

Part I
General Remarks

Main Activities in FY2004



While public attention was focused on post-conflict rehabilitation activities in Afghanistan and Iraq, the Sumatran Earthquake and Tsunami Disaster in the Indian Ocean severely affected several countries bordering on the Indian Ocean at the end of December 2004. Both man-made conflicts and natural disasters can change people's lives overnight—destroying the social infrastructure, depriving people of means to earn their livelihood, and dealing a severe blow to regional and national economies. The poor and destitute in developing countries are the hardest-hit by want and fear, and from the perspective of human security it is vital to offer them support.

Rehabilitation of countries devastated by conflict or natural disaster requires infrastructure restoration—repairing or rebuilding hospitals, schools, roads, sewerage and water systems, energy-related facilities—to provide the necessary environment for resuming socioeconomic activity.

JICS supports these activities through its procurement management operations for emergency grant aid and non-project grant aid. Here are reports describing JICS' activities in this area.

Special Feature

JICS' Role in Rehabilitation

Convoy preparing for departure on the Iraq side of the border.

Iraq

Maintaining Public Security and Safety

To signal the international community's strong commitment to Iraq, an international conference to discuss reconstruction was convened in Madrid in October 2003, following the fall of Saddam Hussein in April of the same year. Before the meeting, Japan, which jointly chaired the conference, announced that it would allocate 1.5 billion U.S. dollars in grant aid for interim support. This grant aid is being used throughout Iraq to restore public safety and electricity, health care, sanitation and other amenities





Vehicle being inspected at a plant in Japan.

essential for rebuilding and improving the lives of citizens.

This grant aid includes bilateral aid to the Iraqi government as well as aid channeled through international organizations. JICS is involved with procurement of goods and services as part of this bilateral aid.

Ensuring Safe Transport of Procured Equipment

On January 16, 2004, the Japanese government decided to provide emergency grant aid to Iraq in the amount of 3 billion yen, to be used to buy police vehicles for maintaining public order, and tools and equipment for vehicle maintenance needed by maintenance facilities in Baghdad. On the same day, JICS concluded a contract with the Iraqi Ministry of Interior and began arranging for procurement of the equipment in the capacity of procurement management agent. Due to unsettled local conditions, JICS carried this project out with the help of Crown Agents, the British procurement agency.

JICS solicited bids for the procurement of the police vehicles, which were built to specifications for use in



Shipment unloaded after arriving by sea.

intense heat and dusty conditions. In order to make effective use of the fund provided, the winning contractor was selected based on competitiveness, fairness and transparency, and capacity to ensure swift implementation, and JICS kept in close touch with the Ministry of Interior at all stages of the process. A total of 1,150 Japan-made police vehicles (340 sedans and 810 SUVs) were procured through JICS. Over the years, JICS has been involved in many procurement projects all over the world, and it has also handled an increasing number of projects related to rehabilitation and peacebuilding. However, the situation in Iraq necessitated special care in making sure that the equipment could be safely delivered.

After exploring various alternatives, it was decided that the safest way to transport the equipment would be by



Briefing by the security services company before sending a convoy.

convoy accompanied by a security detail. For maximum protection, JICS selected the most appropriate security services company for the job, with a proven record of protecting various international agencies and the Coalition Provisional Authority (CPA).

The first convoy crossed the Iraq border on May 25, 2004, headed for Baghdad. The risky transport operation necessitated close attention to numerous factors, such as:

(1) Dealing with emergencies

To deal with unforeseen situations, such as road closures due to deteriorating safety or accidents during transport, a communication chain and emergency support system was set up to ensure the safety of drivers, security staff and vehicles.

(2) Flexible response

Various responses were planned, based on information gathered about the transport route, in order to deal with



Trailers waiting at the Iraq border.

unforeseen conditions and ensure smooth and safe transport of the procured equipment. For example, the transport timetable was continually revised to take account of how far each convoy had traveled, prevailing conditions, time of day, weather conditions and other factors evaluated comprehensively.

(3) Communication within the team

The various parties involved in the transport operation—the Japanese embassy, JICS, suppliers, the transport company and the security services company—worked together as a team.

The operation got underway after thorough preparations to establish the security protection system and arrange details such as how to communicate during transport and obtain armored vehicles and emergency life-saving kits.

Convoys were halted several times along the way, since some of the towns along the route were in armed insurgents' hands and were targeted for attacks by U.S. forces. Situations such as religious demonstrations or sealing of the border by U.S. forces necessitated numerous revisions of the transport schedule and notifying all parties in the team. Thanks to the cooperation and close coordination among all the parties, this difficult task was successfully completed on October 6, 2004. (See staff report below)

Following procurement of the police vehicles, additional

Other Activities

Following procurement of the police vehicles, additional

Emergency Grant Aid to Iraq		As of March 31, 2005
	Project Name	Amount of Aid from Japan
Equipment Procurement	Project for the Provision of Police Vehicles (completed)	3.10 billion yen
	Project for the Provision of Fire Fighting Vehicles	2.19 billion yen
	Project for the Provision of Equipments for Solid Waste and Sewage Management	(Baghdad Mayoralty) (MMPW) 2.62 billion yen
		3.64 billion yen
	Project for the Provision of Armored Vehicles	0.59 billion yen
	Project for the Provision of Ambulances	5.83 billion yen
	Project for the Provision of Equipment for Solid Waste Management in Samawah	0.66 billion yen
	Project for Provision of Equipment to Primary Health Centers in the Governorate of Al-Muthanna	0.87 billion yen
	Project for the Provision of Police Buses and Motorcycles	2.62 billion yen
Facilities Rehabilitation	Project for Installation of Mobile Substation	7.94 billion yen
	Project for Rehabilitation of Taji Gas Turbine Power Station	7.28 billion yen
	Project for Rehabilitation of Mosul Gas Turbine Power Station	4.59 billion yen
	Project for Rehabilitation of Mosul Hydroelectric Power Station No.1	5.68 billion yen
	Project for Rehabilitation of 4 General Hospitals in the Southern Region of Iraq	5.56 billion yen
	Project for Rehabilitation of 4 General Hospitals in the Northern Region of Iraq	7.53 billion yen
	Project for Rehabilitation of 3 General Hospitals in the Central Region of Iraq	5.04 billion yen
	Project for Improvement of Water Supply in Baghdad	6.07 billion yen
	Project for Improvement of Trunk Communications Network	7.15 billion yen
	Project for Improvement of Transit Switches	3.60 billion yen

emergency grant aid, this time for procurement of fire fighting vehicles in Baghdad and two other areas, was agreed upon by the Japanese and Iraqi governments on May 12, 2004. Bids were solicited and a total of 70 vehicles built by Japanese manufacturers to specifications for use in Iraq were loaded onto ships beginning in January 2005. Another 19 projects, for procurement of garbage trucks and sewage treatment vehicles and others, are also being implemented (see table).

In addition, smaller projects in the area of Grant Aid for Grassroots Human Security Projects are being carried out. In such cases, JICS provides information on prices, specifications and so forth of equipment needed for such projects to the Japanese embassy in Iraq and others.



Police patrol cars from Japan help maintain public order.

Staff Report

A Difficult Project Accomplished Successfully

Transport of Police Vehicles to Contribute to Rehabilitation

On October 6, 2004, Iraq project officers at JICS' Tokyo headquarters were relieved to hear from coordination and management staff members dispatched to Jordan that the project to transport police vehicles had been completed at last. Here is a report describing the various phases of the operation, which stretched over nine months.

Working as a Team

In this project, convoys accompanied by security escorts were the key to transporting 1,150 police vehicles safely and smoothly to Baghdad.

In discussions with the security services company selected, we realized that the operation would be complex and difficult, because of the need to protect the equipment from possible attacks by armed insurgents along the transport route. To prepare for the operation, all the parties involved in the transport operation—the Japanese embassy, JICS, suppliers, the transport company and the security services company—met to discuss details. Initially, the security services company and the transport company had sharply differing perceptions of the security situation. JICS stepped in to mediate, helping both sides understand their respective roles and their position as members of one team and making sure that everyone would be working toward a common objective.

Continuous Duty

Meanwhile, shipments of the vehicles were arriving and being taken to the Iraq border after unloading at ports of arrival. Security escorts met up with the vehicles at the border to accompany them back to Baghdad.

Once the transport operation had begun, the JICS Iraq team were involved in many tasks simultaneously: managing the transport schedule; handling customs clearance at the border; tracing the convoys in transit; notifying and reporting to various parties; evaluating and monitoring the security situation; and arranging for the Iraqi side to take delivery of the vehicles. Staff were on duty continuously throughout the period, especially as they had to deal with unforeseen situations such as religious demonstrations or sealing of the border by U.S. forces on several occasions.

The Goal: Rehabilitation

Violence continues unabated in Iraq, spreading death and despair. This saddens us, but at the same time we feel quiet satisfaction at having successfully completed the project, as we know that the police vehicles we helped procure are being used to maintain public order.

Rehabilitation in Iraq will take a long time; no one knows when normal conditions will finally be restored. At times, we may feel overwhelmed by the situation, but together with those who wait patiently for rehabilitation and those who are working toward that objective, we will continue our activities with a feeling of pride and happiness at being involved in Iraq's rehabilitation.

Afghanistan

Providing More Support in Regional Areas

The Transitional Administration was established in Afghanistan in June 2002. A new Constitution was adopted and promulgated in January 2004, following which presidential elections were held on October 9 the same year. Hamid Karzai, head of the Transitional Administration, was elected first president of the Islamic Republic of Afghanistan.

Supporting the political process in Afghanistan, the Japanese government has been involved in various projects for establishing peace. In line with this basic policy, projects continued in 2004, with JICS handling some of those projects.

Projects this year were characterized by more assistance for regional areas, particularly in the southern part of the country, in accordance with the Japanese government's stance of increasing public support for the peace process through expanded assistance to regional areas.

Activities Over the Longer Term

Road Sector Program Grant Aid

Under the first project in the road sector program grant aid for Improvements to the Trunk Road from Kandahar toward Kabul, temporary paving of the road was completed in December 2003. The second project, to install a

more durable surface, began in January 2004 and was completed in October the same year.

(The 50-km section handled by Japan is shown as — on the map.) A ceremony was held in December to mark completion, attended by Gul Agha Sherzai, Minister of Public Works, Norihiro

Okuda, the Japanese ambassador to Afghanistan, Sadako Ogata, president of JICA, which handled the basic design, and other dignitaries. Representing JICS was program manager Shoji Hasegawa.

With the completion of this project, two of Afghanistan's major cities, Kabul and Kandahar, are now linked by a road paved to international standards. The



project also signifies improvement to one component of the country's infrastructure over the medium to long term.

In December 2004, work was begun on the Programme for Improvements to the Trunk Road from Kandahar toward Herat under the road sector program grant aid. In this project, Japan will be responsible for improving a 114-km long stretch of road (shown as — on the map). This project will take 20 months to complete and conditions in some areas along the route remain unsettled, but JICS will apply the experience it acquired in the stretch of road from Kandahar toward Kabul in monitoring the work's progress. A portion of the Great Ring Road linking the west and south of Afghanistan will be refurbished and link up with the already completed portion of the road between Kandahar and Kabul. It is hoped that more goods will be transported along the road running east to west and that this will contribute to improving residents' lives.

Follow-up on Basic Medical Equipment

In 2002, basic medical equipment was provided under emergency grant aid, which is an important element of emergency rehabilitation. Since the equipment had been provided two years earlier, JICS investigated how it was being used in Kabul hospitals, arranging to procure needed replacement parts, dispatching Japanese technical experts to the hospitals using the equipment, and conducting more training sessions for Afghan doctors and maintenance personnel to teach them how to replace parts and maintain the equipment. Doctors trained by Japanese technical experts then traveled to six hospitals in regional areas to conduct a similar follow-up on equipment previously provided to those hospitals. JICS believes it is important to train users so that the equipment procured can be used properly and made to last a long time.



Ribbon cutting at the completion ceremony.

Continued Support for Establishing Peace

In 2004, emergency grant aid was provided for a program to support police in Kandahar. This follows a similar program carried out in 2003 to support police in Kabul. Police in Kandahar were provided with a wireless communications system and vehicles, to help them carry out their activities more speedily and efficiently. Japanese technical experts were dispatched when the equipment was delivered. These experts conducted training over a three-week period to teach the use of the wireless equipment and maintenance skills to keep the equipment in good working order.

Local Testing of Mine Detectors and Demining Equipment

An agreement was concluded between the Japanese and Afghan governments concerning grant aid for research for the research project for developing mine clearance related equipment in November 2003. Support for research activities began locally in 2004.

The aim of this project is to conduct testing of mine detectors and demining equipment under local conditions. As agent for the Afghan government's Department of Mine Clearance (DMC), JICS managed the execution of the project, including safety measures, and also provided financial management services.

Testing was carried out on five different types of demining equipment, developed based on excavators, bulldozers and snow clearing vehicles by four manufacturers. The equipment was tested under various conditions mainly at the Central Demolition Site (CDS) located near Kabul.

In addition to verifying the equipment's basic performance, testing included evaluating how the machines per-

formed in excavating dummy mines on flat, rough and sloping surfaces. Explosion resistance testing was also carried out in a practice test assuming that a real mine had exploded during removal operations.

In late December and early January, the test site was moved to Kabul International Airport, where live mines are actually buried, to test the equipment's mine removal capabilities in heavy snow and other difficult conditions. Testing confirmed that the equipment had the capacity to remove many live mines.

In the test to evaluate mine detectors, two manufacturers and one research laboratory participated. Tests were carried out at the CDS from summer through winter. The mine detectors tested operate on the principle of ground penetrating radar (GPR), a different principle than that used in conventional metal detectors. The mine detectors were tested under several different situations, on both dummy and genuine, deactivated mines, to ascertain the advantages of GPR and differences in performance of this new type of mine detector compared to metal detectors.

Tests for both demining equipment and mine detectors were completed without incident by February 2005. The testing allowed Japanese manufacturers and research laboratories to collect useful data for demining activities in Afghanistan. This data will be used to develop improved equipment which can contribute to demining activities in Afghanistan in the future.



Hand-held mine detector monitoring a buried dummy mine.



The five types of demining equipment and a mine detector equipped vehicle that participated in testing.

Sumatra Earthquake and Indian Ocean Tsunami

Investigation Team Dispatched Immediately to the Area

The major earthquake off the coast of Sumatra and the resulting tsunami in the Indian Ocean on December 26, 2004 was an unprecedented disaster that resulted in over 220,000 dead and missing persons.

The Japanese government reacted quickly, sending Japan Disaster Relief teams to the area the next day. On January 17, 2005, the government agreed with the governments of affected countries Indonesia, Sri Lanka and the Maldives to provide non-project grant aid totaling 24.6 billion yen, with the amounts of 14.6 billion yen, 8 billion yen and 2 billion yen given to the aforementioned countries respectively.

Following this, JICS signed procurement management (agent) contracts with the governments of Indonesia and the Maldives on January 17 and with the Sri Lankan government on February 3, to manage funds and procure necessary goods and services.

Disaster rehabilitation requires a quick and flexible response. JICS had already dispatched survey teams to Indonesia, Sri Lanka and the Maldives between January 5 and January 12, prior to the signing of the respective bilat-



eral agreements. The survey teams had been sent to determine needed materials and to gather detailed information, through hearings with the ministries concerned and



A fishing boat resting on a bouse after the tsunami (Indonesia).

field surveys. At the time of the survey teams' visit, the affected areas were still in disorder, with boats washed up on roads and victims' belongings still visible in a train running along the shore that had been overturned by the tsunami.

Lists of goods and services to be procured were drawn up by the Japanese government and respective governments, leading up to the bilateral agreements for aid on January 17. To swiftly procure the various goods and services needed in a variety of areas, JICS headquarters' project management department initiated a tsunami relief program. In addition, workspace for JICS was obtained in the three countries and procurement procedures are being carried out on a continuing basis both in Japan and locally.

Regarding procurement procedures, tendering and contracts were made as soon as tendering preparations were completed. The first lot of relief goods for Sri Lanka, consisting of nine used sewage collection vehicles donated by the city of Yokohama, and 30 water tanks procured locally, was handed over at the end of March.



(Maldives)



JICS staff surveying the proposed site of an aqueduct (Sri Lanka).



Handover ceremony for sewage collection vehicles donated by the city of Yokohama. JICS managed transportation of the vehicles (Sri Lanka).



JICS staff examining damage to the location of a water tank (Maldives).

Main goods and services to be procured

As of March 31, 2005

Sri Lanka	Spare parts for construction equipment, power generators, repairs to bridges, etc., spare parts for outboard motors, fishing boats, repair materials for fishing boats, fishing equipment, services for restoring schools, mobile clinics, equipment for measures against rabies, hospital equipment, transport and installation of power generators, spare parts for sewage collection vehicles, services for restoring police stations, container-type ice plants, road repair works, water pipes
Maldives	Wireless communications equipment (fishing equipment), GPS, fishing nets, engines, power generators, pumps, etc., consulting services for building public infrastructure
Indonesia	Medicines and medical equipment, road construction machinery and vehicles, road construction services, freeze-drying equipment and related services for restoring land registers, office equipment for radio stations, construction equipment and materials for embankment works, dump trucks, water trucks, water trucks for running water and sewage, dump trucks, bulldozers

The Role of JICS in Official Development Assistance (ODA)

Working to Promote Smooth Implementation of ODA

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

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

Grant Aid

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

Grant Aid for Infectious Diseases Prevention and Treatment

Grant aid for infectious diseases prevention and treatment

provides aid for vaccines and administration of therapeutic drugs to control various infectious diseases such as polio, tuberculosis, malaria and AIDS and others that threaten lives in developing countries.

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

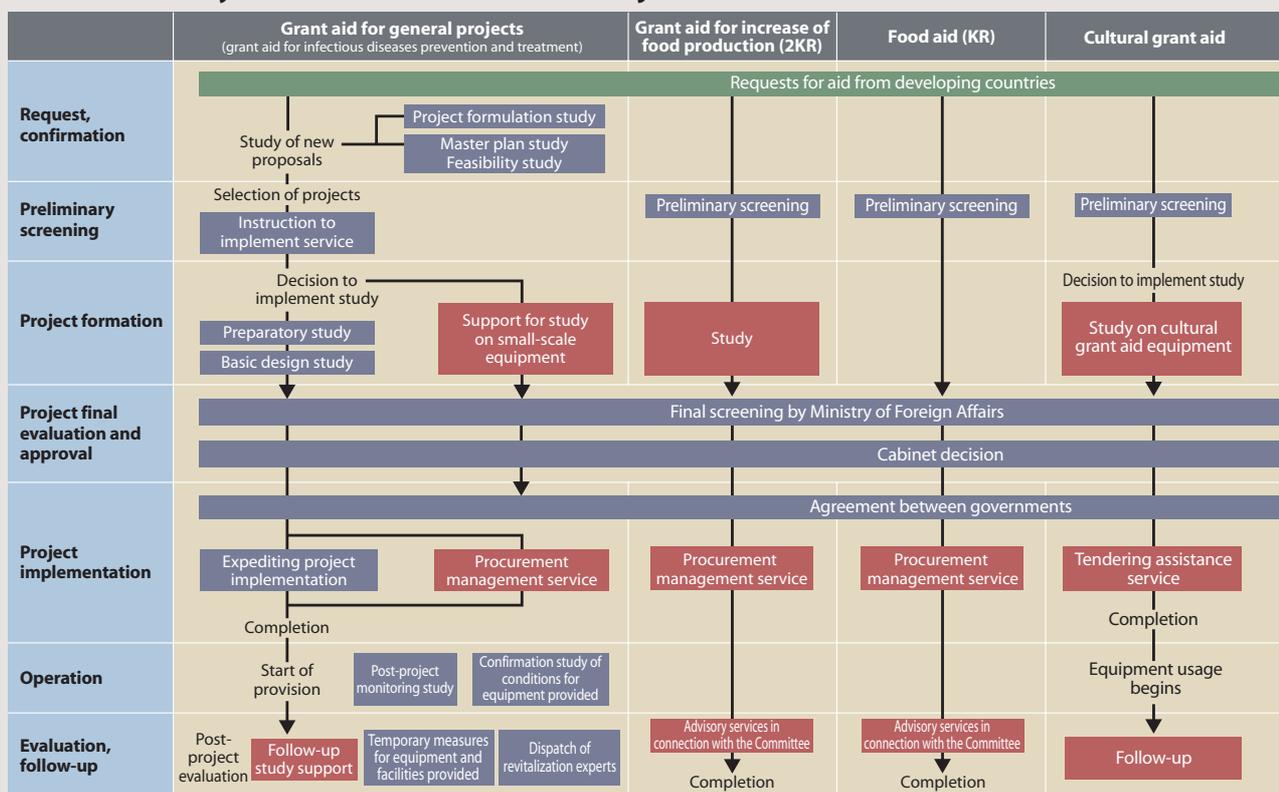
Since infectious diseases control must be put into action without delay and the validity periods of vaccines and drugs are also limited, project management always demands swiftness and accuracy.

Grant Aid for Increase of Food Production (2KR)

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

Since its founding in 1989, JICS has been delegated by

Areas Handled by JICS in the Case of Grant Aid Projects



JICA to carry out studies in Japan and on site.

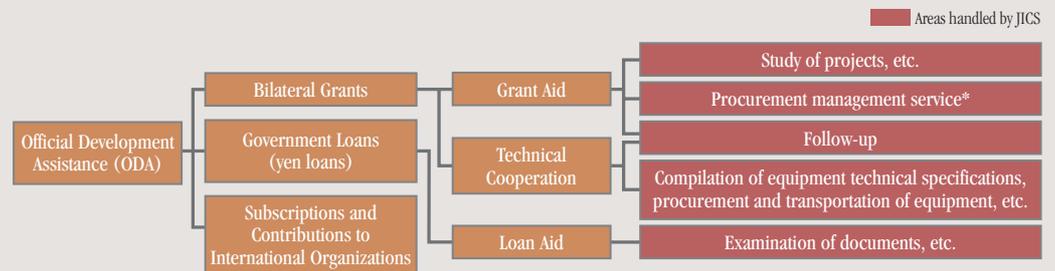
Additionally, since FY1997 JICS, in accordance with contracts with developing countries' governments, has been serving as a procurement management agent contributing to fair and rapid procurement of agricultural equipment. It also acts as the secretariat for intergovernmental committees following up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

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

Food Aid (KR)

This grant aid is provided to developing countries with food

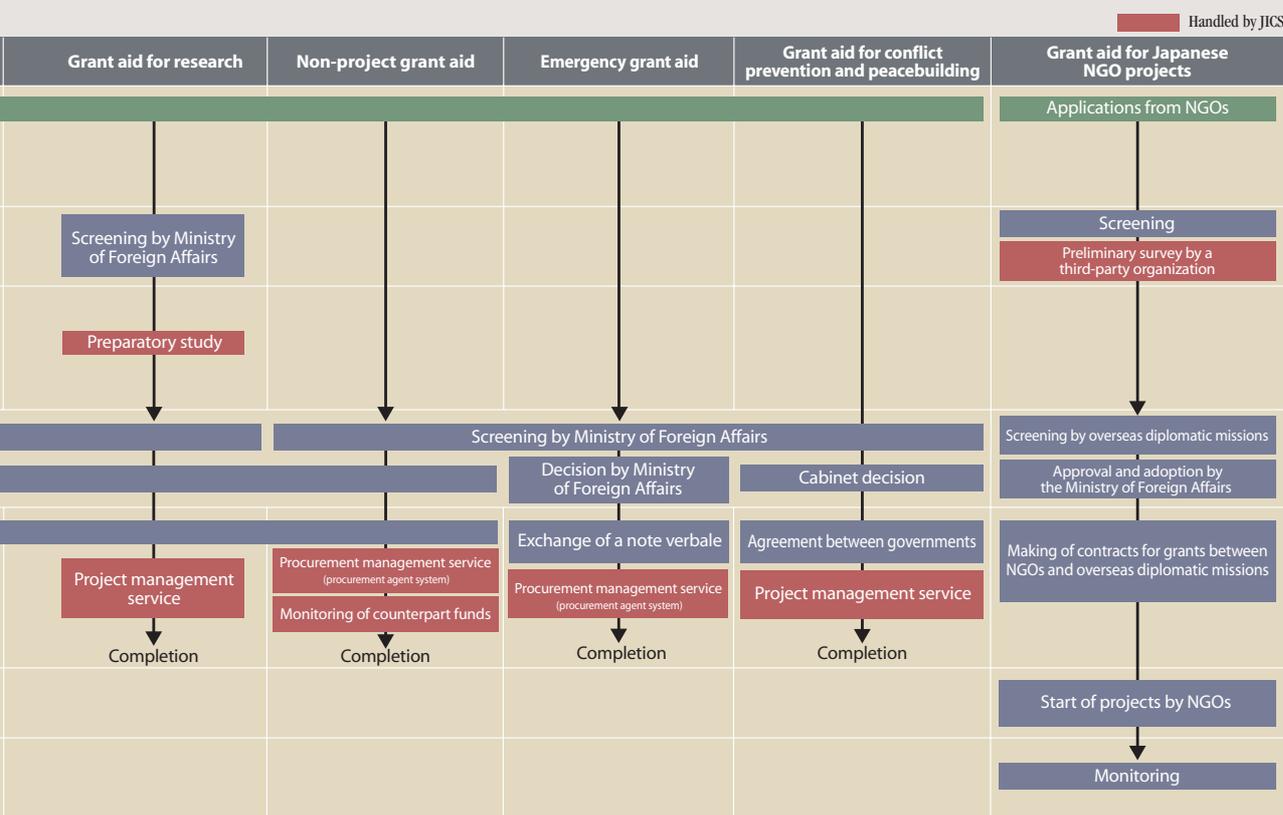
Japan's ODA and the Role of JICS



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

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

Since FY2001, JICS, in accordance with contracts with developing countries' governments, has been serving as a



procurement management agent helping ensure the fair and rapid procurement of food. It also acts as the secretariat for intergovernmental committees following up on how the food procured was distributed and monitoring accumulation of counterpart funds.

Cultural Grant Aid

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

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

The main types of equipment procured include sound and lighting equipment for theaters, sports equipment, equipment for excavating and preserving archaeological sites, musical instruments, equipment for producing cultural and educational programs, materials related to Japanese-language education, and others.

Grant Aid for Research

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

Since FY2001, in accordance with contracts with the governments of developing countries, JICS has been managing grant aid provided for research and development activities, and offering coordination and support to ensure that activities among researchers and manufacturers in Japan and developing countries are carried out smoothly.

Non-Project Grant Aid

Non-project aid is grant aid intended to provide rapid support to developing countries with economic difficulties such as growing accumulated debt or a rising international balance of payments deficit, as part of assistance to improve the country's economic structure. Since this aid is not earmarked for specific projects (e.g. building schools, etc.), it is called non-project grant aid.

Since FY1993, JICS, in accordance with contracts with developing countries' governments, has been helping procure the necessary equipment, such as raw materials (petroleum products, steel products, paper products, etc.) needed to improve the country's economic structure, machinery (vehicles, construction machinery, etc.) required for public works projects and others.

Emergency Grant Aid

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

(1) Emergency disaster assistance

Support for rehabilitation after natural disasters or man-made disasters such as civil war.

(2) Support for democratization

Support for the establishment of democracy after the collapse of undemocratic regimes or in the aftermath of long-running civil conflict.

(3) Assistance for reconstruction and development

Support for smooth implementation of the rehabilitation and reconstruction process in countries and areas involved in conflicts. It is bridge support implemented in the period between emergency and humanitarian support for refugees and affected people before the restoration of peace, and development assistance after a certain period after peace has been restored.

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

Grant Aid for Conflict Prevention and Peacebuilding

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

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

Technical Cooperation

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

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

Yen Loans

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

The role of JICS, delegated by JBIC, is primarily to examine whether procurement procedures, documents and decisions made by borrowing countries are appropriate in conformity with prior agreements at the time of signing loan contracts, according to guidelines, standard documents and others stipulated by JBIC. JICS also examines estimates of operations costs and basic designs formulated by borrowing countries in commissioned studies on development projects implemented by JBIC, by dispatching experts to the countries concerned.

Follow-up Activities

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

Follow-up Examination

Once cooperation in developing countries has been completed, various projects are maintained and operated by the developing countries themselves. However, project implementation is sometimes hampered by equipment break-

downs or lack of funds. To help in this situation, JICA carries out follow-up cooperation as needed, providing support to ensure that the effects of support to developing countries can be sustained.

JICS, delegated by JICA, examines whether documents concerning technical specifications and cost estimates that consultants have submitted are properly prepared in conformity with JICA standards, in JICA follow-up studies.

Support for Database Creation

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

Operation of the Technical Information Center

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

NGO-related Projects

JICS supports NGO activities from several different perspectives.

Grant Aid for Japanese NGO Projects

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

Since FY2003, delegated by the Ministry of Foreign Affairs of Japan, JICS has been evaluating the goals, content, and appropriateness of size and funding requirements for proposal applications submitted by NGOs. If necessary, local studies are also conducted. Through this activity, JICS contributes to strengthening the partnership between the Japanese government and NGOs and to the further development of NGO activities.

Support for Non-Governmental Organizations

JICS provides funding of a maximum of one million yen per year per NGO to relatively small Japanese NGOs to support their activities. This funding is made available to approximately ten NGOs per year. Support for NGOs has been implemented, as one of JICS' own projects, since FY1999, the tenth anniversary of JICS.

More Countries Receiving Assistance in a Larger Variety of Projects

Zambia *(Grant Aid for Infectious Diseases Prevention and Treatment)*

Procurement of Health Center Kits to Help Improve Health Care Services Throughout the Country

In Zambia, HIV infections have been spreading since late 1980s, and the number of tuberculosis patients is rising since many people, with immune systems weakened due to HIV/AIDS, have contracted tuberculosis and the country lacks personnel and experience in dealing with this problem. Malaria, acute respiratory infections, and gastrointestinal diseases including diarrheal disease, dysentery and typhoid are widespread. There are concerns that the prevalence of these infectious diseases could cause HIV/AIDS patients to be additionally infected with them.

Under the circumstances, the government of Zambia decided to take more aggressive measures against tuberculosis and other infectious diseases and formulated the Project for Infectious Diseases Control, in order to improve the quality of health care services throughout the country. To secure the necessary funds for procuring equipment for this project, Zambia asked the Japanese government for grant aid.

JICS made a contract with Zambia's Ministry of Health to provide procurement management services for this project. With support from JICS, five types of anti-tuberculosis drugs needed for treatment, reagents for sputum smear tests to identify tuberculosis patients, and health center kits containing an assortment of drugs and sanitary supplies to be distributed to end-user health care facilities, were properly procured. As part of this project, JICS also



JICS staff inspecting equipment with local officials.

carried out local inspections in October 2004 and January 2005 to ensure that supplies were being delivered appropriately.

Following this, the two governments entered into a bilateral agreement to implement the Project for Infectious Diseases Control, Phase II in December 2004, and JICS again entered into a procurement management contract with the Zambian Ministry of Health, signed on January 12, 2005. In March, JICS organized tendering to select the supplier for the equipment and is now monitoring progress of delivery.

The health center kits are being procured through coordination between the Japanese and Dutch governments. Coordinating kit contents and volume of supply ensures that Zambia can receive the number of kits it needs throughout the year. Staggering procurement over a period of time also allows inventory to be maintained without interruption.

Procuring the equipment in this project will help reduce the number of tuberculosis patients in Zambia and lower the morbidity from this disease. The health center kits will contribute to better health care throughout the country and reduce morbidity rates for the principal diseases.



Checking the contents of a health center kit selected by sampling.

Albania *(Grant Aid for Increase of Food Production)*

Using Counterpart Funds to Promote Food Processing

The Japanese government has been providing grant aid for increase of food production (2KR) to the Republic of Albania for five years since FY 1999. Based on an agreement with the Japanese government, proceeds from the sale of equipment procured under this 2KR aid have been set aside by the Albanian government as counterpart funds. They are being used to carry out various projects in consultation with the Japanese government. One of the projects is promotion of the food processing industry in Albania.

In this project using counterpart funds, JICS, which handled procurement management for the 2KR, was delegated by the Albanian government to provide procurement management services, to ensure transparency in procedures for procuring the necessary equipment.

Many areas of Albania lack food processing facilities, and the few existing facilities that do exist are old. As a result, the country depends on imports of processed foods from the EU region.

The main aim of the overall project is to introduce equipment for processing farm and livestock products, in order to promote the food processing industry in Albania. Ideally, the project should also help invigorate local industry and create employment. A total of 27 individual projects in five areas—dairy product processing, aquaculture and aquatic product processing, processing of crops,



A project to farm and process mussels is planned (mussel farming operation in November 2004, when the study was conducted).

meat processing, and production and processing of agricultural products—are planned.

After a request from the Albanian government, JICS and the government signed a procurement management agreement in August 2004. A JICS team traveled to Albania in November the same year to investigate which projects should be initiated first. Taking into consideration existing facilities and technology, it was decided to start off with a milk processing project to produce milk sterilized at ultra-high temperatures. As the procurement management agency, JICS evaluated prices and specifications offered by various companies and ultimately chose as a candidate supplier a company with a large market share in the EU and the Balkans, from the viewpoint of compatibility with existing equipment in Albania.

Following meetings among JICS, Albanian officials and end users of the equipment, and the equipment maker, the equipment maker signed a supplier's contract with the end users in March 2005.



Existing low-temperature milk sterilization equipment owned by a local milk processor.

Senegal *(Food Aid)*

Supporting Fair and Rapid Procurement of Rice

In accordance with Food Aid Convention of 1999, the Japanese government has been providing food aid to developing countries with food shortages, in order to alleviate poverty and hunger.

For its part, JICS has been providing procurement management services for food aid bound for Senegal since FY2002. Following a project in FY2003, JICS entered into a procurement management contract with Senegal's Food Security Agency on April 20, 2004. JICS undertook to provide support for fair and rapid procurement of rice and



Handling the cargo at Dakar Port.

also provided advisory services in connection with the Committee meetings held to check on progress of the project.

Senegal produces rice in the basin of the Senegal River, but productivity has been affected by water

shortages and acidic soil conditions, and it is no longer able to produce enough rice to meet its own needs. Over the past five years (1999-2003), Senegal has had a self-sufficiency rate of 20%, with only 150,000 tons of rice being produced yearly versus demand of 780,000 tons per year. Consequently, it has been importing 600,000 tons a year through private grain dealers to make up the shortfall. Rice provided through food aid is only a small portion of overall import volume, but it helps Senegal save foreign exchange and stabilize market prices.

After arrival in Senegal, the rice (food aid) procured by the Food Security Agency is put out to tender. After being purchased by grain dealers, it passes through the hands of intermediary wholesalers and retailers for sale to consumers. Rice procured through food aid is of higher quality than the ordinary rice imported by grain dealers themselves, so it is popular on the

market and sells well. In 2005, something new was tried: a portion of this high-quality rice was set aside, with plans to distribute it free of charge to residents of areas affected by floods or crop damage due to grasshoppers.



Donated American rice (sack second from right) on sale at Sandaga market.

In accordance with an agreement with the Japanese government, the Food Security Agency sets aside the money earned from sales of donated rice as counterpart funds. Counterpart funds accumulated until now have been put to good use to procure emergency aid for people living in areas affected by floods or other disasters, or to buy high-quality seed stock to boost sorghum* production, in accordance with prior consultation with the Japanese government.

*Annual grass native to Africa; member of the rice family. Sorghum is used as a food, for animal feed and as an ingredient in processed foods.



Handover ceremony for donated rice, in the presence of the Senegalese Minister of Family and National Solidarity, the Japanese Ambassador to Senegal, and the Resident Representative of JICA Senegal Office.

Honduras *(Cultural Grant Aid)*

Equipment Procured to Promote Sports

Honduras' Ministry of Culture, Arts and Sports is involved in sports promotion and in planning, executing and evaluating policies concerning sports. It uses the facilities and sports equipment at Honduras' Olympic Village to promote various sports and develop athletes, working together with the Honduras Olympic Committee, which falls under this ministry, various sports federations, the National Commission of Sports Facility and the Autonomous Sports Confederation of Honduras. In order to support sports promotion in regional areas, it lends out the sports equipment needed when local sports meets are held.

However, the Olympic Village equipment is old, much of it is damaged, and it is also insufficient in terms of quantity.

The Honduras government, which cannot afford to procure the needed equipment due to financial constraints, asked the Japanese government for cultural grant aid, in order to purchase new sports equipment for volleyball, boxing, judo and karate, as well as training equipment.

Delegated by the Japanese Foreign Ministry, JICS carried out a field study in October 2003, meeting with officials from the Honduran ministry and Olympic Village to evaluate the appropriateness of the

sports equipment requested. JICS also checked where the equipment would be used, how it would be maintained, and provisions for after-sales service.

Based on the field survey findings, agreement was reached between the Japanese and Honduran governments concerning implementation of cultural grant aid on August 10, 2004. JICS assisted with tendering (preparation of tendering documents; public notice, implementation and evaluation of the tendering process) related to procurement of the said sports equipment.



JICS staff member carrying out inspection together with staff from a requesting organization, at the Olympic Village.

Laos *(Non-project Grant Aid)*

Procuring Gasoline, Steel Sheets and Other Materials to Aid Industrial Development

On March 4, 2004, the Japanese and Laotian governments signed an agreement concerning execution of non-project grant aid valued at 1 billion yen. On April 8 the same year, JICS and the Laotian Foreign Ministry signed a procurement management contract under which JICS would act as an agent (procurement agent system) to carry out tendering procedures, make contracts with suppliers, and manage deliveries and funds for the project.

This is the eighth occasion for the Japanese government to provide non-project grant aid to Laos. Funds provided under the FY2003 project were used to procure gasoline, light oil, steel billets, steel rods and steel sheets. Laos is a landlocked country and overland transport is the basic means of transportation. Consequently, petroleum products are a vital import. Steel products are also imported as indispensable construction materials and contribute to the industrial development of the country.

The steel billets are used by the country's steelmakers to produce steel reinforcing rods that are then sold on the domestic market. Those steel rods have been used as construction materials for various buildings, such as the facilities that were the site of the ASEAN Summit Meeting held on November 29, 2004 in Vientiane and the guesthouses where the heads of state stayed on that occasion.

The steel sheets are delivered to Laotian companies in rolls that, after galvanizing, are sold on the domestic market as corrugated iron. All materials procured under this grant aid are sold within Laos, with part of the proceeds from sales being set aside by the government as counterpart funds that are then used for various social development projects.

The two governments signed an agreement for non-project grant aid for FY2004 on November 27, 2004.

Following this, JICS made a procurement management contract (procurement agent system) with the Laotian Foreign Ministry on December 10.



A tag attached to a bundle of steel rods shows the Japanese flag.

Cambodia

(Grant Aid for Conflict Prevention and Peacebuilding)

Expanding Program to Other Provinces to Build a Peaceful Society

On January 18, 2005, the Japanese and Cambodian governments signed an agreement on grant aid for peacebuilding (Phase II) in the amount of 466 million yen. Following this, on February 3, JICS signed a project management contract (procurement agent system) with the country's government.

However, although the 21-year long civil war ended more than ten years ago, countless small weapons have been left behind and this is one obstacle to the formation of a peaceful society. In January 2003, the Japanese government provided grant aid for peacebuilding (Phase I) to implement the Peacebuilding and Comprehensive Small Arms Management Programme in Cambodia. As the project management agent, JICS created JSAC (Japanese Small Arms Control support team) in April 2003, which included Japanese personnel, and which worked mainly in the country's three northwestern provinces (Siem Reap, Otdar Mean Chey, Banteay Mean Chey) to eradicate small weapons and engage in development projects and other activities. Under this program, over 10,000 small weapons were recovered and burned.

To provide further benefits from these activities, it was decided to expand grant aid for peacebuilding to other provinces as well (Phase II). It is hoped that JICS' activities in this sphere will contribute to progress toward establishing peace and stability in Cambodia.



Officials from Cambodia's Ministry of Interior visited Japan from November 27 to December 4, 2004. During their trip they inspected Fukui Prefectural Police Headquarters and had a briefing on arms management systems.

Kyrgyzstan *(Technical Cooperation)*

Equipment Planning Study and Local Procurement Support for the National IT Center

JICA carried out an equipment planning study for IT Human Resource Development in the Kyrgyz Republic (National IT Center) in August 2004.

Compared to neighboring countries, the Kyrgyz Republic lacks natural resources and it is focusing on IT-related projects as an important industry. However, it has no institution for training IT human resources in advanced skills and for developing relatively large software. In response, the government created a National IT Center under direct authority of the Republic's president as a base for promoting IT industries. This study checked specifications for equipment to be used for personnel training at the Center.

Based on a contract with JICA, JICS dispatched a staff member to draw up plans for equipment to the study team. His duties were to investigate specifications and costs for building a network system for training purposes, verify the appropriateness of the requested equipment and determine whether it was possible to procure the equipment locally.

In October 2004, JICS, again on contract to JICA, dispatched support officers to carry out local procurement based on results of the study, and to assist with tendering and signing of contracts.

The necessary equipment—servers, personal computers for classroom use, routers and other network equipment, along with software required for training—was procured on schedule and the Center was officially opened at a ceremony in January 2005. A two-week short-term trial course was completed in February, and more short-term courses are scheduled to be held in and after April.



Local procurement support service (on dispatched basis). JICS officer evaluating tenders at an office in Kyrgyzstan.

Support Activities for JICA Offices *(Technical Cooperation)*

Help Desk Service for Equipment Procurement

In technical cooperation projects carried out by JICA, activities related to equipment procurement underwent a major shift in FY2004 with the changeover from procurement of equipment mainly in Japan to local procurement in principle.

JICS has assisted JICA in its equipment procurement projects so far through procurement of equipment in Japan (procurement and transportation of equipment for JICA projects and for technical cooperation experts) and through overseas study projects (equipment planning study, support for local procurement, etc.), and in response to the change in procurement procedures, JICS opened an equipment procurement Help Desk service on October 1, 2004.

Help Desk services include support for obtaining individual information on local procurement (spot basis) and comprehensive support for local procurement (package basis). Support for obtaining individual information on local procurement (spot basis) consists of providing information by fax or e-mail in response to individual inquiries. JICS provides comprehensive advice on implementing equipment procurement, ranging from equipment selection and application for said equipment and market surveys to drawing up specifications and tendering (estimates) and so on. The service also provides answers

concerning procurement procedures and information for solving problems, and informs users how to use JICS' services effectively.

In its comprehensive support for local procurement (package basis) service, JICS draws up the necessary documents for procurement procedures (equipment specifications, tendering documents, contracts, etc.) and writes examination and evaluation reports after tendering.

In conjunction with the start of this service, JICS personnel joined a traveling seminar team sponsored by JICA, which traveled to JICA's main offices in Africa, Asia and Latin America between September and November 2004 to brief personnel on local procurement operations. The team explained details concerning local procurement to JICA office staff, project officers and national staff and also collected information on overseas offices' equipment procurement systems. At JICS, personnel mainly from the overseas procurement support project team are working to refine procedures to improve their support for equipment procurement operations.



Procurement training and seminar service for national staff. National staff from JICA Afghanistan Office undergoing OJT in drawing up specifications at JICS headquarters.

Outline of Technical Cooperation Support Service

Provided to	Procurement Process	Preliminary Study	Application for Equipment	Drawing Up Specifications	Tendering Preparations	Tendering	Contract	Transport	Delivery
JICA Overseas Offices				Local procurement comprehensive information (package basis) support service					
				Local procurement (dispatched basis) support service					
				Training and seminar service on procurement for national staff					
JICA Overseas Offices and JICA Headquarters				Individual information (spot basis) support service					
				Procurement support service for equipment for technical cooperation experts					
				Equipment planning study service					
JICA Headquarters				E-mail newsletter distribution service					
Experts, projects, Senior Volunteers, Japan Overseas Cooperation Volunteers									

Grant Aid for Japanese NGO Projects

Evaluating Project Applications for Suitability

JICS has been delegated to conduct studies for grant aid for Japanese NGO projects handled by the Ministry of Foreign Affairs since FY2003. These studies involve ascertaining, from an objective and impartial viewpoint, the suitability of applications submitted by various NGOs.

Specifically, studies investigate physical infrastructure in terms of appropriateness of prices for equipment and facilities (cost of both materials and labor), purpose of use and suitability of size, as well as maintenance and upkeep issues. In terms of personnel, studies check number of personnel, personnel costs, administrative expenses, and so on for appropriateness and cost effectiveness. Studies also include investigating and writing reports concerning the financial condition and financial oversight system of the groups submitting applications.

With this information as the base for its studies, JICS carries out field surveys in cases where the Ministry of Foreign Affairs deems this necessary, to ascertain whether conditions are consistent with plans submitted, and confirm status of project execution.

In FY2004, JICS handled many more studies than the previous year. Compared to FY2003, when there were 60 domestic studies and three field studies of applications, in FY2004 over 100 domestic studies and seven field studies (for eight cases) were carried out. Reasons for this are a larger budget for grant aid for Japanese NGO projects, with a consequent increase in applications, and more activities on the part of NGOs after the December 2004 tsunami in South Asia. Despite the larger number of studies, JICS will endeavor to produce detailed findings.



NGO staff educating local children about the dangers of unexploded ordnance. (Cambodia)

JICS Support for NGOs

Contributing to Capacity-building

To commemorate its tenth anniversary, JICS began offering direct support to small and medium-size NGOs undertaking aid projects in developing countries in FY1999, by providing funds for purchasing and transporting equipment needed for activities and for operating expenses for field projects and administrative offices. As a foundation whose aim is to promote higher-quality international cooperation, this activity is intended to contribute to more extensive international cooperation carried out through public-private partnerships.

In addition to direct support, in FY2003 JICS began supporting network-style NGOs, which bring together various NGOs to provide information and train personnel, to contribute to capacity-building. From FY2004, JICS has also been helping by providing funds for strengthening the foundations of NGOs, giving support that responds to broader needs.

Applications from NGOs are accepted once a year, and recipients are selected after examination of their applications. In FY2004, JICS received applications from 15 groups, and the 11 groups listed below were selected to receive support.

Examination is carried out by an examining committee made up of JICS executive officers and outside experts. Each NGO is notified of the result of its application, with comments and advice from committee members concerning its application and projects, for future reference.

Meetings are also held where groups that received grants submit reports on how their projects are progressing and what they have accomplished. To make the meet-



Friends of Africa, an NGO group supported by JICS, holding a workshop on AIDS prevention in Kenya.

ings more productive, in FY2004 JICS polled prospective attendees on topics they wanted to discuss. After the meeting, officials from NGOs participating commented that the gathering was useful because it gave them a chance to hear various opinions, or because they learned that other groups had concerns similar to theirs so they were able to develop a shared outlook.

FY2004 was the final year of JICS' second three-year plan for support for NGOs. A meeting of experts was convened, who confirmed the validity of the support program, and it was decided to offer support for another three years (FY2005-2007).



Meeting for NGOs held at JICS.

Members of the examining committee

Yukihisa Sakurada: Vice President, JICS (Chairman)

Michiyo Arita: Secretary General, Kansai NPO Alliance

Shunichi Hiraki: Professor, Faculty of Economics, Niigata University

Takuo Kidokoro: Director, Non-Governmental Organizations Assistance Division, Ministry of Foreign Affairs

Tatsuya Watanabe: Assistant Professor, Faculty of Contemporary Law, Tokyo Keizai University

Takashi Yoshida: Director, Office of Citizen Participation, Training Affairs and Citizen Participation Department, Japan International Cooperation Agency

(in alphabetical order following chairman)

JICS Support for NGOs, Projects in FY2004 (in alphabetical order)

Name of Group	Target Country	Description of Project
Action for Greening Sahel	Japan	Purchasing personal computers to share information and conduct more extensive public relations, in order to stabilize the group's operations
Caring for Young Refugees (CYR)	Cambodia	Preserving Cambodia's traditional textile culture and purchasing equipment and materials for producing textbooks on the weaving and dyeing process
EARTHIAN	Pakistan	Purchasing an additional 10 sewing machines for a vocational training center in slum areas, in order to create an environment for providing practical vocational training, and displaying products made by children to attract more support
Friends of Africa	Kenya	Providing AIDS training directed at traditional midwives, kindergarten teachers and individuals with basic health training and holding education workshops for ordinary citizens to prevent AIDS
Intercommunication Center for Asia and Nippon	Japan, Philippines	Holding workshops, etc. to train volunteers
JAPAN CHERNOBYL FOUNDATION	Iraq	Purchasing medical equipment and drugs to send to Iraq
NPO Japan Cambodia Interactive Association	Cambodia	Purchasing library books to give local inhabitants an opportunity and a place to encounter various kinds of books
SECOND HAND, Japan	Cambodia, Japan	1) Purchasing and transporting mattresses and medical equipment to improve the medical environment in poor regions 2) Introducing a bar-coding system to facilitate participation in international cooperation by citizens as charity shop volunteers
Terra People Association Kanagawa	Thailand, Myanmar	Purchasing equipment to set up offices in Thailand and Myanmar to serve as centers for exchanging information and coordinating operations, in order to operate school dormitories in Myanmar using the knowledge and experience acquired by carrying out a similar project in Thailand
21st Century Association	Philippines	Purchasing equipment needed to improve the educational and medical environment, to eradicate tuberculosis on the island of Mindoro
Yokohama NGO Network	Japan	Holding the 3rd National Meeting of Network NGOs bringing together network NGOs from all over Japan to share and review information concerning international cooperation

Changes for More Flexible and Proactive Implementation of Operations

At the second regular meeting of the JICS Board of Trustees for FY2003 held on March 23, 2004, Shigeru Ishikawa was chosen as the new chairman to replace Fumio Watanabe. At the Board of Directors meeting that followed, Takahisa Sasaki was chosen to replace Yutaka Nomura as president.

At the first extraordinary meeting of the Board of Directors for FY2004, held on September 15, Yukihisa Sakurada was chosen to replace Takeshi Imazu as vice president.

Under the leadership of these new officers, JICS decided to change its organization structure to enable it to respond more flexibly to the rapidly changing and increasingly unpredictable ODA environment. The changes made, which are related to reviewing the project implementation system, personnel and salary system reforms, and improving quality of operations and financial performance as set out in project implementation policies for FY2004, are described below.

Reorganization

Following reorganization of the General Affairs Department in October 2003, other changes were carried out. From June 1, 2004, mainly the Technical Cooperation Management Department and the Grant Aid Management Department were reorganized to respond more appropriately to diversified needs.

The main points of the latest organization are described below (please refer to chart for specifics).

Integration of the Technical Cooperation Management Department and the Grant Aid Management Department

These two departments were combined into a new Project Management Department to allow more flexible use of personnel throughout the new department.

Project Management System Changed to a Per-project and Per-program Basis

The existing division-based organization was phased out and after the changeover the Project Management Department began handling of operations on a per-project basis. In cases where multiple projects are organically linked and operated under a uniform plan or policy, or when coordination is made across individual projects, it was decided to group those projects under programs.

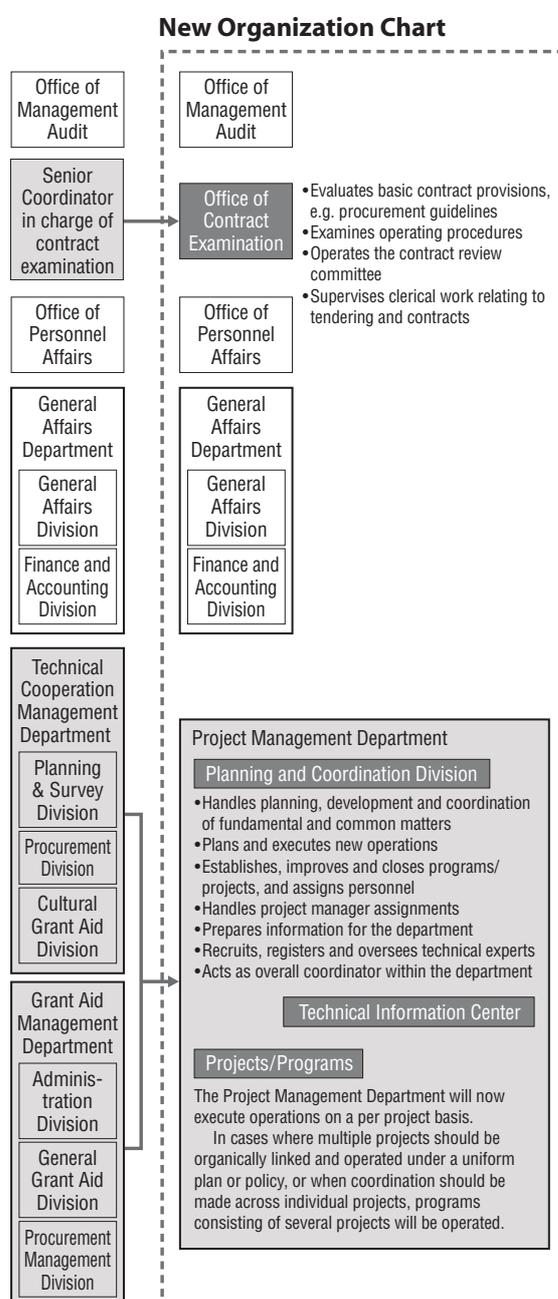
This has made it possible to implement and carry out operations in a more flexible and proactive manner.

Planning and Coordination Division Created

A Planning and Coordination Division was created within the Project Management Department to handle planning and proposal duties for fundamental and common matters within the department, plan and execute new operations and act as overall coordinator within the department.

Office of Contract Examination Created

A new Office of Contract Examination was created, to strengthen the examination system for contract-related



items. This office evaluates basic contract provisions based on procurement guidelines (see below), examines operating procedures, operates the contract review committee and verifies that clerical work relating to tendering and contracts is carried out appropriately.

Personnel and Salary System Reforms

A new personnel and salary system was adopted on April 1, 2004, aiming to add further vitality to the organization. Under the new multi-track system, individuals can plan their careers by developing their abilities in specific areas according to personal suitability or their operational role. Moving away from the former seniority-based wage system, remuneration is now performance-based, in order to boost individual motivation. FY2004 was a transitional period for the system, which will be formally implemented after making needed institutional adjustments.

Medium-term Action Plan 2005-2007

A new Medium-term Action Plan 2005-2007 effective for three years from FY2005 was drawn up in March 2005.

In formulating this plan, we held staff workshops in order to solicit input based on JICS' past work, current situation and future direction and members of the Advisory Council on Management held discussions from several different perspectives. The Action Plan touches on issues that JICS should address to adapt to new conditions, based on a renewed awareness of the changing ODA environment.

The Action Plan details nine goals that should be met to realize the JICS Vision (p. 2) formulated in October 2003 and to transform JICS into an international procurement management organization capable of responding swiftly to international aid needs in the 21st century (please refer to chart of Action Plan Goals). It is considered a master plan that will serve as the basis for action plans formulated each year and for action plans developed by JICS' various departments.

The Plan will be reviewed yearly and calls for goals set to be reached over a three-year period.

JICS Procurement Guidelines

The JICS Procurement Guidelines were formulated in October 2004. These guidelines have been adopted to put JICS' procurement philosophy into practice. When procur-

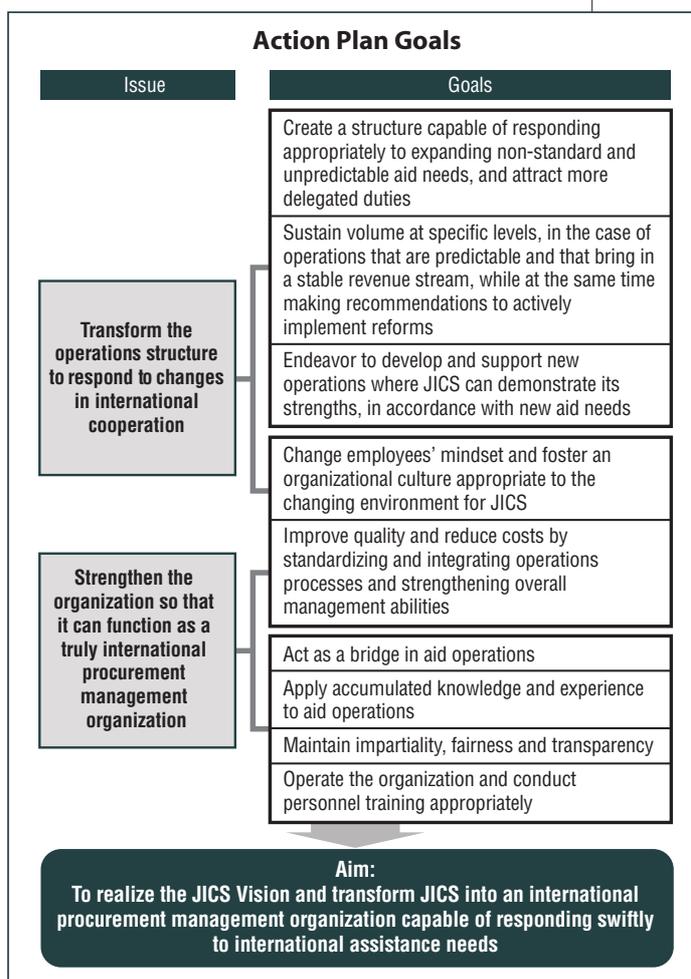
JICS' Procurement Concept

JICS shall timely implement procurement of the goods and services required for the purpose of supplying them to the people of the recipient countries, maximizing economy and efficiency in procurement, and ensuring impartiality, fairness, competitiveness and transparency. Besides implementing ordinary procurement, JICS shall provide necessary services and make all possible efforts in order to help people in the recipient countries benefit from the various projects.

ing equipment, JICS will carry out procurement procedures based on these guidelines in principle.

JICS Code of Conduct

The JICS Code of Conduct (p. 2) was adopted on April 1, 2005. Based on JICS' Vision, the Code sets out the principles to which staff members should adhere to promote higher-quality international cooperation.



JICS—Active in Many Areas

Public Relations Committee

The Advisory Council on Management recommended in FY2003 that a specialist committee be formed to strengthen JICS' public relations. Accordingly, a Public Relations Committee, comprising a total of nine members and support staff, was formed in FY2004.

The Committee meets monthly to review public relations materials and to improve and modify pamphlets and other communication tools. The presence of frontline operations staff on the Committee to verify material makes possible to provide reports on various JICS operations effectively.

International Cooperation Festival 2004

JICS was an exhibitor at a booth at the International Cooperation Festival 2004, held in Tokyo's Hibiya Park on October 2-3, 2004. Various assistance goods were on display at the booth, along with panels displaying information on JICS operations. Photos of developing countries taken by JICS staff were also displayed and videos were shown. Visitors were invited to fill out a questionnaire on international cooperation.



Photos of developing countries taken by JICS staff were also displayed and videos were shown. Visitors were invited to fill out a questionnaire on international cooperation.

One World Festival

The One World Festival took place at the International House, Osaka on February 5-6, 2005. JICS participated for the first time in four years with panel displays on themes such as JICS' role in ODA, disaster relief in the Indian Ocean tsunami, JICS' Cambodia small arms collection project, research support for mine clearing activities in Afghanistan and JICS support for NGOs. A video of photos from around the world taken by JICS staff was also shown.

Sayama Chuo Junior High School Students Visit JICS

On December 7, 2004, a group of 11 students from Sayama Municipal Chuo Junior High School (Saitama

prefecture) studying international cooperation activities visited JICS. This is the second visit to JICS by students from this school. The students wanted to know more about everything from procurement of goods to how people involved in aid activities approach their task, and JICS staff answered their questions by describing their work and their experiences.

Outreach to University Students

In November and December 2004, JICS staff held lectures for students at three universities in Japan.

The lecture to Sophia University students described rehabilitation support in Iraq and peacebuilding activities in Cambodia and Sierra Leone. At Tokyo Keizai University, JICS staff gave a class to economics department students, discussing mainly rehabilitation support in Iraq and international cooperation in general. At Yamaguchi University, students heard a lecture about JICS' activities in rehabilitation support in Afghanistan and peacebuilding in Cambodia.

Associate Project Staff System

JICS began a new Associate Project Staff (APS) system, intended to develop personnel to work in the field of international cooperation. Under this program, individuals with two or more years' experience serving in the field with Japan Overseas Cooperation Volunteers or an NGO, or persons with a master's degree who wish to acquire practical experience in international cooperation operations, can work at JICS for a maximum of three years. Two APS joined JICS in March 2005 and are currently working abroad.

New Internship Program

Two second-year students from the College of Humanities at Ibaraki University spent two weeks at JICS on August 16-27, 2005, under JICS' new internship program. The program is designed to give participants a specific idea of the work involved in procuring goods and services to support developing countries. The students also observed equipment inspection for a technical cooperation project and visited the Tokyo embassies of grant aid recipient countries. Through these and other activities, they were able to develop a better understanding of JICS' work and gain valuable experience for their academic career.