

Real Aid in Action



Annual Report 2016

Japan International Cooperation System

Year ended March 31, 2016



## Mission, Vision and Value (MVV)

To coincide with its transition to the status of a general incorporated foundation, Japan International Cooperation System (JICS) conducted a bottom-up discussion process encompassing its entire organization to determine MVV, which forms the fundamental starting point for all its strategies. The thorough adoption of this MVV by all employees is a key priority for JICS.



### Definition of MISSION

JICS' mission expresses the organization's social raison d'être and its philosophy regarding its contribution to society. All JICS employees undertake their day-to-day duties with a sense of pride and responsibility for fulfilling JICS' mission.

### Definition of VISION

JICS' vision articulates its medium-term goals for fulfilling its mission. Rather than being satisfied with its current status, through the achievement of its vision JICS strives to become an organization that is trusted not only in Japan but worldwide.

### Definition of VALUE

It is important that each employee adheres to JICS' values as the organization strives to realize its vision. All employees act in accordance with JICS' four core values.

## JICS Code of Conduct

Based on the precepts of the JICS Mission, Vision and Value, we pledge to act in accordance with the ten principles shown below, with the goal of promoting higher-quality international cooperation.

### 1. Behaving in accordance with our responsibilities as a public service corporation

We will act responsibly based on awareness of our role as an organization involved in international cooperation, to meet society's expectations toward us as a public-service organization.

### 2. Providing high-quality services

We will endeavor to provide high-quality services in a timely and effective manner that are valuable in the implementation of international cooperation and which ensure the satisfaction and trust of stakeholders.

### 3. Strictly observing laws and rules

We will strictly observe all relevant laws, internal rules, societal norms and international rules. Furthermore, we will act according to social common sense and will not engage in inappropriate conduct. We will report to or consult the responsible person specified in the rule upon discovering or committing any violation of laws, rules, etc.

### 4. Exercising due consideration for local conditions

In our overseas activities, we will observe local laws and exercise due consideration for local conditions, including traditions, customs, culture and the environment.

### 5. Practicing information disclosure

To ensure greater transparency in the management of our operations, we will maintain a proactive stance toward information disclosure covering such areas as details of our projects and our administrative situation.

### 6. Managing information appropriately

We will strictly manage all information in our possession, including personal information, through compliance with laws and relevant rules concerning the protection of personal information, the implementation of information security measures and strict adherence to confidentiality obligations.

### 7. Respecting human rights

We will respect human rights in all circumstances and will not discriminate on the basis of sex, age, nationality, race, ethnicity, beliefs, religion, social status or physical disability.

### 8. Acting resolutely in response to anti-social groups

We will adopt a resolute stance toward anti-social groups or organizations that threaten social order or safety.

### 9. Working to protect the environment

Based on awareness that addressing environmental problems is an important part of our mission, we will undertake proactive efforts on our own initiative that contribute to environmental protection.

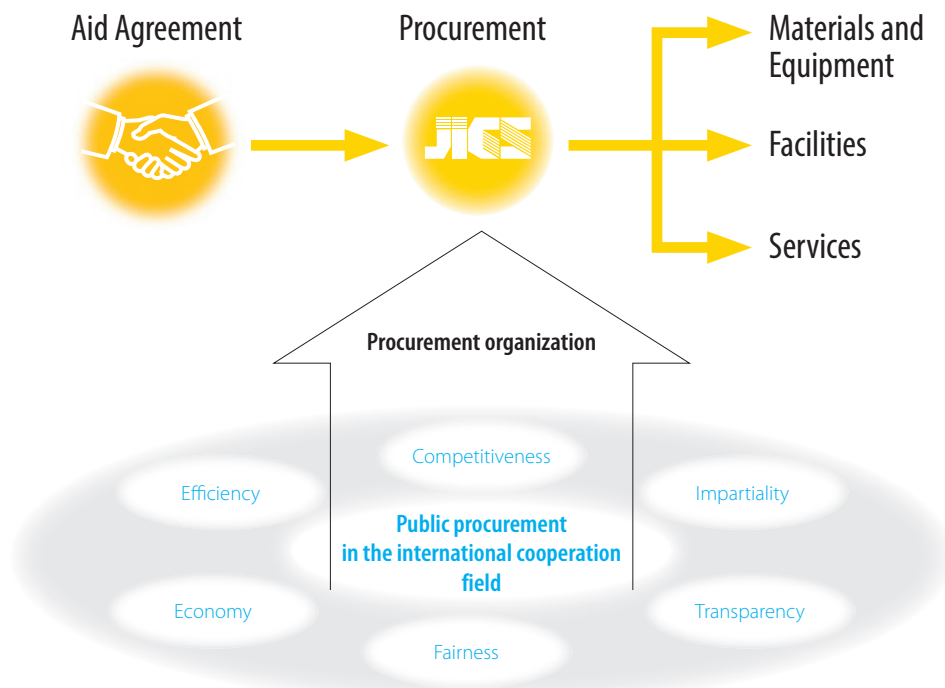
### 10. Creating a safe and satisfying workplace environment

To maintain orderly workplaces and enable executives and employees to work to the best of their abilities, we will strive to build safe and satisfying workplaces. To ensure the safety of executives and employees, both in Japan and abroad, we will develop a crisis management system and strive to achieve safe management at all times.

Japan International Cooperation System (JICS) is the first foundation in Japan to specialize in procurement operations within the field of international cooperation. JICS' activities primarily focus on aid project-related procurement and supervision operations within the Japanese government's Official Development Assistance (ODA) programs and other cooperation programs with developing countries.

"Procurement" refers to the acquisition of and payment for goods and services—such as transportation, design and construction—necessary to achieve a specific objective. Since its establishment in 1989, JICS has appropriately and effectively carried out the selection and procurement of goods and services needed in local areas where cooperation projects are being implemented.

## JICS' Role: "Making Aid Tangible through Procurement"



### Why is a specialist procurement organization necessary?

1. With regard to the acquisition of necessary goods and services, it is necessary to perform a variety of technical and specialized operations to ensure that quality, economic performance and appropriate timing are maintained. These include rigorous and complex procedures, preparation of technical specifications and other procurement-related documentation, execution of tenders and evaluation of bids, management of aid funds and other operations, all of which is difficult to fully handle.
2. Procurement operations for ODA programs—which are ultimately paid for by Japanese taxpayers—demand impartiality, fairness, competitiveness and transparency. To assure the fulfillment of these conditions, it is necessary to have an organization that will manage aid funds on the recipient-country government's behalf and carry out public procurement, including tender procedures.

As articulated in JICS' mission, which is part of the organization's "Mission, Vision and Value" (MVV), each employee is committed to "contributing to the peace and stability of the world as a player in the international cooperation field." To achieve this goal, through activities in developing countries and Japan, we work daily to improve the quality of our services as a service provider. As stated in our VISION, JICS "aims to be the world's best service provider in the international cooperation field," gaining the trust of people in Japan and around the world. We will endeavor to further deepen the knowledge, experience and know-how we have accumulated to date, and strive to improve our capabilities so that we can create new, quality services that provide client satisfaction.





Ichi Mishima President

## The Development Cooperation Charter and JICS' Mission

Within its Development Cooperation Charter, the Japanese government articulates the principle of Japan "proactively contributing to the peace, stability and prosperity of the international community as a peace-loving nation."

At present, the international community must address a raft of problems, including conflicts, large numbers of refugees, and terrorism. Faced with this situation, JICS has reaffirmed the importance of **the principle articulated in the Development Cooperation Charter and our organization's mission to "contribute to the peace and stability of the world as a player in the international cooperation field."** These are strong motivations for everyone at JICS.

## 2015–2017 Medium-term Management Plan

When JICS made the transition to a not-for-profit general incorporated foundation in 2012, the organization established a vision of "aiming to be the world's best service provider in the international cooperation field." While pursuing unceasing **reform in our way of thinking**, we are undertaking a range of measures and programs that will enable us to respond to changing times and changes in the environment. Simultaneously, we are working to execute our operations appropriately and efficiently while striving to enhance JICS' competitiveness.

In particular, under the Medium-term Management Plan 2015–2017, in accordance with the fundamental policy of "carrying out steady execution of operations and making project proposals on an ongoing basis in line with the Development Cooperation Charter's basic policies and priority

**My name is Ichi Mishima, and I was appointed president of Japan International Cooperation System (JICS) in September 2016. JICS aims to win the trust of all of its stakeholders, and be a player in the development cooperation field that possesses strategic mobility. While continuously pursuing innovation and transformation, we are committed to working toward the strengthening of our organization and expansion of our operations, thereby enabling us to provide services with even greater value-added content.**

issues," **JICS is pursuing the enhancement of the value-added content of the services it provides along with the expansion of its operations. Coupled with this, JICS is working to strengthen the organization's management foundation and increase productivity and reliability.** To achieve these goals, we are addressing a range of issues classified under the four themes of operations, management, organization and human resources.

## Bolstering the Organization's Strengths in Grant Aid Projects and Enhancing Added Value

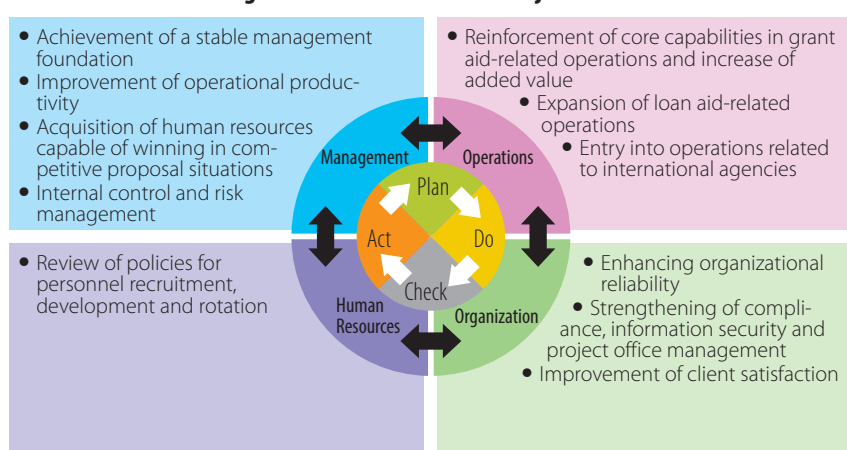
At present, approximately 80% of JICS' revenue is generated through procurement agent operations within grant aid programs.

Within these operations, in recent years our operations have centered on such areas as supporting the overseas expansion of Japanese small and medium-sized enterprises (SMEs) that are working in partnership with developing countries to realize "quality growth," and grant aid for the economic and social development

programme, which contributes to the diffusion of Japanese advanced products and its systems. JICS is conducting such projects in 68 countries\*. In such projects, one of the key tasks is to match the needs of each recipient country with the specialized materials and equipment provided by Japanese enterprises. Hence, JICS works to provide highly effective procurement services underpinned by its extensive experience in carrying out detailed materials and equipment surveys and continuous improvements to its procurement-method database.

Over a period of nine years from 2006, JICS accumulated substantial experience in the execution and management of facility-construction projects under the Grant Aid for Community Empowerment sub-scheme, which contributes to human resource development and peacebuilding—the foundations of nation building and growth. This experience was a critical factor in JICS being commissioned to carry out the Project for the Reconstruction of Flood-Affected Schools in Myanmar. At present, JICS is strengthening the functions of its Myanmar project office, while supervising local construction firms.

## ● Medium-term Management Plan 2015–2017: Major Themes and Issues



Note: Including Non-Project Grant Aid

Together with the Project for Electrification of Rural Villages, which commenced in fiscal 2014 and utilizes small-scale hydroelectric power and solar electricity generation, we are focusing efforts on rapid project execution. **We intend to leverage the experience gained through these facilities projects in grant aid projects based on Public–Private Partnerships (PPP). In the future, we will aim to become “a procurement agent organization that possesses both technical and project management capabilities,” as we further build our level of expertise.**

In 2016, the Sixth Tokyo International Conference on African Development (TICAD VI) was convened. Through the procurement of materials and equipment within projects that contribute to the promotion of human security and the management of execution of facility-construction projects, JICS has to date built deep cooperative relationships with the people of 40 countries in the African region. We are particularly proud of this record, and are committed to sustaining our efforts in this area.

### Cultivating Human Resources and Developing New Operations and Businesses

Since 2012, JICS has been involved in cultivating human resources within Japan's loan aid program. By learning the procurement system and audit method used in the loan aid program, in recent years this has been an instrumental factor in JICS winning contracts for loan aid auditing operations and long-term execution facilitation services and evaluation and monitoring operations within technical cooperation.

As one of JICS' new businesses, in June 2016 we commenced the Public Tender Notification Service, which supports enterprises aiming to participate in projects managed by international agencies. In the near future, we will aim to bring to fruition further new businesses with even higher value-added content.

In the area of sports, within the SPORTS FOR TOMORROW program being promoted by the Japanese government—which seeks to contribute to the international community through the medium of sports—continuing on from activities implemented in fiscal 2014, JICS employees cooperated in the holding of *UNDOKAI* (sports days) in India and sports and disaster prevention education events in Nepal. We are very keen to continue pursuing a range of activities in this field.

### Strengthening the Organization that Underpins JICS' Operations

In July 2016, JICS increased the number of full-time members of the Board of Directors from two to three. Reporting to the President are the Vice President Responsible for General Affairs and the Vice President Responsible for Business Management. **This new structure aims to further strengthen the organization and bolster its efficiency. This structure also provides an enhanced level of check-and-balance between the planning and general affairs divisions and the operational divisions.** By working consistently to strengthen internal control and compliance as well as improve risk management functions through organizational improvements and employee training programs, we will



From left:  
Toru Kubo Vice President (Responsible for General Affairs)  
Kazuki Takeuchi Vice President (Responsible for Business Management)

continue to strive for an enhanced level of trust in our organization.

Together with the aforementioned measures, to bolster our ability to make project proposals, we have newly established the Business Planning Office. The office is responsible for planning, proposals and advice relating to Grant Aid, Technical Cooperation, Loan Aid, and programs with international agencies and organizations; general coordination between related departments and divisions; and planning of programs aimed at enhancing JICS' market value. **Information relating to the needs of recipient countries—gathered by JICS staff on the ground from various operational divisions—will be used by the Business Planning Office when formulating specific proposals.**

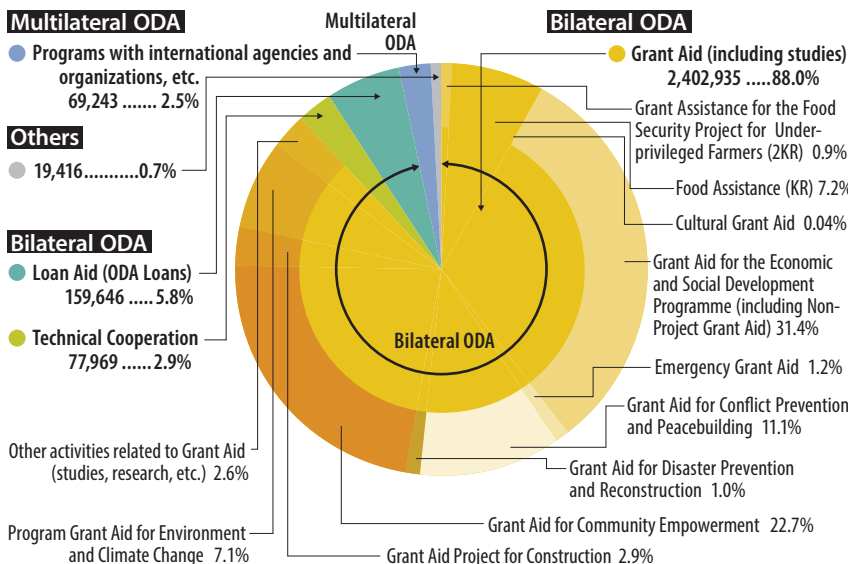
In the 27 years since the establishment of JICS, through its procurement operations spanning projects in approximately 140 countries, the organization has cultivated relationships based on trust with its stakeholders, accumulated information relating to procurement in each country, built up product knowledge in a broad array of fields, and accumulated the expertise required in the public procurement sphere. **Based on such strengths, to contribute to addressing the priority issues stated in the Japanese Government's Development Cooperation Charter, JICS will strive to fully leverage its fortes of operating on the frontline and working with agility. This includes both project execution and the formulation of project proposals.**

In these endeavors, we look forward to your continued guidance and encouragement.

September 2016

**Ichi Mishima** President  
Japan International Cooperation System (JICS)

### ● Current Profit by Type of ODA (FY2015) (Unit: thousands yen)



- 01 Profile of JICS
- 02 **A Message from the President**
- 04 Contents

## Part 1: Principal Activities in Fiscal 2015

- 06 **Special Feature : What Can JICS Do in Africa?—JICS’ Strengths and Challenges as Seen from the Project Frontline—**
- 10 **Development Cooperation and the Role of JICS in ODA**
- 15 **JICS’ Major Activities in Fiscal 2015**
- 15 Grant Aid: The Project for the Reconstruction of Flood-Affected Schools
- 16 Grant Aid: The Project for Electrification of Rural Villages
- 17 Grant Aid Projects under Public–Private Partnership: The Project for Reduction of Non–Revenue Water in Mayangone Township in Yangon City
- 18 Aiming for the Growth of Developing Countries and Japanese Corporations: Grant Aid for the Economic and Social Development Programme
- 20 Loan Aid (ODA Loans)
- 21 SPORT FOR TOMORROW Programme: Holding Sports Events in India and Nepal
- 22 What’s New
- 23 Working with Stakeholders and Expanding Operational Domains: Helping Japanese Companies Make Inroads in Developing Countries
- 24 JICS’ Recent Events

## Part 2: Description of Projects

- 27 Revenue/Current Profit and Expenditure by Fiscal Year
- 28 Countries Targeted for JICS’ Main Projects
- 30 Revenue/Current Profit by Scheme and Client (FY2015)
- 31 Current Profit by Function (FY2015)
- 32 Revenue/Current Profit by Type of ODA
- 33 Project Results by Country in Fiscal 2015
- 36 List of Projects in Fiscal 2015
- 36 Grant Aid
- 45 Technical Cooperation
- 45 Loan Aid
- 45 Business Contributing to the Promotion of the Appropriate and Efficient Implementation of International Cooperation Programs Carried Out by International Agencies and Organizations, Foreign Governments and Other Organizations Engaged in International Cooperation
- 46 Dispatch of Experts
- 46 Other Activities (Cooperation with Private Enterprises, etc.)
- 47 Other Activities Integral to Fulfilling the Objectives of the Foundation

## Reference Materials

- 48 Fiscal 2015 Business Report
- 49 Fiscal 2015 Balance Sheet
- 50 Fiscal 2015 Statement of Net Equity Increase (Decrease)
- 51 Governance System
- 52 Organization Chart
- 53 The Articles of Incorporation of Japan International Cooperation System
- 56 Compliance

### Note Regarding Names of Grant Aid Sub-schemes in this Annual Report

Grant Aid sub-scheme names (classifications) used in this Annual Report, such as Non-Project Grant Aid and Grant Aid for Community Empowerment, were discontinued as of March 2015. From April 2015 onward, schemes for which execution has been decided are classified by procurement method, such as “Procurement Method for Facilities, Materials and Equipment” and “Procurement Agent System,” depending on the nature of the project in question. Within these classifications, JICS is mainly involved in “Grant Aid Projects with Procurement Agent System.”

The execution of some of the projects cited in this Annual Report had been decided in or prior to March 2015. Consequently, we ask readers to be aware that, for convenience, those projects are cited and explained using the former sub-scheme names.