Economic and Social evelopment) grammes

Strength as a Procurement Agent **That Connects Japanese Products** with Developing Countries

Economic and Social Development Programmes provide grant funds for the purchase of materials and equipment, which are to be used for economic and social development in developing countries. A key characteristic of these programs is that following the decision to extend an aid project, a high degree of agility is required in the selection and procurement of items to meet the needs of the recipient country. In recent years, to achieve the goal of having its international cooperation program contribute to economic diplomacy and the revitalization of local regions in Japan, the Japanese government is promoting measures to encourage the international adoption of Japanese methods and standards and support overseas expansion by Japanese small and medium-sized enterprises (SMEs) from local regions. In this special feature, JICS project staff discuss such aspects as JICS' strengths and their future aspirations.

Products manufactured Japanese medical by Japanese SMEs equipment CO_2 Japanese disaster Japanese nextreduction equipment generation vehicles One of JICS' strengths in the execution of projects is its capabilities in communicating with stakeholders in recipient countries. In the procurement of Magnetic Resonance Imaging (MRI) equipment for a children's hospital in El Salvador, JICS' ability to properly understand the feelings of people in the recipient country led to an aid outcome with a very high level of recipient satisfaction. Within this project, the recipient organization put the highest priority on receiving state-of-the-art MRI equipment as part of their aid request. Initially, we thought that procurement of MRI equipment would likely not be feasible. However, no matter whom we spoke with in El Salvador regarding the project, everyone talked with great passion—"For the sake of the children, we want an MRI unit." In many hospitals, medical equipment from the 1960s has been carefully maintained and repaired and is still providing high-quality medical care. Based on our knowledge of the local culture and character and in light of El Salvador's national traits of earnestness and diligence, JICS strongly recommended the procurement of MRI equipment to the Japanese government after confirming with the Japanese manufacturer that it could adequately handle such an order.

The MRI equipment was delivered to the recipient hospital in July 2016 and the MRI unit commenced fullfledged hospital use. Hence, children were able to receive rapid diagnosis based on MRI tomograms. Many of the stakeholders, including medical staff, told us how glad they were that the hospital now has an MRI unit.

Furthermore, for the Japanese equipment manufacturer that supplied the MRI unit, the project provided a boost for its overseas business. Thanks to the unit it delivered in El Salvador, the company was able to open a new sales office, and the project served as a foothold into the Central American market.

JICS also has significant experience in the procurement of Japanese-manufactured next-generation vehicles. Recipient countries have included Jordan, Morocco, Indonesia, Peru, Vietnam, the Philippines, Pakistan, the Dominican Republic, and Bosnia and Herzegovina. These projects have helped recipient countries in their efforts to protect the environment, while also assisting Japanese companies to establish market presence.

While maintaining a robust level of impartiality, fairness, and transparency, JICS is committed to further contributing to the overseas expansion of Japanese enterprises.



Tomoko Nikai Second Special Project Management Division Second Management Department

The Ability to Understand Local Needs and Culture

Project Overview

El Salvador

Japan's Non-Project Grant Aid for Provision of Japanese **Medical Equipment**

Benjamin Bloom National Children's Hospital in El Salvador had a problem—with no MRI equipment, child patients had no choice but to travel to another hospital to receive an MRI scan, rather than receive immediate diagnosis in-house. As the agent, JICS was responsible for providing procurement services related to a variety of medical equipment, including an MRI unit and peripheral equipment (an artificial respirator, anesthesia apparatus, stretchers, and wheelchairs), a Computed Tomography (CT) scanner, ambulances, and other equipment.



El Salvador: JICS' first procurement of MRI equipment



Diagnosis carried out based on images obtained using the MRI unit

Bosnia and Herzegovina

Japan's Non-Project Grant Aid for Provision of Japanese **Next-Generation Vehicle**

In Bosnia and Herzegovina, a major flood in 2014 resulted in the loss of a large number of publicly owned vehicles at municipal local governments, and this caused disruption to the delivery of welfare services. To address this problem, the Japanese government made the decision to provide a grant in the form of next-generation vehicles and JICS undertook vehicle procurement. In October 2016, JICS oversaw the delivery of 40 clean diesel vehicles, and in April 2017, handover of 80 hybrid vehicles was completed. The vehicles are being used for welfare services. In the 1990s, Bosnia and Herzegovina experienced a major armed conflict, and as such the project needed to navigate carefully in relation to sensitive issues in the recipient country. Such requirements included the preparation of vehicle instruction manuals in all three of the country's official languages, and selection of the social welfare facilities to which the vehicles were to be assigned had to be carried out after taking into consideration the population ratios of the country's ethnic communities.



A visit to the home of a welfare facility user



For disabled people and seniors, the vehicles serve as an important means of mobility

Shift from "Non-Project Grant Aid" to "Grant Aid for the Economic and Social Development Programme"

Until March 2015, Non-Project Grant Aid was classified into numerous sub-schemes depending on the purpose and execution mode of the aid provided. Sub-schemes included Japan's Non-Project Grant Aid for Provision of Japanese SME's Products, Japan's Non-Project Grant Aid for Provision of Japanese Next-Generation Vehicles, Jápan's Non-Project Grant Aid for Provision of Japanese Medical Equipment, Japan's Non-Project Grant Aid for Provision of Japanese Disaster Reduction Equipment, and Japan's Non-Project Grant Aid for Provision of Japanese Local Products. Revisions by the Ministry of Foreign Affairs in April 2015 resulted in the discontinuance of sub-scheme names, and replacement of the name "Non-Project Grant Aid" with "Grant Aid for the Economic and Social Development Programme."

Close Collaboration and Coordination with Stakeholders

There are cases where products manufactured by Japanese SMEs in local areas are selected for procurement through the Economic and Social Development Programme. In the projects for which I have been responsible, two multipurpose tugboats built by a shipyard in Aomori are being put to use in the Pacific island nation of Nauru. Nauru does not have any ports suitable for the docking of large ships, so cargo from overseas is landed by transferring it from large vessels anchored offshore onto small boats. However, the condition of the boat owned by the Nauru Ports Authority was deteriorating due to age. Consequently, the Government of Japan decided to grant Nauru two new tugboats. Utilizing our procurement experience to date, we were able to advance the project without any problem while successfully coordinating with the shipyard and tugboat supplier. During the same period, for Nauru, JICS also procured such items as shipping navigation beacons through a project for provision of Japanese SME's products. Meanwhile, in the procurement of diesel locomotives for the Cairo Metro in Egypt, we delivered products manufactured by a company in Niigata.

When carrying out procurement of large-scale equipment, in order to determine the required equipment specifications for the tender, it becomes necessary to

handle a diverse range of data related to such aspects as the structure and components of equipment and standard specifications, while specialist technical knowledge is also essential. On these occasions, JICS collaborates closely with experts in such fields as vessels and railways.

People at the SMEs that participated in these projects communicated their sense of pride and responsibility through such comments as, "Our products are contributing to the development of countries overseas." With these thoughts in mind, I want to continue helping excellent Japanese technology and products play a useful role in international cooperation.



Kenji Maeda Third Procurement Management Division Second Management Department

Project Overview

Nauru

Non-Project Grant Aid Non-Project Grant Aid for Provision of Japanese SME's Products

JICS acted as agent for the Nauru government under two projects in fiscal 2014 and 2015. We procured items produced by Japanese SMEs, such as two multipurpose tugboats, shipping navigation beacons, an excavator, and other equipment. The tugboats arrived in Nauru in January 2017, and in the following month operational and maintenance training was conducted by engineers from Japan prior to handover.



Tugboat operational training

Egypt

Non-Project Grant Aid

JICS has the prior experience of handling the procurement of six Japanese-manufactured cars for the Cairo Metro Line 1 in Egypt in the 2000s. For this project, a diesel locomotive was procured for use on Line 1 to haul broken down passenger cars and maintenance vehicles. A manufacturer in Niigata built the 80-ton diesel locomotive. After undergoing an inspection by an engineering inspector from the Cairo Metro in autumn 2016, the locomotive was transported from Niigata to Cairo by ship.



A diesel locomotive is lifted by crane onto the transport ship (Photo credit: Hokuriku Heavy Industries, Ltd.)

Young Staff Soon Step Up to Frontline Roles, Striving for Highly Effective Equipment Procurement

One of JICS' strengths in procurement agent services is "the ability to identify genuine needs and then make equipment proposals in line with those needs." We continue to ask questions about the aid request based on points of uncertainty and potential issues that we identify. Such questions may include, "Where will the equipment be used, who will use it, and for what purpose?" and "What outcomes are being sought?" We travel to the location where the equipment will be used to gain an accurate grasp of the conditions. Based on this research, where necessary we offer advice, and together with the counterpart organization we decide on the equipment and its specification.

Under the guidance and leadership of project managers, I have been involved in a diverse array of projects for equipment procurement. As a result, I have gained an appreciation of the difficulty of selecting equipment and specifications that will meet local needs. For example, in projects for the Marshall Islands and Micronesia, in the case of procurement of disaster reduction equipment, when equipment selection was carried out we discussed this with the recipient-country agencies. The objective was to take into consideration the versatility of the equipment.

One of my future goals is to further develop my frontline and proposal capabilities. These will enable me

to identify genuine local needs and provide effective solutions. After gaining a strong grasp of information on the recipient country, and accumulating more knowledge regarding the equipment, I will then strive to establish a smooth rapport with the counterpart. I want to become adept at gaining a comprehensive picture of the situation in the location where the equipment is to be used and such aspects as the equipment and human resources already held by the recipient organization. Through this process, I aim to become better positioned to make proposals regarding the most appropriate procurement.



Nagisa Goto First Special Project Management Division Second Management Department

Project Overview

Marshall Islands

Japan's Non-Project Grant Aid for Provision of Japanese Disaster Reduction Equipment

In the Marshall Islands, where there are high risks of storm surges and droughts, JICS carried out procurement of disaster reduction equipment. One of the procured items, a water truck, is expected to be useful for transporting water within the main island and to smaller islands during disasters. Furthermore, the water truck will be able to transport drinking water produced by a seawater desalination plant provided to the Marshall Islands under a previous project executed in fiscal 2013. Hence, the new equipment is expected to generate synergies with a previous project handled by JICS.



Marshall Islands: Seawater desalination plant for producing drinking water

Micronesia

Japan's Non-Project Grant Aid for Provision of Japanese Disaster Reduction Equipment

In Micronesia, accompanying an increase in imported goods, the volume of non-biodegradable garbage is rising. Consequently, the strengthening of garbage collection systems and improvement in the management of waste disposal sites by local government agencies are now important issues. Following on from excavators used at waste disposal sites, which were procured under Japan's Grant Aid for Provision of Industrial Products*, this project saw a grant of garbage trucks. Equipment was delivered to various local governments, including small municipalities that had not previously received equipment through aid programs. The project thus contributed to an improvement in the waste management situation in Micronesia.



Micronesia: An excavator working at a waste disposal site

^{*}The scheme is to procure industrial goods manufactured in the disaster area (North Kanto, Tohoku area) of the Great East Japan Earthquake to developing countries and to support efforts towards economic and social development of developing countries. It was started as an effort to contribute to the recovery of affected areas.

Development Cooperation and the Role of JICS in ODA

▼ Development Cooperation and the Role of JICS in ODA

Under the Development Cooperation Charter approved by the Cabinet in February 2015, priority objectives in each fiscal year of the Japanese government's Official Development Assistance (ODA) policy are determined based on the United Nations Sustainable Development Goals (SDGs) and other Japanese government implementation guidelines. To ensure peace, stability, and prosperity in the international community, Japan proactively cooperates with the international community to resolve various global issues and contribute to the formation of a desirable international environment. Through these efforts, the building of strong relationships with various entities in the international community also leads to securing Japan's national interests. These are the Charter's stated objectives for development cooperation.

ODA refers to bilateral aid that is conducted directly in cooperation with a particular developing country, as well as multilateral aid that is carried out through international agencies and organizations. Bilateral aid can be further divided into three modalities grant aid, technical cooperation, and loan aid.

Since its establishment 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 following overview explains the main operations in which JICS is involved.

In accordance with the Development Cooperation Charter, In accordance with the steady execution of operation Charter, through the steady execution of operations

Development Cooperation Charter: Basic Policies and Priority Issues

Basic Policies

- 1 Contributing to peace and prosperity through cooperation for non-military purposes
- Promoting human security
- 3 Cooperation aimed at self-reliant development through assistance for self-help efforts as well as dialogue and collaboration based on Japan's experience and expertise

Priority Issues

- 1 "Quality growth" and poverty eradication through such growth
- 2 Sharing universal values and realizing a peaceful and secure society
- 3 Building a sustainable and resilient international community through efforts to address global challenges

For Developing **Countries**

Poverty eradication, Peacebuilding, Sustainable economic growth,

For the International Community

Solutions to such challenges as poverty, conflicts, terrorism, environmental issues, infectious diseases, and suppression of human rights

The Significance of Japan's ODA

For Japan

Stability in the international environment, gaining the trust of the international community, raising Japan's international presence, stimulating Japan's economy, etc.

A Brief History of JICS

1989-1993 Initial Phase

- ► Technical Cooperation-related services
- ► Grant aid-related consulting services

1994-1998 Growth Phase

► Expansion of procurement consulting services and procurement agent services

JICS office relocated to Shinjuku

1999-2003 Expansion Phase

- Expansion of procurement consulting services
- ► Diversification of procurement agent services through reconstruction assistance

Commencing Project Execution Supervision and Management Services in Construction Projects

1999 Launched a support program for NGO activities

2002 Began services for grant aid for research assistance projects

Began consulting services for Grant Assistance for the Food Aid project

2003 Began services for Grant Aid for Conflict Prevention and Peacebuilding projects

JICS office relocated to Shinjuku EAST April Building, Shinjuku-ku

> Began services for Grant Aid for Japanese NGO projects

of Goods

1994 February

► Procureme	nt agent services within Japan's grant aid programme
	Procurement
1989 April	JICS established. Office located in the Economic Cooperation Center Building, Shinkuku-ku
	Launched studies of grant aid projects for the increase of food production
	Began conducting on-site surveys for grant aid projects
1990	Began conducting follow-up studies for grant aid projects
	Began procurement consulting services for grant aid projects
	Began procurement services for Technical Cooperation projects
1993	Began services for Cultural Grant Aid projects
	Began procurement agent services for Non-Project

Mitsui Building, Shinjuku-ku JICS office relocated to Shinjuku 1996 March Sanshin Building, Shibuya-ku 1997 Began services for grant aid projects for child health 1998 Began consulting services for Grant Aid for the increase of food production Began services for Emergency Grant Aid projects

1998 Assistance to Indonesia during the Asian currency crisis

Procurement of pharmaceuticals and medical equipment, and maritime transportation of government rice through the Emergency Grant

Reconstruction Assistance

- 2002 Road construction, etc., in Afghanistan through Emergency Grant Aid and Non-Project Grant Aid
- Reducing small arms in Cambodia through Grant Aid for Conflict Prevention and Peacebuildina

Grant Aid

Procurement of

Procurement of

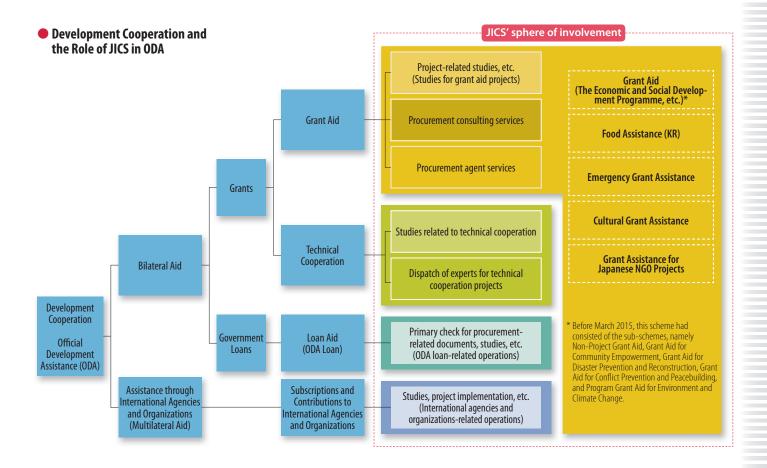
Procurement and

management of

construction

goods

goods + Construction



2004-2011 Transitional Phase

- ► Increase in project management of construction as part of procurement agent services
- ► Commencement of services related to Loan Aid and international organizations and agencies

Developing Management Services in Construction Projects

2004

2009

Began services for primary checks of Loan Aid

procurement-related documentation
Began procurement agent services for projects related to international organizations and agencies
Began services for Grant Aid for Disaster Prevention and Reconstruction
Began services for Grant Aid for Community Empowerment

ment and Climate Change

2012-2017 Reform Phase

- ► Strengthening of competitiveness and strategies to further develop conventional businesses
- Development of new businesses related to Public—Private Partnerships (PPP) and the private sector



Launching Management Services in Project

2012 April	JICS made the transition to a not-for-profit, general incorporated foundation
	JICS formulated its Mission, Vision and Values (MVV)
2013	Established New Business Development Office
2014	JICS registered as a First Class Registered Architects Office
2015	Won a new contract for a Grant Aid Project under
	Public—Private Partnership
2016	Public—Private Partnership Won a new contract for a Grant Aid Project for Construction

Began services for Program Grant Aid for Environ-

2004 Procurement of portable electrical transformers and water treatment equipment, construction of electrical power generation plants, etc., under the Emergency Grant Aid scheme as part of reconstruction assistance in Iraq

2005 Sea wall reconstruction, hospital construction, bridge construction, etc., under the Non-Project Grant Aid scheme as part of assistance in dealing with damage from the 2004 Indian Ocean earthquake and tsunami

2006 Assistance for measures by the ASEAN Secretariat and the World Organization for Animal Health to combat an avian influenza epidemic

▼ JICS' Procurement Agent Services: Contributing to Efforts That Address **Development Cooperation Priority Issues under Japan's Grant Aid Programme**

Procurement of Goods Procurement and Management of Construction

Procurement Agent Services

As the procurement agent on behalf of the recipient governments, JICS provides procurement services—including management of funds—and carries out project management.

■ Necessity of a Procurement Agent

To utilize funds—granted in accordance with Japan's ODA rules—appropriately and expeditiously, a third-party organization that has a thorough knowledge of relevant rules carries out procurement procedures and manages the grant aid funds.

■ Major Role

- ▶ JICS determines tender conditions by confirming the specifications for materials, equipment, and facilities; the quantity of items; and delivery and construction conditions with the executing agency of the recipient country.
- ▶ JICS selects suppliers and construction companies through the tender process and supervises the contract fulfillment status of the contractors while managing the project's funds.

Procurement of Goods

- ▶ JICS determines the equipment specifications and delivery conditions based on data related to the materials and equipment, and information regarding the customs clearance procedures as well as the systems to receive and store imported goods in the recipient country.
- ▶ To ensure that equipment is delivered in accordance with the contract, JICS carries out checks before shipping and in the recipient country.

Procurement and Management of Construction

- ▶ Based on the needs of the recipient country, JICS together with a construction consultant determines the facilities specifications and the construction conditions for the project.
- ▶ During the construction period, JICS carries out project management.

Realizing quality growth in developing countries, while contributing to economic growth and the revitalization of local regions in Japan

The Foundations for Economic Growth "Grant Aid for the Economic and Social **Development Programme**"

Projects to assist recipient countries implementing economic and social development, including such programs on poverty reduction: JICS procures machinery for public works projects and raw materials that need to be procured from overseas. In some cases, projects also contribute to the overseas expansion of Japanese products.

Major Procurement Items

- ▶ Petroleum products, steel, etc.
- ▶ Products that also contribute to the overseas expansion of Japanese
- Accomplishments in Fiscal 2016 159 projects in 73 countries*

High-Quality Infrastructure Investment "Grant Aid Projects under Public-Private Partnership"

Public-Private Partnership (PPP) projects created to utilize Japan's advanced technologies and know-how to facilitate development of developing countries through grant aid for public works: The projects are implemented comprehensively, including construction, operation and maintenance of facilities with Japanese enterprises' participation.

Accomplishments in Fiscal 2016

Two projects of execution management in Myanmar to reduce non-revenue water and in Cambodia to expand the water supply system

Development of an environment for peace and stability of the international community

Conflict and Development

Projects related to such areas as conflict prevention, peacebuilding and the strengthening of maritime

Major Procurement Items

- ▶ Equipment for the removal of landmines, equipment for road renovation, and installation of small-scale hydroelectric power generation units and solar power generation systems for the electrification of local villages
- Accomplishments in Fiscal 2016

12 projects in six countries

Humanitarian Assistance "Emergency Grant Aid"

Emergency Grant Aid projects for post-disaster reconstruction, projects for infectious disease prevention and control, etc.

Major Procurement Items

- ▶ Equipment necessary to combat an Ebola hemorrhagic fever
- Accomplishments in Fiscal
- ► Three projects in three countries started in the previous fiscal year or earlier years

* Includes ongoing projects under the sub-scheme name of Non-Project Grant Aid used until fiscal 2014, the grant of vessels for maritime security, and the grant of disaster reduction equipment





"The Project for Community Development in Conflict-Affected Areas in Mindanao" in the Philippines

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. Within Japan's grant aid program, JICS' main operations are procurement agent services.

Addressing Global Challenges and **Promoting Human Security**

Healthcare/Water/Education

Projects to build schools and healthcare centers: Such projects have the objective of assisting capacity development in communities facing threats to human life and secure livelihoods. With adoption of local specifications and designs, local enterprises and materials and equipment are proactively utilized.

Major Procurement Items

- ► Management of construction projects, such as those for elementary and junior high schools, and healthcare centers
- Accomplishments in Fiscal 2016

34 projects in 18 countries

Improvement of Food Shortages "Food Assistance"

Food Assistance (KR) projects, which provide support for purchasing staple grains and cereals to countries grappling with food shortages

Major Procurement Items

- ▶ Grains, such as rice, wheat and maize
- Accomplishments in Fiscal 2016

29 projects in 15 African countries, Nepal and Haiti

Environment and Climate Change/ Energy

Projects that assist countries working to strengthen their measures to address the issue of climate change: Such projects assist those countries to formulate and implement policies and programs.

Major Procurement Items

- ▶ Project execution management for the procurement of materials and equipment, and installation of facilities in such areas as forest conservation and the introduction of clean energy generation systems utilizing solar, geothermal and small-scale hydroelectric power
- Accomplishments in Fiscal 2016

25 projects in 22 countries

Disaster Prevention

Projects for disaster prevention in countries that are vulnerable to natural disasters, and projects that assist in post-disaster reconstruc-

Major Procurement Items

- ▶ Procurement of disaster prevention system equipment and project execution management of construction
- Accomplishments in Fiscal 2016

Six projects in six countries

▼ JICS' Operations within Japan's Grant Aid Programme other than **Procurement Agent Services**

Procurement Consulting Service/ Surveys

Cultural Grant Assistance: Communicating the Appeal of Japan to People around the World

Cultural Grant Assistance (CGA) has the objectives of promoting culture and

education. CGA is carried out vis-à-vis governmental and public agencies while Grant Assistance for Cultural Grassroots Projects are provided to nongovernmental organizations (NGOs) and local public entities.

In fiscal 2016, JICS executed surveys and procurement related to four projects.

Application Screening

Collaboration with a Diverse Range of Groups: Grant Assistance for Japanese **NGO Projects**

The Japanese Ministry of Foreign Affairs provides grant assistance for eco-

nomic and social development projects in developing countries conducted by Japanese NGOs and other groups. In fiscal 2016, JICS provided support in screening of application documentation.

Studies

Studies on the Work Ratio of **Construction Machinery and** Labor

These investigations concern grant aid projects that have reached completion. The information

provided through these investigations is used by JICA when considering adjustments to budgetary estimates as part of preparatory project studies. JICS conducts surveys of the completed project site situation, materials costs, etc. In fiscal 2016, JICS carried out investigations in four countries.



High-pressure triaxial compression machine procured for use in Grenada



Ultrasonic diagnostic equipment used in a hospital in Viet Nam



Students gathered in front of a junior high school building constructed in Niger

▼ JICS' Involvement in Programs other than Grant Aid

Technical Cooperation-Related **Operations**

- ► Procurement Operational Support
- ► Assessment/Monitoring

Technical Cooperation is a framework for assisting developing countries to enhance issue-resolution capabilities and raise their ownership of the development process. To achieve these goals, JICA plays a central role in Japan's programs—for example, through the dispatch of experts, supply of necessary equipment, and implementation of human resource training in Japan. Such programs support recipient countries in their efforts to nurture human resources and research and development capabilities.

■ Major Operations

- ▶ Procurement operational support
- ▶ Post-project assessments and monitorina studies

(including execution in collaboration with private-sector partners)

Loan Aid-Related Operations

- ► Primary Checks of Procurement-Related Documents
- ► Studies to Facilitate the Smooth Implementation of Loan Aid Projects
- ► Ex-Post Procurement Audits

Loan Aid (ODA Loans) involves the loan of development funds to developing countries under such concessionary conditions as long repayment periods and low interest rates. This mode of aid aims to nurture ownership of the development process within the borrower country by promoting the efficient use of loan funds and appropriate execution of projects.

■ Major Operations

- ▶ Primary checks of procurement-related documents prepared by the borrower countries (in fiscal 2016, JICS conducted such checks in 394 cases on documents submitted by Anglophone, Francophone and Hispanophone country governments)
- ► Ex-post procurement audits
- ▶ Studies to facilitate the smooth implementation of Loan Aid projects (including execution in collaboration with private-sector partners)

Multilateral Aid-Related **Operations**

- ▶ Procurement Services
- ► Contract Management Support Services

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 multinational development banks, such as the World Bank.

■ Major Operations

- ▶ Procurement services for projects that utilize a portion of the Japan-ASEAN Integration Fund (JAIF), which was established by the Japanese government to support ASEAN integration
- ► Contract management support services for projects carried out by the United Nations Development Programme (UNDP)

■ Major Procurement Items

▶ Disaster reduction equipment, communication equipment, maintenance of customs facilities, and development of disaster prevention and navigation systems



Procurement operational support (tender) (Saint Christopher and Nevis)



Ex-Post Procurement Audit (Bangladesh)



Annual meeting at JICS on avian influenza countermeasures

▼ JICS' Initiatives for Developing New Business

J-Partner

Overseas Business Development Support Activity

JICS, as a partner, supports Japanese private-sector enterprises in their overseas business development activities with their excellent technologies, products, and know-how.

- Joint planning of in-country studies
- Joint preparation and implementation of business plans
- Equity participation by JICS and collaborative management of the joint venture company

▼ JICS' Own Initiatives

JICS NGO Support Activities

Providing financial support to small and medium-sized Japanese NPOs and NGOs

Medical Lectures for Travelers

Open lectures regarding tropical infectious diseases and methods for their prevention (Five times per year)

JICS' Major Activities in Fiscal 2016

We will address the following initiatives, with the people in charge of each explaining the details: The Project for the Reconstruction of Flood-Affected Schools in Myanmar (P. 13), The Programme for Integrated Mine Clearance and Landmine Victim Assistance (Phase III) in Cambodia (P. 14), and Food Assistance in the Democratic Republic of the Congo (P. 15).

Grant Aid: The Project for the Reconstruction of Flood-Affected Schools in Myanmar

Project Overview

▶ In Rebuilding Some 80 Schools Damaged by Floods, the Theme Was Rapidly Executing the Reconstruction

In February 2016, the Japanese government decided to extend the grant aid project, the Project for the Reconstruction of Flood-Affected Schools. Its aim is to help the government of Myanmar, which suffered enormous flood damage in July 2015, rebuild some 80 public elementary, junior high, and high schools in the Sagaing, Magway, Bago, and Ayeyarwady regions.

Counterpart of Agent Agreement: Ministry of Education, Republic of the Union of Myanmar

Grant Amount: ¥1.2 billion

Exchange of Notes (Bilateral Agreements): February 17, 2016



Daiki Shinoda

First Construction Management Division First Management Depart-

JICS' Initiatives

► Greatly Reducing the Construction Period, while Bearing Responsibility for Design and Construction Management

As the procurement agent for the government of Myanmar, JICS is responsible for carrying out projects with relation to studies, design, estimation, selecting construction companies (bidding), construction management, funds management,

and other aspects. JICS worked to greatly reduce the project time period. As well, JICS proposed designs that leverage Japanese disaster prevention expertise while respecting standard Myanmar design. JICS is building high-quality schools that

incorporate the "Build Back Better"" perspective.

* Build Back Better is a philosophy of aiming not merely to restore to the state before a disaster, but to create a more disaster-resilient society.

► Changing the Height of a School Building's Floor in Anticipation of Future Floods

The project progressed steadily despite floods interrupting construction and difficulties with the demanding schedule, and JICS completed 21 schools in the roughly one-year period that began in March 2016. In April 2017, a two-story school building was completed at Aunglan High School in the Magway Region. It was the largest building built in the project. Under the original design, the school building had a floor height of 1 meter. However, this was changed to 1.6 meters so the building would not be inundated even during a flood with a higher water level, and a bathroom was installed that had a wheelchair

ramp and reused rainwater from the roof. More than 400 people participated in a handover ceremony.



Touring the site with water up to knee level

had trouble getting to sites and proceeding with construction. Forty-six schools are expected to be rebuilt between late 2017 and early 2018, and some 80 schools by July 2018.

During the June-October rainv

season, rivers flooded and workers

Stakeholder Comment

A Representative Parent's Handover Ceremony Speech

Wonderful schools have been built for us in Myanmar, complete with state-ofthe-art lightning rods. The school buildings are important community assets and we will never forget this support from everyone in Japan.



Students performing a dance at the handover ceremony



The newly built, two-story building at Aunglan High School

Grant Aid: The Programme for Integrated Mine Clearance and Landmine Victim Assistance (Phase III) in Cambodia

Project Overview

► Mine Clearance Using a Japanese-Made **Landmine Removal Machine and the** Rebuilding of Residents' Lives on Land **Cleared of Mines**

In September 2016, the government of Japan decided to extend grant aid of the Programme for Integrated Mine Clearance and Landmine Victim Assistance (Phase III) to promote mine clearance work by the Cambodian Mine Action Center and to support residents (building infrastructure on land cleared of mines and agricultural training), in Battambang, Cambodia, which has a severe landmine problem.

Counterpart of Agent Agreement: Cambodian Mine Action Center (CMAC) Grant Amount: ¥1.81 billion

Exchange of Notes (Bilateral Agreements): September 27, 2016



Jinichi Watanabe International Organization Division Third Management Department



Shinichiro Serizawa International Organization Division Third Management Department

JICS' Initiatives

▶ Utilizing JICS' Peacebuilding Expertise in Various Countries

As the procurement agent for the government of Cambodia, JICS is responsible for procuring equipment, supervising landmine clearance, public works and training in aguriculture, managing funds, and more. The JICS peacebuilding team is made up of essential personnel highly-experienced in clearing mines and unexploded ordnance, recovering small arms, and related rural development in such places as Cambodia and Laos. JICS has more than 10 years' experience clearing landmines in Cambodia. Based on this expertise, JICS is supporting the government of Cambodia and CMAC so they can do mine-clearance work safely and quickly.



A landmine removal machine in action

► Getting Close to Residents with Down-to-Earth Style Support

This project aims to clear landmines from about 70.38 square kilometers of land in three years. Work is proceeding on safe, rapid mine clearance and the creation of a safe living environment for area residents.

Moreover, JICS intends to raise the standard of living in the area around the minefields by building a total of 45 kilometers of farm roads on land cleared of mines and by having agricultural extension officers train residents around the minefields in farming methods that are appropriate based on the local situation. With its support for residents, JICS is working

closely with residents through local studies of agriculture and living situations and repeated discussions with village leaders and residents. The project is planned to contribute to improving the lives of approximately 60,000 people directly or indirectly.



Harvesting cassava on land cleared of mines

Stakeholder Comment

A Representative Farmer Interviewed during a Local Study

Not only have we been liberated from our fear of landmines, our lives have been made easier through the use of cleared land for farming, through improved access via farm roads and through increased agricultural productivity due to training. We are sincerely grateful to the people of Japan.

Grant Aid: Food Assistance in the Democratic Republic of the Congo

Project Overview

▶ Procurement Services for Food **Assistance (KR)**

Food Assistance (KR) is grant aid extended to developing countries with food shortages for the purpose of buying rice, wheat, and other grains. The recipient country sells locally the grains it purchases with those funds, saves the proceeds as counterpart funds, and then uses the proceeds in local socioeconomic development projects.

Counterpart of Agent Agreement: Ministry of Planning, Democratic Republic of the Congo

Grant Amount: ¥670 million

Exchange of Notes (Bilateral Agreements): October 23, 2015 Procurement Agent Services Agreement: December 15, 2015

Goods Procured: Approx. 10,899 tons of rice (rice stockpiled by the government of Japan)



Nobuhiro Sakai

Second Procurement Management Division Second Management Department

JICS' Initiatives

► The Committee Was Held Successfully

As the procurement agent for the recipient country's government, JICS procured the grains and served as the secretariat of the committee (made up of representatives of the two countries' governments) concluding the

project. For this project, the rice arrived at its destination in March 2017, its sale was completed in July, and the committee was formed successfully on September 20.

Going to the Project Site is Important at the Beginning and the End

When JICS takes on a project, its representative hurries to the place in question. He or she meets with representatives of the recipient country's government and politely explains the importance of the project and that the cooperation of the counterparty is essential to smooth implementation. In African countries, I believe that meeting and talking face to face is extremely important for building trusting relationships.

Based on a thorough understanding of the situation of the recipient country, JICS makes proposals for setting the arrival time and shipping conditions for grain in consideration of various local conditions and negotiating to the agencies that would be involved if a problem occurred. This

approach is essential to build trusting and cooperative relationships between parties with different cultures and customs.

The Japanese government and recipient country's government discuss the effects of and issues relating to the project in the committee. JICS is a Japanese organization, but its status is that of procurement agent for the recipient country's government. Serving as a pipeline between Japan and the recipient countries, JICS would like to contribute to building solid, bilateral relationships of trust.



The committee formed in September 2017



Representatives of both governments after the committee meeting

► Handling Numerous Projects in the Francophone Countries

In Francophone countries (primarily Africa), JICS was in charge of procurement agent services for nine Food Assistance projects in fiscal 2015 and for 13 projects in fiscal 2016. JICS has more than 30 personnel who can execute projects in the French language, and is also responsible for many school construction projects and other projects in Francophone countries.



A shipment of approximately 360,000 bags of rice weighing 30 kg each

JICS' Organizational Culture and New Business Initiatives

JICS, which aims to be the world's best service provider in the international cooperation field, seeks to maximize the utilization of human resources possessing a variety of experiences and skills without regard to age or gender. The Director General of the Third Management Department discusses JICS' initiatives for improving services and acquiring new projects while creating workplaces enabling each of our employees to make the most of their talents.



Chizuki OizumiDirector General
Third Management
Department

Aiming to Improve Services with a New System for Human Resource Utilization

JICS has created a variety of systems related to human resources and work duties in an attempt to make use of its diverse human resources.

► Proactive Utilization of Systems Supporting Women's Active Participation and Child Rearing

In recent years, to address the growing social interest in the active participation of women, at JICS, where approximately 40% of our employees and 30% of our managers are women, we are promoting the establishment of systems such as childcare leave that is longer than the statutory period required, as well as shortened working hours. Female employees, myself included, utilize systems for childbirth, child rearing, and shortened working

hours in an effort to come up with an ingenious plan for engaging in work "within a limited timeframe that enables us to fulfill our responsibilities and get results." Also, since fiscal 2014, more than 30% of male employees whose wives gave birth took advantage of childcare leave. The government of Japan encourages these systems to further promote work-life balance.



Besides the childcare leave system, JICS also introduced the nursing care leave system and launched mobile work in fiscal 2017. As our work involves frequent business trips, a system was introduced providing

services to employees with older parents by outsourcing nursing care consultation and support to an outside organization when traveling abroad on business.

► Utilization of Experienced Personnel

In the Third Management Department, senior employees who want to continue working even after they reach retirement age can teach employees with limited experience as human resources with a wealth of proven work experience. In addition, former management personnel utilize

their careers to work as project managers on complex projects requiring strong communication skills and a wide range of knowledge, including soft components such as training local residents. Appropriate career changes is an important management issue.







▶ Deploying Human Resources with an Awareness of the **Right Person in the Right Place**

As JICS requires human resources with technical skills and specializations, since our establishment we have mainly employed mid-career professionals. Thus, JICS deploys human resources without regard for age or career level. It is this indispensable cooperation, whereby older

1.00

subordinates with accumulated valuable knowledge and expertise are managed by a younger supervisor and managers with limited experience are supported by subordinates with a wealth of experience, that is crucial in improving service quality.



At JICS, careers are built flexibly leveraging individual specializations, which has a favorable impact on overall organizational growth. There is a veteran civil engineering employee who was engaged in a disaster prevention and reconstruction project and decided to enhance his specialization. After studying disaster prevention at graduate school while working, he spent approximately three years at an

outside institution where he gained onsite experience. At present, he is sharing this knowledge internally at JICS, contributing to the improvement of human resources engaged in disaster prevention-related projects. Some employees also utilize the leave system to participate in the Japan Overseas Cooperation Volunteers (JOCV) and study abroad to acquire Master's degrees.

At JICS, we are promoting the creation of workplace environments enabling employees to select the work style that best meets their individual life stage.



Mobilizing the Capabilities of Diverse Human Resources, **Seeking Out New Business**

Within JICS' operations, we are occasionally in charge of procuring specialized equipment we have never handled before in accordance with needs. Thus, with respect to the acquisition of new personnel, in addition to new graduates, we conduct recruiting activities targeting mid-career professionals. When handling the latest electronics and other equipment, technical knowledge possessed by engineers who worked at the manufacturer is extremely useful.

Our recruitment policy with regard to new graduate personnel is changing. This is because JICS itself intends to change and innovate. In addition to engaging in new operations and new business, we are evolving into an organization that constantly generates new ideas leading to future business in our conventional procurement agent services. Under these circumstances, when facing the unknown,

there is an increasing need for personnel who are able to take action and say "Let's give it a try."

The Third Management Department has many opportunities to collaborate with private companies and other new clients through the ODA's new operations. Together with human resource capabilities possessing a diverse backbone, we will engage in the further expansion of "Grant Aid Projects under Public-Private Partnership" and "Promoting the Formation and Implementation of ODA Loans."

New Business Initiatives

Specific new business initiatives promoted by JICS include grant aid projects under Public-Private Partnerships (PPP), promoting the formation and implementation of ODA loans and the assignment of experts to geothermal power generation projects.

Grant Aid Project under Public-Private Partnership: The Project for Expansion of Water Supply System in Kampong Thom, Cambodia

Project Overview

► Supporting Water Supply Infrastructure and **Promoting the Overseas Expansion of Japanese Corporations**

Grant Aid Project under Public-Private Partnership: The Project for Expansion of Water Supply System in Kampong Thom, implemented ODA via a public-private initiative, aims to promote the overseas expansion of Japanese corporations by realizing improved water supply capabilities in Kampong Thom Province, Cambodia, through a comprehensive implementation of a design-build-operate (DBO)*1 project led by Japanese corporations.

Counterpart of Agent Agreement: Royal Construction Group (Cambodia) Co., Ltd., and Ministry of Industry and Handicrafts, Kingdom of Cambodia

Grant Amount: ¥3,271 million

Exchange of Notes (Bilateral Agreements): March 30, 2017



Asuka Kato

International Organization Division Third Management Department

JICS' Initiatives

► Improving the Water Supply Ratio in Cambodia

The water supply ratio in Cambodia's capital city of Phnom Penh is 90%, but in the northern part of Cambodia, Kampong Thom, the water supply ratio is still low at 41%, thus water supply ratio improvement is an urgent issue. To resolve this situation, the Japanese government decided to extend the Project for Expansion of Water Supply System in Kampong Thom with grant aid of ¥3,271 million for the construction of a water purification plant, an intake weir*2, and water supply facilities. JICS entered into an agreement with the government of Cambodia to engage in project procurement, management, and funding management as an agent of the Cambodian government.

► Further Promotion of **Overseas Expansion of Japanese Corporations**

This project is a new ODA publicprivate initiative. This initiative is noteworthy for the fact that, after Japanese corporations have constructed facilities using ODA funds, the same corporations will operate and maintain those facilities without relying on ODA funds. As this is a comprehensive implementation of a DBO project, in addition to the ongoing local utilization of technologies and expertise possessed by Japanese corporations, this project is expected to further promote the overseas expansion of Japanese corporations.



Water will be drawn from the Sen River, where an intake weir is scheduled to be built

► A New Project Leveraging a Wealth of Procurement **Experience**

This is the second JICS Grant Aid Project under Public-Private Partnership since the Myanmar project in 2015. This project involves large-scale water supply construction as well as consideration for different management methods, thus it will require support unlike any we have provided up to now. Nevertheless, we will leverage our experience with numerous projects involving the procurement of materials and equipment, removal of landmines, and construction of facilities in Cambodia to conduct this project more efficiently and effectively.

- *1 Design-build-operate (DBO): A method of collectively consigning the design, construction, maintenance, operation, etc., of public facilities, etc., to private business operators
- *2 A low dam built across a river

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Promoting the Formation and Implementation of ODA Loans in South Asia (IICA Technical Assistance Related to ODA Loans)

Project Overview

► Support for Initiatives Intended to Facilitate ODA Loans **More Quickly and Rationalize Related Procedures**

As in fiscal 2016, following JICA's proposal competition, a four-person team provided operational support to institutions tasked with promoting the formation and implementation of ODA loans to India and Bangladesh, which are at the top of the list as ODA loan destinations for grants.

Counterpart of Contract: Japan International Cooperation Agency (JICA)



Kazunori Ogaguchi International Organization Division Third Management Department

JICS' Initiatives

► ODA Loans with Increasing Importance to India and Bangladesh

India, which boasts the world's largest population of any democratic nation, is the largest recipient of ODA loans in the South Asia region. In fiscal 2015, India received ODA loans amounting to ¥366.5 billion, the largest aid amount ever recorded. These ODA loans play an important role mainly in the development of infrastructure in

the electric power and transportation fields, strengthening connections among Indian cities and economic zones.

In Bangladesh, which has achieved significant economic growth, an increasing number of Japanese corporations are entering the country. In fiscal 2015, Bangladesh received

approximately ¥133.3 billion in ODA loans, the second largest amount after India. Bangladesh aims to realize a society where all citizens can live at the level of middle-income countries by 2021. The Japanese government supports the revitalization of economic activities in Bangladesh, mainly through ODA loans.

▶ Working Together to Support Executing Agency Enhanced Capabilities

On this project, one of the main tasks is to provide support for consultant selection procedures aimed at the smooth launch of approved ODA loan projects. The consultant selection procedures must follow JICA's "Guidelines for the Employment of Consultants under Japanese ODA Loans."We provide guidance and advice based on knowledge and experience cultivated since JICA entrusted JICS with the primary check for procurementrelated documents under Japanese ODA loans in fiscal 2004 to promote an accurate understanding of the executing agency's guidelines and selection procedures. In addition, JICS contributes to the steady progress of procedures and enhances the capabilities of the executing agency by leveraging the experience of procurement agent operations, to provide procurement documents necessary for consultant selection procedures (documents declaring interest in public offering for the creation of shortlists*, proposal invitation letters, detailed evaluation criteria tables, and evaluation reports) in collaboration with the executing agency and supporting it until completion.



Executing agency of India and JICS working together on the procurément documents required for consultant selection procedures

* Shortlist method: A method for selecting consultant employment involving the submission of proposals by three to five companies with sufficient international capabilities and experience leading to the selection of one company



From the Forest Preservation Programme to a Preparatory Survey for the Project on Geothermal Wellhead Power System in Ethiopia—Expanding Expertise in the Field of Geothermal Development

Project Overview

▶ Leveraging the Success of **Geothermal Wells to Establish** a Small-Scale Power Generation **Plant**

The fiscal 2009 Forest Preservation Programme in Ethiopia, during which JICS provided procurement agent services, utilized grant aid to successfully drill two geothermal test wells*1 in the Aluto Langano region of Oromia under the technical guidance of West Japan Engineering Consultants, Inc. (hereinafter, WEST JEC). The newly built small-scale geothermal power generation plant utilizing these geothermal wells was requested with grant aid.

Executing Agency: Ethiopian Electric Power Corporation

 Persons in charge of various projects concerning Ethiopian geothermal development



From left to right: Keizo Inoue, Toru Kubo, and Hiroyuki Ishigaki

JICS' Initiatives

► Participation in Small-Scale Power Generation Plant **Feasibility Studies**

This project involves the installation of a Japanése-made portable geothermal power generation plant which utilizes the steam from two geothermal wells. In Aluto Langano, the World Bank has launched 20 production well*2 drilling projects, and at present the Japanese government's ODA loan for the construction of a large-scale geothermal power generation plant that will utilize these production wells is being implemented.

As the development of a largescale geothermal power generation

plant requires 5–6 years, this plan first calls for a power generation project to be launched using small, portable power generation units that will be transferred to another region after the large-scale power generation plant is completed. JICS participated in the feasibility study conducted by geothermal development consultant WEST JEC as a procurement specialist and studied the conditions and estimated costs of installation of the portable power generation units.

► Expanding Expertise Related to Power Generation Plant Construction

In the field of geothermal development, JICS has mainly been engaged in the drilling of geothermal wells up to now, having had the opportunity to provide procurement agent services in the Forest Preservation Programme in Ethiopia, as well as providing support for bidding related to the selection of a drilling company for an ODA loan project in Indonesia, and support for technical cooperation projects aimed at improving geothermal development capabilities in Kenya and Indonesia. On this project, we were able to further enhance our accumulated expertise related to the procurement and installation of power generation plants.



Fumes from the geothermal well drilled for the Forest Preservation Programme

*1 Geothermal well: Well for the collection and study of steam and hot water in geothermal



Drilling rig (Forest Preservation Programme)



Feasibility study geothermal well site

*2 Production well: Geothermal, oil, gas, and other wells that pump various resources from the ground



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Expanding JICS' Range of Operations through Collaboration with Private-Sector Enterprises

JICS Becomes a Cooperative Partner to Further Support the Overseas Expansion of **Japanese Enterprises**

In March 2017, JICS put to use the experience and expertise in overseas operations it has accumulated since its founding, mainly in ODA, to begin the J-Partner service, which supports the overseas expansion of Japanese enterprises.



Takuji Okamura New Business Development Office

▶ J•Partner, an Overseas Expansion Service

The growth strategy of the Japanese government* includes strengthening the support structure for the overseas expansion of Japanese enterprises, for mainstay SMEs (Small and Medium-Sized Enterprises) in particular. To that end, various ministries and government offices—including the Ministry of Foreign Affairs and the Ministry of Economy, Trade and Industry—carry out various assistance. In response, JICS began J.Partner,

▶ Promoting Overseas **Operations Cooperation**

One of the stated objectives of the service is to help SMEs that have outstanding technology and expertise but lack sufficient resources and know-how to expand overseas by having JICS itself become a cooperative partner in operations management and help develop them into large businesses. This can include investing and dispatching human resources when necessary.

JICS, which has experience carrying out a great variety of ODA projects in over 150 countries and abundant expert personnel, works every day to cultivate enterprises' needs so it can be of use in problem solving.

a service to support the overseas expansion of Japanese enterprises, as one of its new operations.

* Japan Revitalization Strategy 2016 and Investments for the Future Strategy 2017: Toward Realizing Society 5.0



JICS personnel give an individual consultation at the JICS booth at the "SWBS (Small and Medium-Sized Enterprise World Business Support) Overseas Business Consultation Session in Tokyo" in March 2017.

JICS'CSR Work

Using JICS' NGO Support Program to Contribute to the Expansion of International Cooperation Activities by Private Organizations

► Summary of NGO Support Program and Selection of Groups to Support in Fiscal 2016

JICS provides funding to assist small and medium-sized Japanese NGOs and NPOs (hereafter, collectively referred to as "NGOs") that assist developing countries. This program involves providing up to ¥1 million or ¥1.6 million per organization to between 7 and 10 organizations per year following the framework shown in the figure on the right. JICS has provided a total of ¥166 million in assistance (to a total of 200 organizations) between 1999 and 2016.

In fiscal 2016, it received applications from 35 organizations, and the Selection Committee chose to support 13. (See P. 39 for the names of the NGOs and descriptions of activities.)

Framework for JICS' NGO Support Program

Note: The framework may change depending on the fiscal year.

Categories of NGO expenses and activities targeted for funding by JICS (For funds provided in FY2017)

Project operation expenses

- Expenses for development project activities outside Japan
- Expenses for NGO networking and other activities in Japan

General (not limited to specific fields)

Regional (Africa, Latin America, Oceania)

Sports*

Funds for improving organizational capabilities

- Personnel expenses for an organization's headquarters
- Expenses for producing public relations (PR) tools and other materials

Maximum support: ¥1.6 million for general and regional, ¥1 million for sports

► Holding a Conference to Report on Activities and Share Ideas

For its NGO support program, JICS holds an annual conference for NGOs to report on their activities and share ideas. The event provides an opportunity for NGOs to network with other NGOs and share opinions with outside experts.

The conference in fiscal 2016 was held September 29, 2016, and 13 organizations that received support in fiscal 2014 participated.

• Use in local development cooperation operations

Organization: Karez Health and Educational Services

Aid activities: Recovery support activities in Afghanistan, centered on medical care and education

The organization has engaged in the following activities to promote regional medical care in the city of Kandahar: study meetings for community health workers, holding nutritional advice seminars for local residents, and regular circuit teaching.



Nutritional advice for developing "a healthy body that can fight off sickness"

• A networking organization uses assistance for operations in Japan

Organization: Development Education Association and Resource Center (DEAR)

Aid activities: Development education with the themes of international understanding and cooperation

The organization held a development education workshop in Hokkaido to cultivate development education practitioners. Participants came from throughout Japan and numbered 270.



Voluntary roundtable at the workshop

^{*}JICS is a member of the SPORTS FOR TOMORROW Consortium, and established in fiscal 2015 a framework for supporting developing country development projects that apply sports.