthcare sector and supporting Japanese companies that produce excellent medical equipment. Having realized both these aims, we feel that the role achieved by this project was large and that there is great future potential.

**Grant Aid for Conflict Prevention and Peacebuilding: The Project for Assistance to the Constituent Assembly Election (Nepal)**

In the Federal Democratic Republic of Nepal, there is an urgent need to make the transition to stable democracy and peace through the drafting of a new constitution by the Constituent Assembly. The first step in this process was an election to choose the Constituent Assembly. We asked the JICS staff member who worked on assistance for this election to explain JICS' involvement in this process.

**Shinji Hosoya**  
 First Construction Management Division  
 First Management Department



- Project Name: Federal Democratic Republic of Nepal Project for Assistance to the Constituent Assembly Election
- Objective: Procurement of items to be used in the election, and project management, including the management of grant funds
- Counterpart of Agent Agreement: Election Commission of Nepal, Federal Democratic Republic of Nepal
- Grant Amount: ¥149 million
- Exchange of Notes (Bilateral Agreements): July 24, 2013
- Delivery / Completion: October 2013

**Q1. Please explain how this project came about and JICS' involvement.**

Nepal has suffered from continuous political instability due to a civil war, but in 2006 a Comprehensive Peace Accord was signed between the Government of Nepal and the Unified Communist Party of Nepal (Maoist). In 2008, the first election for the Constituent Assembly was held. However, work in drafting a constitution by the first Constituent Assembly became stalled and the assembly was dissolved without having drafted a new constitution. Subsequently, as a result of negotiations among the major political parties, it was decided that the election for the second Constituent Assembly would be held on November 19, 2013.

The Government of Nepal made a request to the Government of Japan for assistance in the procurement of election-related items necessary for use at polling stations. Based on this request, on July 24, 2013, the two governments agreed to implement the Project for Assistance to the Constituent Assembly Election under the Grant Aid for Conflict Prevention and Peacebuilding program.

The experience JICS gained through involvement in the procurement of items used in the 2008 Constituent Assembly election was appraised highly. Consequently, for the 2013 elections the Nepalese government (Election Commission of Nepal) contracted JICS as its procurement agent and JICS undertook procurement of election-related items and project management, including the management of grant funds.



Pink stickers used for the proportional representation vote ballot boxes

**Q2. Please tell us which aspects of this project you found the most difficult.**

JICS signed a procurement agent agreement with the Election Commission of Nepal on September 9, 2013. To ensure that everything would be ready in time for the Constituent Assembly election on November 19, 2013, we needed to deliver all of the procured election-related items to the warehouse of the Election Commission in the Nepalese capital of Kathmandu during October. Hence, the extremely tight schedule for executing this project was the main hurdle.

JICS swiftly carried out the procurement procedures, selecting suppliers and signing contracts with those companies for four election items. The items were: (1) ballot box stickers to identify single-seat district vote ballot boxes and proportional representation vote ballot boxes; (2) voting partitions; (3) ballot box security seals; and (4) ballot boxes (only for the proportional representation vote—ballot boxes for the single-seat district vote were procured in 2008).

Since all of the items were to be imported from outside Nepal, we needed to

carry out a range of processes with speed and accuracy. These included confirmation of shipping schedules, support for customs clearance procedures, and inspection of the goods at the Election Commission warehouse. Amid frequent manufacturing problems at contracted suppliers, I visited production sites in the United Kingdom and other sites overseas to conduct discussions and negotiations regarding



Light blue partitions for the single-seat district voting



Ballot boxes



Light green ballot box security seals



Proportional representation voting. The ballot boxes were marked with pink stickers, and the ballot boxes were sealed with security seals in four places (Photograph credit: *Gorkhapatra Online*, November 20, 2013)

measures to ensure delivery according to schedule. Meanwhile, since the election materials had to be shipped to all parts of the country and the Nepalese authorities were arranging helicopter shipment of items to polling stations where road shipment was not possible, execution of the project was carried out while closely coordinating delivery schedules for goods with the institutions involved on a daily basis. As a result, ultimately we were able to meet the prescribed schedule, and fulfill the Election Commission's requests.

Since election-related items are not the type of goods that are handled on a day-to-day basis, I believe that production and delivery on such a short time frame meant a significant amount of pressure for the manufacturers. When setting the specifications for the election-related items, since the products were to be used in conjunction with items used during the first Constituent Assembly election in 2008, it was necessary to select goods that were the same as those used previously so as not to cause confusion among election officials at polling stations. Hence, even detailed specifications—such as colors, color depth, and textures—had to be the same as the first election. Another key specification was the size of the slot on the ballot boxes. The Nepalese government prepared the ballot papers, which had to be printed on large sheets of paper in order to list more than 100 political parties and show the logo of each party. The closed-question ballot paper needed to be designed so that even voters who were not literate would be able to vote. When this ballot paper was folded to be put into the ballot box, its thickness meant that the ballot box slot had to be large. Since JICS possessed data from its experience in procurement of similar materials in the past, we were able to select in a short time manufacturers that could produce the items required by the Election Commission of Nepal.

### Q3. Please explain the significance of this project.

On the day of the election, there were no significant disruptions and voting proceeded smoothly nationwide. This election marked the first step in Nepal's process to draft a democratic constitution. Reflecting the expectations of the Nepalese people, the election turnout was 76%, a 10 percentage point increase on the turnout recorded in the first election in 2008. Through this project, it is hoped that a new constitution can be drafted and this will lead to the implementation of policies and projects that improve the lives of Nepalese citizens. It is also hoped that peace will become firmly embedded in Nepal and the country will progress steadily along the path of democracy.

Since there is not a constant demand for election-related items, there are no manufacturers that specialize in only producing such goods. However, through support projects for the elections in 2008 and 2013, JICS has gained a wide range of information. By utilizing this information and knowledge, we want to continue building a structure that can satisfy the needs of other countries too by sourcing materials worldwide and delivering these with a high degree of reliability.



Ballot box and partition for the single-seat district voting (Photograph credit: Embassy of Japan in Nepal)



After the proportional representation voting was complete, the ballot box slots were sealed up using security seals (Photograph credit: Embassy of Japan in Nepal)

## Grant Aid for Community Empowerment: The 5th Project for Construction of Primary Schools (Cameroon)

Primary school construction in the Republic of Cameroon, which began in 1997, was implemented under the Grant Aid for Community Empowerment scheme from the fifth project. As the procurement agent of the Government of Cameroon, JICS managed the execution of the overall project. Here, the JICS project manager discusses the knowledge gained through the project and issues that remain for the future.

### Kiyotaka Takei

Third Construction Management Division  
First Management Department



- Project Name: The 5th Project for Construction of Primary Schools
- Objective: Construction of 31 primary schools comprising 202 classrooms, 31 administrative blocks and 24 toilet blocks at 17 sites in the Northwestern Region and the procurement of school furniture
- Counterpart of Agent Agreement: Ministry of Basic Education, Republic of Cameroon
- Grant Amount: ¥966 million
- Exchange of Notes (Bilateral Agreements): July 19, 2011
- Delivery / Completion: From October 2013 to May 2014, handover at each site when completed

## Q1. Please provide an overview of the 5th Project for Construction of Primary Schools.

Japan's projects for primary school construction in the Republic of Cameroon began in 1997. From the first to fourth projects, in nine out of Cameroon's 10 regions the program built a total of 1,331 classrooms at 101 sites in 22 cities and towns.

Until the 4th project, schools were built as part of Grant Aid for General Projects, and construction was carried out by Japanese construction companies. However, the 5th Project for Construction of Primary Schools was brought under the Grant Aid for Community Empowerment program.

As the procurement agent of the Government of Cameroon, JICS signed contracts with local construction companies and furniture companies. Under this structure, JICS carried out procurement for construction of 31 primary schools comprising 202 classrooms, 31 administrative blocks and 24 toilet blocks as well as school furniture at 17 sites in the Northwestern Region, which was the last province to be covered by the program.

The Northwestern Region has a particularly low level of school enrollment, even compared with the rest of Cameroon. Many of the existing primary school buildings were built from adobe (sun-dried earth) bricks, and had deteriorated to the point of being run down. Furthermore, many of the classrooms were completely dark inside even during the daytime. Under this project, the buildings were constructed from robust reinforced concrete structures with white mortar-covered walls and large windows made of stacked hollow blocks. Although the area does not have electricity supply, the design provides an ample amount of brightness inside the classrooms using only natural light sources. Since the area lacks sewerage systems, the lavatories use a permeation system rather than flush toilets.



Some of the previous classrooms, built from brick



The old classrooms were dimly lit even in the daytime

## Q2. What specific measures did you take to ensure that the project progressed smoothly?

Excluding the consultant, all of the work was carried out with local companies. Hence, things like Japanese business practices and unspoken communication did not have currency at all. All necessary matters were included within the written contracts, and we took particular care to clarify matters pertaining to money and the assignment of responsibilities.



The shining, white exterior of the new classrooms

The project included more than 30 contracted companies, and our tasks were both complex and numerous, including management of progress in accordance with each contract and monthly payments based on the work completed. However, around half of the companies had experience working as subcontractors for Japanese construction firms during the first to fourth school construction projects. Hence these companies had an understanding of the standard of work required by Japan, enabling the project to make smooth progress. For the companies participating for the first time, the Japanese consultant made frequent visits to the construction sites and provided careful guidance. Thanks to such efforts, the construction work



The new classrooms have a brightly lit interior thanks to the use of hollow block windows

was completed on schedule.

Looking back, I believe that both teamwork and leadership are crucial in guiding a project to a successful conclusion. Teamwork includes not only JICS' internal teamwork but also encompasses everyone involved in the project, from the 30 companies involved in construction work and furniture procurement to the consultant, lawyers, JICA, the partner country government, MOFA and the Japanese embassy. It is important for everyone to be focused on the common goal of creating high-quality buildings and furniture in the allocated time frame, and heading directly for that goal. Put another way, although each of the team members does separate things during their ordinary routines, when working on the project everyone's focus has to be on the common goal and all members need to adopt a shared set of values. Leadership takes place through each

person in each organization taking action based on thinking about what they need to do to achieve the shared goal if they were leaders themselves. As project manager, I worked to maintain motivation by explaining to the presidents of each of the construction and furniture companies that if the construction work progressed quickly, they would save on labor costs and those savings would translate into increased profit for the company. As a result, we were able to complete the project on schedule without a hitch, based on a win-win relationship.

### Q3. Were there any unforeseen events during the project?

The project sites were a two-hour drive from the regional capital of Bamenda, which is itself 350 km, or seven hours by car, north-west of the Cameroon capital of Yaoundé. The sites located in mountainous areas did not have any restaurants nearby, and during the construction work it appeared that some of the local workers became stressed. This manifested in various frequent labor problems, such as workers running away from sites and strikes for pay increases. On each such occasion, I met with the president of the construction company concerned, and together we discussed how to solve the problems.

Through these efforts, Japan succeeded in building primary schools in areas that even many Cameroonians found harsh. Despite that, we built beautiful, white, reinforced concrete buildings, which are very robust. It made the local villagers very happy.

The handover ceremonies for the completed primary schools were magnificent affairs, with much singing and dancing, and we received words of gratitude from many of the local people. In one such setting, suddenly the local king (chieftain) conferred on me the title of "Fon," which is the local noble appellation. On the same day, at handover ceremonies in two other villages, I also received the title of Fon from two other kings. Conferment of this noble title is the highest expression of gratitude in the region. Being given the title of Fon was the most unexpected occurrence during the entire project, and at the same time it was a very happy experience. The deep sense of gratitude felt by the villagers toward the Japanese government and Japanese citizens came through very strongly.



A children's choir performs to welcome guests at a handover ceremony

### Q4. What issues remain outstanding and what is your outlook for the future?

One of the factors behind the smooth completion of the 5th Project for Construction of Primary Schools was the presence of local companies that were involved in construction work from the first project onward, which were implemented as Grant Aid for General Projects. This can be seen as proof that Japanese technology and know-how are being steadily accumulated by companies in Cameroon.

Through the completion of the 5th Project for Construction of Primary Schools, the initial goal set by the Japanese government of building primary schools in all 10 of Cameroon's regions has been attained. However, recent years have seen a large influx of people into urban areas from provincial areas, and this has led to shortages of classrooms in the cities' outer suburbs. A request has been made by the Government of Cameroon for new projects to be undertaken in these areas where population is increasing. Whether this request is taken up is a matter for the Government of Japan to decide, but if it is possible to accept the request and Japanese technology and know-how takes root further, I believe that Japanese assistance is likely to become even more effective.

For the people of Cameroon, Japanese assistance is very strongly associated with primary schools. Many parents hope to send their children to clean, well-built schools. The KIREI-NA GAKKO\* contest run each year by the Ministry of Basic Education has contributed to this consciousness. All the schools built since the first project have been maintained properly, and have remained attractive and clean. Consequently, I believe that primary school construction in Cameroon has been a very beneficial project.



The local king (front row, fifth from the left) strolls during a handover ceremony, along with the attendants and JICS project manager Kiyotaka Takei (on the right of the king)



Fon Asaahna II (left), King of Banjong Village, and project manager Takei, who received the noble title of Fon

\*KIREI-NA GAKKO (clean schools): Since 2011, for the schools built using grant assistance funds from Japan, judging is carried out with regard to maintenance, management and hygiene, and schools judged to meet a standard of excellence receive an award.

### Support for Project Formulation and Promotion of Disbursement under Japanese ODA Loans in Sub-Saharan Africa (Sub-Saharan Africa)

JICS dispatched its employees as experts to six countries in the Sub-Saharan Africa region to facilitate loan aid project development as well as smooth progress and execution in such projects. We asked two of the staff involved in these services in recipient countries to provide an overview of this project and discuss the future potential for similar services.

**Toshiyuki Nakazawa**  
Grant and Loan Cooperation Support Division  
Third Management Department



**Shunichi Kudo**  
Third Management Department



- Project Name: FY2013 Sub-Saharan Africa Region ODA Loan Project Development Support and Loan Execution Facilitation Services (Sub-Saharan Africa)
- Objective: With the objective of supporting the facilitation of loan aid project execution in six countries in the Sub-Saharan Africa region (Kenya, Uganda, Tanzania, Senegal, Cameroon and Zambia), in-country provision of loan execution support, repayment support, procurement procedure support, investment and loan forecast preparation support, and new project development support
- Counterpart of Contract: Japan International Cooperation Agency (JICA)

#### Q1. Please provide an overview of this project.

At The Fourth Tokyo International Conference on African Development (TICAD IV) held in 2008, the Japanese government announced its pledge of up to ¥400 billion in ODA loans over a period of five years. In 2012, in the Sub-Saharan Africa region a total of 26 loans were executed with 11 countries.

However, these countries only had a limited track record in terms of the number of loans previously received, while the counterpart governments and executing agencies lacked proficiency in loan procedures. In addition, internal government approval procedures are complex, and this contributed to the loan balance as of the end of FY2012 totaling ¥225.3 billion. Appropriate project progress and loan execution facilitation were issues that needed to be addressed.

Furthermore, at The Fifth Tokyo International Conference on African Development (TICAD V) in 2013, the Japanese government newly pledged up to ¥650 billion in ODA loans over five years. Consequently, JICA decided to dispatch experts to six countries in the Sub-Saharan Africa region (Kenya, Uganda, Tanzania, Senegal, Cameroon and Zambia) to facilitate loan aid project development, smooth progress in projects and loan execution. Through a proposal-based competitive tender, JICS won the contract for this project.



A presentation in Uganda on loan execution methods

#### Q2. What were the difficult aspects of this project?

For this project, it was not JICS' mission to carry out procurement operations on behalf of the aid recipient-country government and executing institution as the procurement agent. Rather, it was our mission to support the recipient-country governments and executing institutions in project development, procurement implementation, loan execution, investment and loan forecasting, and improvement of bottlenecks in the implementation of loan repayment.

For example, the loans are not disbursed in a lump-sum payment, but instead they are executed in accordance with each request to JICA from the borrower (recipient-country government) based on requests from the contractor/consultant. However, due to such factors as inadequacies in documentation, there were cases where procedures took some time and a long period elapsed between the request



A meeting at an executing institution in Senegal



A presentation on loan execution methods at a portfolio conference in Kenya

from the contractor/consultant and actual payment. In repayments accompanying loans, there were also such instances as repayment delays due to lateness in procedures, insufficient repayment amount due to exchange rate fluctuations, and repayment delays due to the time difference between the recipient country and Japan. Falling into repayment arrears may have such impacts as preventing the execution of new loans. Hence it is necessary to make improvements by understanding the process, ascertaining where the problem lies, and submitting an appropriate solution proposal. However, it was not necessarily an easy task to achieve definite results during the three-week time frame allocated for each country visit. There were cases where we only understood the specific issues involved after arriving in the country. Such issues included slowness in procedures at the institutions concerned within the recipient country.

Through such work, we designed operational flows based on interviews with recipient-country officials, and produced visualizations of such aspects as the content of each type of operation and the time necessary to carry out operations. By sharing these—including problematic points—with the personnel involved in performing procedures, we gained further insights. We believe that this process achieved a certain level of impact.

In addition, for new projects, although our brief was to develop projects in which Japanese companies could participate, generally the infrastructure projects needed by recipient countries in Africa do not require Japan's advanced technology. Such factors meant that matching Japanese companies with potential projects was difficult. However, in the case of East Africa, since there are a large number of past achievements in Grant Aid for General Projects, a foundation already exists for market entry by Japanese construction companies. Hence it seems likely that participation in loan aid projects for such companies will be relatively straightforward.

### Q3. Were you able to utilize the experience and knowledge accumulated by JICS to date?

Compared with the grant aid projects that JICS has mainly been involved with to date, loan aid projects are different in terms of both scale and institutional structures. However, the know-how and capabilities developed by JICS through its operations to date were useful in this project. Such experience and know-how includes such operations as selection and contracting of consultants and contractors through in-country tenders, procurement of equipment and materials, management of project execution, and post-project supervision. We have also developed relevant experience through primary checks on loan aid procurement procedures, post-procurement audits, and services related to Grant Aid for Community Empowerment and Grant Aid for Disaster Prevention and Reconstruction. In addition, JICS has been involved in a large number of projects in Africa, and we have previous project experience in all of the countries participating in this scheme. I believe we were able to leverage our abundant knowledge related to the Africa region during the project.

### Q4. What was the significance of this project?

African recipient-country governments and executing institutions are familiar with various procedures required by such bodies as the World Bank and the African Development Bank. However, the lack of familiarity with procedures for Japanese ODA loans stood out in some cases. To expand the number of projects as pledged by Japan at TICAD V and achieve steady implementation of these projects will require ongoing capacity building in the area of administrative procedures at the frontline level, as was carried out during this assistance project. In this case, capacity building refers to the development of



A study session on project delays with Tanzania National Roads Agency engineers

skills in developing countries necessary for the implementation of various types of projects.

Loan aid projects require complex procedures to be carried out over an extended period. For this reason, to facilitate the execution of efficient loan aid projects, the recipient-country executing institutions and JICA need know-how to be accumulated and passed on. If JICS can maintain involvement in the facilitation of loan aid project execution from a long-term, broad perspective, I believe that we could become a valuable partner in loan aid program execution in a similar way to our involvement in conducting primary checks on procurement documentation.



# Stakeholder Comment

How do JICS' stakeholders—from their various perspectives—view the services provided by JICS and Japan's ODA programs?

JICS' stakeholders include such parties as the governments and citizens of Japan and its recipient countries, and the companies and NGOs involved in each procurement project. For this report, we considered the responses regarding the provision of farming equipment in the Republic of Moldova, a country in East Europe; and food shortages being faced by the Republic of Liberia, a country in West Africa.

## Republic of Moldova: Grant Assistance for the Food Security Project for Underprivileged Farmers (2KR)

### A project to support underprivileged farmers throughout Moldova



Republic of Moldova

**Vasile Bumacov**

**Minister of  
Agriculture and  
Food Industry**



### Agriculture is an Asset that Shoulders the Future for a Region

Agriculture is a valuable sector of the economy of the Republic of Moldova, and is extremely central to rural life. Not only is it our primary source of food but also a broad set of common public goods, our culture, traditions, values, and natural resources, as well as a future for our region and our heritage.

A successful business in agriculture cannot be developed without technology and modernization, improved access to finances, know-how and resources. In 2000, the Government of Japan launched a project initiative that greatly contributed to an increase in the level of technology used in our agricultural sector.

Over the more than a decade since then, the Republic of Moldova has benefited from the Grant Assistance for the Food Security Project for Underprivileged Farmers (2KR) used for the procurement of equipment for agricultural producers with disadvantageous conditions.

The trust and confidence built between the governments of Japan and the Republic of Moldova through transparent and efficient implementation of the project resulted in a series of grants offered by the Government of Japan totaling more than US\$20 million.

### Gaining New Agricultural Technologies through Continuous Expansion of the Project

Within the implementation period, the 2KR Project has become one of the most important distributors of agricultural equipment in the country, concluding more than 3,000 contracts with farmers.

JICS and the Project Implementation Unit, which is responsible for the project implementation process, have achieved the establishment of a reliable and efficient operation, building

trust between the beneficiaries, governments and producers' associations.

It is important to note that during this time, the number of beneficiaries has extended considerably and the project is now known throughout every village in Moldova.

Continuous diversification of the project activities and the implementation of innovative approaches utilizing the counterpart fund of the grant assistance and the revolving fund accumulated out of the counterpart fund ensure additional possibilities for farmers in the application of modern agricultural technologies.

### Achievement of Sustainable Growth in the Agricultural Sector

The value-added outcomes of the assistance are the most significant for our country—the creation of new jobs in rural areas, the transfer of expertise, the development of business and sustainable growth in agriculture. Successful implementation and reliable conditions of the assistance projects are stimulating agricultural producers to invest even more in agriculture, to expand their business and to launch new initiatives.

Allow me to express my sincere gratitude for all the assistance the Government of Japan has provided to the Republic of Moldova. Due to the deep structural transformation of the Moldovan economy, agriculture faces many challenges in its development path and during this process Japan's assistance has been invaluable.

To conclude, I would like to assure that we are firmly committed to our cooperation with Japan and implementation of projects to support the economic development of our country. It is my sincere hope that we can encourage new cooperation initiatives and develop an ambitious work program ahead of us.

## Republic of Liberia: Grant Assistance for the Food Aid Project (KR)

Use of counterpart funds to implement rice cultivation project contributes to food supply stabilization



Republic of Liberia  
**Honorable Axel M. Addy**  
Minister of Commerce  
and Industry



### Sustainable Procurement of Rice to Distribute to Consumers

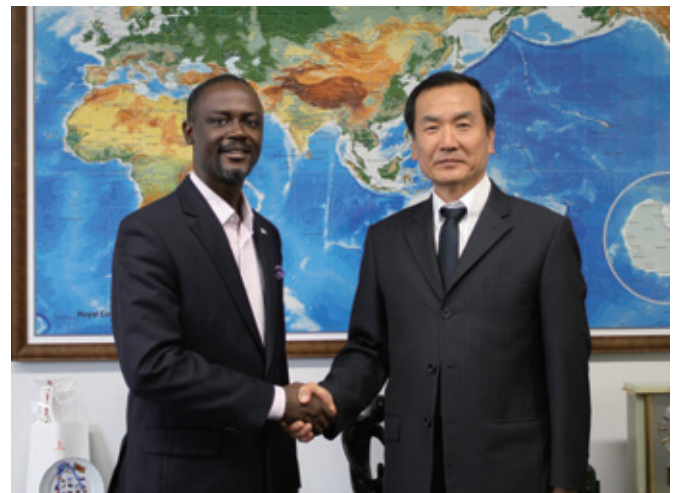
In 2008, there was an intermittent upsurge in the prices of cash crops before the global financial meltdown. This was especially noticeable with rice—Liberia's major food staple. Mindful of the political and economic importance of rice and the need to ensure food security for Liberia, several Exchange of Notes (E/N) were signed between the governments of Japan and the Republic of Liberia for Grant Assistance for the Food Aid Project (rice) and Non-Project Grant Aid (petroleum products).

I am therefore quite delighted and grateful for the wonderful partnership we have had with the government and citizens of Japan since 2008. The KR Project is an Innovative Development Assistance Program (IDAP) that is positively impacting the lives of the poor in Liberia.

Under the KR Project, approximately 60,000 tons of rice has been procured—fiscal year 2008 totaled 8,612 tons, 2010 19,101 tons, 2011 10,015 tons, 2012 12,270 tons and 2013 8,060 tons (undergoing). The procured rice was distributed to consumers through distribution and retail chains. The current Liberian rice market is a highly competitive one, for which the KR rice helps to stabilize.

### Rice Production in Liberia Expands Steadily

I am to mention that the implementation of the Paddy and Seed Rice Project by the Ministry of Agriculture, funded by the counterpart fund from the KR Project, continues to encourage local farmers to produce more. In addition, the effectiveness of KR can also be evaluated in terms of increase in the level of employment through the sale/distribution of KR Food Aid in Liberia.



On May 29, 2013, the Minister of Commerce and Industry, Mr. Addy, visited JICS during his visit in Japan to participate in The Fifth Tokyo International Conference on African Development (TICADV).

Japan's ODA has impacted the value chain from the beginning to the end, for which the rice production in Liberia is successfully growing. Indeed, thanks to Japan's NERICA and Paddy and Seed Rice Projects, the children of Liberia can now enjoy 100% Liberian rice in their school feeding program.

The professional partnership we have with JICS has led to over US\$34 million in project funding. The success of this project is much attributed to the professionalism in JICS' management of our bilateral relationship.

# The Environment for JICS and ODA

## Diversifying ODA and the Challenges facing JICS

Development cooperation with developing countries is a type of “investment in the future” toward the stability and development of the entire world and of Japan itself. As the 60th anniversary of Japanese ODA and the 25th anniversary of JICS, 2014 marks a new beginning in our “investment in the future.”

### 2014 is a Milestone for Japanese ODA and JICS

The year 2014 is a milestone for both Japanese ODA and JICS.

Sixty years have now passed since 1954 when Japan joined the Colombo Plan, an international organ which assists developing countries, and began providing ODA. Twenty-five years have also passed since 1989 when Japan became the world’s top donor country and JICS was founded as Japan’s first specialist procurement organization. In addition, this year saw the first revision to the ODA Charter—which is the foundation of Japan’s ODA Policy—since it was last revised in 2003 and the new charter will be decided by the Cabinet within FY2014.

At JICS, FY2014 is the final year of our “2012–14 Medium-term Operational Action Plan.” We have implemented various policies including development of new business projects and building up a highly competitive organization, and will continue focusing on efforts toward expanding business. We are presently preparing the “2015–2017 Medium-term Management Plan,” and we are examining actions demonstrating the “offensive” stance required for efforts toward business expansion in this next plan.

### ODA is “Investment in the Future”

Japan’s ODA protects the livelihood of the Japanese people, who are highly dependent on foreign food and energy, builds better international relations, and has boosted Japan’s presence in the international community. One proof was the assistance Japan received from 163 countries and regions worldwide following the March 2011 Great East Japan Earthquake.

The roles of ODA have recently been diversifying further. First, with the great changes in the political and security environment surrounding Japan, there are now calls for more strategic development of ODA toward the formation of an international order based on democracy, human rights and the rule of law.

Next, there are also outstanding changes taking place in the global economic environment. With the globalization of the economy, many developing countries that were formerly dependent on ODA have come to attract attention as new investment destinations and markets, and with the flows of private-sector funds from the industrialized nations surpassing ODA. For that reason, there are growing expectations that for the developing countries ODA serves as a catalyst drawing private investment, and also as a motive power for upgrading infrastructure, training human resources, and BOP (Base of the Pyramid) business efforts.

Meanwhile, for countries that cannot be expected to draw private capital flows, ODA assistance is necessary based on the principle of “Human Security” to build up countries and societies where people can live with respect free from regional conflicts, terrorism, infectious diseases and poverty.

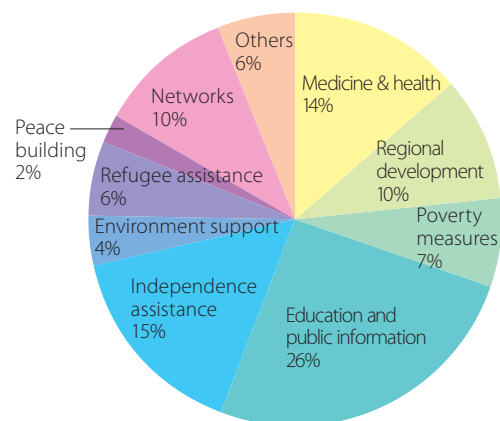
Aid to developing countries is in the interests of the international community, including the developed countries. Aiming for sustainable global economic growth is essential to secure stable development and prosperity for the entire world. ODA is an “investment in the future” toward the future autonomous development of developing countries, and so that the development will become seeds for the growth of the entire world and of Japan itself.

### JICS Support for NGOs

Along with longstanding central government initiatives, the bodies making “investment in the future” have recently expanded to include NGOs, private businesses, local governments and universities. JICS has been independently developing NGO support activities since 1999. With our transition to a not-for-profit general incorporated foundation, these activities are classified as activities implemented under planned expenditure for the public fund and we are continuing this support in what is now its 15th year. JICS support for NGOs is flexible enough to cover not only “direct business expenses” to support the project activities of each organization but also “Funds for strengthening the foundations of the NGOs” to help NGOs secure offices, pay staff, and acquire PCs and other equipment, and it is gladly received by a large number of NGOs.

While advancing cooperative relations with such new development assistance partners, JICS is contributing to the peace and stability of the international community as a player in the international cooperation field through ODA projects which are changing and becoming increasingly diverse.

● JICS Support to a Cumulative 161 NGOs from FY1999 through FY2013 by Field



# JICS Recent Events

## FY2013 Meetings of the Board of Directors and the Board of Trustees

In FY2013 the Board of Directors convened six times and the Board of Trustees convened once. The Board of Directors received appropriate reports on such matters as the foundation's management situation, the progress of the Medium-term Operational Action Plan and efforts toward new business projects, and worked for the sound operation of the foundation.

At the regular meeting of the Board of Trustees held in June 2013, the Trustees shared positive expectations toward the inclusion of both veteran and young employees in efforts toward developing new business projects centered on the New Business Development Office and Task Forces to Develop New Businesses.

## Participation in International Cooperation Events

JICS participates in diverse types of international cooperation events, viewing them as valuable opportunities to speak directly with stakeholders and participate. In FY2013, JICS had an exhibition booth at TICAD V (5th Tokyo International Conference on African Development), Global Festa Japan 2013, and the One World Festival.



Explaining JICS procurement activities at Global Festa Japan 2013

## Initiatives to Promote Understanding of International Cooperation

JICS dispatches lecturers to deepen understanding about international cooperation, ODA and JICS' operations among the general public.

In FY2013, a JICS lecturer was dispatched to present a lecture to the Kitakyushu Global Pioneers at the University of Kitakyushu. The lecture "ODA is Actually Right Here" explained how ODA benefits not only recipient countries but also supports Japan. The speaker presented the contents of JICS' operations, and introduced study tours and internships at JICA and international cooperation NGOs in Kitakyushu as activities where university students can participate.

In discussions after the lecture, students said they had learned for the first time how ODA is for the benefit of Japan as well, showing that the presentation had contributed to a better understanding of international cooperation among the students.



JICS employee speaking at Kitakyushu University

## Social Activities: Delivering Handmade Goods from the Mothers of Ishinomaki City, which Suffered in the Great Earthquake

To express our gratitude to the people across the world who gave support to the Great East Japan Earthquake disaster areas, JICS has begun buying goods from a local NGO and presenting them as gifts when we travel abroad.

JICS is purchasing business card cases and bookmarks crafted using kimono cloth by members of the "Always Playing Around" healthy mothers club of Ishinomaki City, Miyagi Prefecture, which suffered severe damages in the Great East Japan Earthquake. We have prepared and attached a sticker to the outside of the cases which reads, in English, French and Spanish: "These business card cases and bookmarks were produced by the people living in devastated area of Japan hit by big earthquake and tsunami occurred in 2011. To appreciate all supports from the world toward them, JICS delivers these card cases and bookmarks with their warmth."



Paraguay: Minister of Environment Ms. Maria Morales (center) standing next to a ministry advisor (left) expresses her thanks for the card case, and wishes for the "earliest possible recovery of the disaster areas."

When we give these as presents on overseas business trips, we explain about this initiative and the group producing the cases, and receive condolences and encouragement from the recipients to the disaster areas. We convey these messages to the healthy mothers club.



Niger: Minister of Secondary and Higher Education Ms. Bety Aichatou H. Oumani (right) expresses "condolences to the disaster victims and the earliest possible recovery."

## Social Activities: Volunteers Donate Stationery Goods for Syrian Refugee Children

JICS was involved as the procurement agent with Japanese government assistance (emergency grant aid to Jordan) for approximately 530,000 Syrians refugees (as of Sept. 2013) from the ongoing civil war in Syria. Two JICS employees who visited Jordan as part of these operations in October 2013 noticed how many of the Syrian refugee children could not attend school and suffered from a shortage of daily necessities.

After returning to Japan these two employees began asking for stationery goods inside JICS as small presents to the children, and collected a large number of notebooks, pencils, crayons and other items. When the two employees returned to Jordan in November of the same year, they gave these items to the children through a local charitable activities group.

We later received a photograph of the cute children holding a thank-you message written in Japanese and English.



Children holding the hand-written message "THANK YOU AND YOUR FRIENDS"

## JICS' NGO Support Activities

### ► Outline of NGO Support Activities and Determination of Groups Receiving Support in FY2013

JICS has been providing financial support to small and medium sized Japanese NGOs that conduct aid activities for developing countries since 1999, to contribute to the further development of international cooperation activities by civil society groups. With JICS' transition to a general incorporated foundation in FY2012, these activities are classified as planned expenditure for the Public Fund.

When this program first began, the financial support was mostly provided for purchasing equipment and materials for overseas development projects and for their transportation expenses. The support has subsequently changed to meet the diversified needs of NGO activities, from the perspective of reinforcing and improving NGOs' capabilities, with the introduction of support for "Network NGO" activities to promote and develop NGO activities, and "Funds for Strengthening the Foundations of the NGOs" including NGO headquarters personnel expenses and the costs of preparing public relations tools which lead to strengthening NGOs' foundations.

To date, JICS' NGO Support has been provided to about 10 groups each year, with a maximum award of ¥1 million. In FY2013, 38 NGOs applied and 11 of these groups were selected to receive support after deliberation by the Selection Committee. Half of the applications were for Funds for Strengthening the Foundations of the NGOs, which is a distinctive characteristic of this program. (The NGO names and assistance contents are presented on p.45 of Part 2.) Through the end of March 2014, a cumulative 161 NGOs have received total assistance of ¥138 million.

### ► FY2013 JICS' NGO Support Activities: Report on Activities and Exchange of Views

In addition to providing financial assistance for activities, the NGO Support program holds a meeting each year for the NGOs supported to report on their activities, and to exchange opinions and interact with other NGOs and outside experts.

The FY2013 activities reports and information exchange meeting was held October 31, 2013, with 10 of the groups receiving assistance in FY2011 participating. The groups are engaged in a wide range of activities, including the provision of ophthalmology, refugee assistance including psychological care, promotion of ties and cooperation among NGOs inside Japan, and assistance to foreign residents in Japan. The theme of the session for exchanging opinions was "Changes in concern regarding international cooperation (activities) among youth in recent years, and approaches to elicit interest in international cooperation."



NGO activities reports

### ■ Main Activities Reports

#### Specified Nonprofit Corporation Mint Society for Iranians with Physical Handicaps

To improve autonomy at home for Iranians with disabilities from spinal cord or cervical spinal cord injuries, this NGO used JICS assistance to distribute 50 "universal cuff" welfare assistance devices which improve hand functions and 50 pairs of wheelchair gloves, and held practice sessions and made home

visits to provide consultation regarding home care in Iran. They also brought other Japanese welfare assistance devices and installed a welfare devices exhibition room inside a local facility for persons with disabilities. The group expects this will lead to local production of a variety of welfare devices, but since securing funds is a problem, they are considering establishing a local affiliate in Iran and collecting funds. In Iran, people think "good things will happen when you donate money." They also think that collection boxes are commonly installed as mail boxes in Japan.



Writing using one of the universal cuffs distributed

#### Specified Nonprofit Corporation ACCESS (Aspiring Citizens for Community Empowerment with Sunny Smile)

This NGO is engaged in addressing the issue of poverty in the Philippines and Japan. They implement "ACCESS Philippines" which provides education and income support in urban slums and agricultural villages, along with "ACCESS Japan" which works to expand supporters in Japan. This group used JICS Funds for Strengthening the Foundations of the NGOs for the personnel expenses for a dedicated staff person to carry out new activities to increase members and supports. This employee is responsible for holding lectures and tea parties in Kyoto and the Kansai region mostly toward organizing women in the 40s through 60s, updating the scholarship leaflet, making appeals using Facebook and other channels featuring scholarship results, and approaching companies and other donors. The employee also worked at publicity using newspapers, radio and other mass media. The group reported that using various approaches revealed which are most effective, and helped them to set their future direction.



Updating the scholarship leaflet

#### Specified Nonprofit Corporation Kansai NGO Council

The Kansai NGO Council implements activities toward forming and strengthening international cooperation NGO networks. They drafted a medium-term plan for FY2012-2014, clarified their priority projects while receiving guidance from an expert advisor, and set assessment indices. The NGO positioned their Network Meeting Project as a priority, invited speakers from universities, companies and NGOs, and held a meeting to exchange opinions regarding "Branding to create an organization people want to support" and "Each group's policies and structure in case of a large-scale disaster in the Kansai region." JICS Funds for Strengthening the Foundations of the NGOs were used to cover some of the personnel costs of the dedicated staff person and advisors engaged in these activities. Issues the group wants to address in the future include becoming recognized not just in the Kansai region but nationwide, promoting ties with NPOs and NGOs and with other sectors (university, business and regional government organs), and advancing matching proposals.



Kansai NGO Council Workshop