

Part I

Main Activities in FY2006





Responding to Diversifying Needs for International Cooperation

Special Feature

Grant Aid for Disaster Prevention and Reconstruction

Ensuring Seamless Support

Damage Caused by Hurricane Stan, Guatemala

The first Grant Aid for Disaster Prevention and Reconstruction project was the Project for Support for Reconstruction Efforts after the Hurricane Stan Disaster, the agreement concerning which was signed by the Japanese and Guatemalan governments on August 10, 2006. Torrential rains brought by Hurricane Stan caused widespread devastation, leaving 670 dead and affecting nearly half a million people in Guatemala. Grant Aid for Disaster Prevention and Reconstruction was used to reconstruct irrigation facilities for agriculture and bridges in San Marcos Province, and to repair and maintain facilities for supplying potable

Humankind faces many threats: not only famine and poverty but also natural disasters such as typhoons, earthquakes or tsunami, infectious diseases like avian flu or AIDS, or mines in the aftermath of war. All of these have a severe impact on impoverished people in developing countries.

In recent years, JICS has been actively involved in international cooperation to meet those diverse needs. In fiscal 2006, JICS acted as the procurement management or procurement agent for Grant Aid for Disaster Prevention and Reconstruction, a new grant started after the Major Earthquake off the Coast of Sumatra and Tsunami in the Indian Ocean in December 2004, Grant Aid for Community Empowerment, Grant Aid for

Research, for field testing of demining and mine-detecting equipment in Cambodia, support for measures against avian flu for ASEAN and others. These operations are often races against time in fluid situations requiring coordination with many entities, making use of local businesses, ensuring safety and acting rapidly, flexibly, and in a transparent and fair manner while taking account of local conditions. This is work that puts our field capacity to the test; some examples of recent projects are described here.

Photo a: House damaged by earthquake, Java, Indonesia
 b: Children at a community empowerment project site, Niger
 c: Demining equipment under field testing, Cambodia





Repair work on a bridge damaged by Hurricane Stan

water in Quetzaltenango City.

Grant Aid for Disaster Prevention and Reconstruction is a new scheme started in fiscal 2006 and is also the first such project for JICS staff. Because of this, detailed explanations concerning the aim and content of this grant aid had to be given to the counterpart Economic Planning Agency, the government body in charge, along with information concerning procedures to be carried out by the Guatemalan government and the duties assumed by JICS, when the contract with the Guatemalan government was signed.

JICS also had to set up a local office to oversee operations, a job that was carried out by one JICS employee from Japan and two local staff members. Local staff are very important in a small office like this one, but briefing them on the project and on JICS' position and duties was also time-consuming.

Regarding competitive bidding to select local contractors, we obtained technical advice from a consultant, and while keeping local customs in mind we made sure that conditions relating to time, place and required documentation specified in the bidding criteria were strictly adhered to, in line with our priority on transparency and fairness to ensure that the bidding was conducted in a way proper to Japanese grant aid. This was the first time for JICS to hold competitive bidding in Guatemala, and local businesses, as they initially complained about the strict bidding requirements, gradually came to understand how JICS conducts bidding and the complaints ceased.

Between late December 2006 and January 2007, JICS signed building contracts with contractors for three projects, and the projects got underway from January to February. The Economic Planning Agency was surprised and pleased at the speed with which JICS had conducted the process from bidding to contract and start of work.

The projects in all the main locations need to be completed before the end of May, when the rainy season sets in, so the work is a continual race against time.

Earthquake Disaster in Central Java, Indonesia

On August 15, 2006, around the same time as the agreement was signed in Guatemala, the Japanese and Indonesian governments signed an agreement for Grant Aid for Disaster Prevention and Reconstruction, following an earthquake in May 27, 2006 that left approximately 5,800 dead, 39,000 injured, 2.13 million citizens displaced and 610,000 homes damaged or destroyed.

On June 5, the Japanese government decided to provide Emergency Grant Aid. JICS also managed procurement for this operation, obtaining large tents, small tents for family use, blankets and other supplies which were delivered by July 16. After delivery of these relief goods, JICS arranged for a third party organization to monitor distribution and use of the goods, a survey that was carried out for two months beginning from August 2.

The large tents are being used as classrooms. An interview survey indicated that school authorities were pleased that the tents had been distributed quickly, and that schoolchildren were happy that they had a safe place to study while their schools were being rebuilt.

Soon after the commencement of the Emergency Grant Aid, it was decided to use Grant Aid for Disaster Prevention and Reconstruction to repair two elementary and seven junior high schools as well as five health centers (including provision of basic medical equipment) in Bantul Regency of Yogyakarta Special Region, the area most severely affected by the earthquake. The large tents provided to the schools under the Emergency Grant Aid, technical assistance for improving education administration and for rehabilitation and trauma care, and reconstruction of school buildings using Grant Aid for Disaster Prevention and



Small tent for family used after the earthquake on Java, Indonesia



Reconstruction, made it possible to provide aid seamlessly and can be expected to boost the supportive effects of the individual programs.

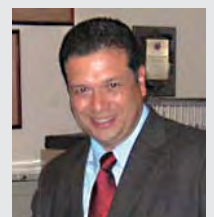
All rebuilding projects were begun on November 29, 2006. Repairs to the health centers were completed first in late May 2007 and all other projects are scheduled to be finished by the end of November 2007.

JICS staff in charge included personnel who had worked on the road sector program in Afghanistan, the first facilities project that JICS was involved with directly as an organization, and others who had been involved in facilities projects after the Sumatra earthquake and Indian Ocean tsunami disaster, which used local consultants and builders for the first time. Their experiences with these prior projects were very useful and effective.

From the Field

A Grateful City Thanks JICS

Hurricane Stan caused extensive damage and hit our water sources and water tank piping particularly hard. We also had to deal with polluted water. We requested assistance from the Japanese government and with the cooperation of JICS' Guatemala office, repairs to our sources of drinking water were begun. In addition to this aid for reconstruction, repairing the water pipe system from which the city's population of over 120,000 obtains potable water and also agriculture and education projects are underway with the assistance of Japan. This is the first time that our city has received such wide-ranging aid, and all the city's residents are grateful for the cooperation extended by the Japanese government and JICS.



Jorge Rolando Barrientos Pellecer, Mayor, Quetzaltenango, Guatemala

Grant Aid for Community Empowerment

Using Local Resources to the Full

The first project under Grant Aid for Community Empowerment, the Project for Construction of Classrooms for Elementary and Junior High Schools in Senegal, was decided on December 15, 2006. Following this, the Japanese government signed agreements with the government of Niger regarding the Project for Construction of Classrooms for Elementary Schools in the Regions of Maradi and Zinder on February 1, 2007 and with the government of Madagascar regarding the Project for Construction of Classrooms for Elementary Schools in the Regions of Antsiranana and Toliara on March 5. To carry out these projects on behalf of counterpart governments, JICS signed a procurement agent contract and is procuring the human resources such as consultants and builders as well as the equipment needed for the project.

Project for Construction of Classrooms for Elementary and Junior High Schools in Senegal

The Project for Construction of Classrooms for Elementary and Junior High Schools in Senegal provides grant aid for construction of classrooms, headmaster offices, store-rooms and toilet buildings at 68 elementary and junior high schools, provision of school supplies, repairs and maintenance of school facilities and instruction for improving the school environment. Following the agreement between the governments of Japan and Senegal, JICS signed a procurement agent contract with Senegal's Ministry of Education on December 18, 2006.

One of the features of grant aid for community empowerment is the active use of local businesses. Having local workers who are not accustomed to the scheme of Japanese grant aid to meet quality standards and deadlines of construction requires appropriate methods as well as ingenuity and effort of JICS staff.

Under this grant aid program, lawyers and certified testing organizations may be selected, in addition to consultants and contractors. Local lawyers can offer legal advice regarding the various types of contracts JICS enters into as an agent, which helps prevent problems that Japanese staff may be unable to foresee. JICS projects always include one Japanese engineer, whose job is to oversee



Temporary classrooms made from broken branches and other materials. During summer vacation, they are disassembled. (Senegal)

the quality of the work carried out, and this technical supervisor is supported by certified testing organizations. These organizations also serve as third parties who can act as a brake on collusion between consultants and contractors. Letting it be known that certified testing organizations conduct spot testing is also an effective way of preventing dishonesty.

Under Grant Aid for Community Empowerment, JICS carries out procurement management based on JICA's outline design study. Compared to basic design study for grant aid for general projects, such studies

are carried out more quickly with more limited information. This lack of information makes it very difficult to choose companies with sufficient capabilities for carrying out projects from among local operators that have never been involved in Japanese grant aid projects before. Accordingly, JICS carries out its own studies, collecting additional information to help choose contractors.

This new scheme involves various difficulties, but there are high expectations in the communities where classrooms are scheduled to be built, which is encouraging for staff involved in this project.

Project for Construction of Classrooms for Elementary and Junior High Schools in Senegal



Region 1 Kaolack	Region 2 Louga	Region 3 Fatick	Region 4 Dakar and Thies (Mbour)	Region 5 Thies (Thies region and Tivaouane)
18 schools	15 schools	11 schools	9 schools	15 schools
94 classrooms	67 classrooms	44 classrooms	60 classrooms	49 classrooms
18 headmaster offices	11 headmaster offices	7 headmaster offices	7 headmaster offices	13 headmaster offices
92 toilets	62 toilets	42 toilets	42 toilets	50 toilets

ASEAN- Japan Project for the Stockpile of Tamiflu and PPE

Preparing for Unpredictable Hazards

Avian influenza is currently transmitted only from fowls to humans, but health authorities are concerned that a mutant strain of the virus will appear that can be passed between humans. The likelihood of this occurrence is considered high in the ASEAN region.

If human to human transmission of the virus is confirmed in the ASEAN region, the Project for the Stockpile of Tamiflu and PPE (personal protective equipment) against Potential Pandemic Influenza will ensure that stockpiles of medicines and equipment are rapidly deployed to prevent infections from spreading. Under this project, flu drug Tamiflu for 500,000 persons and PPE (protective clothing, disinfectants and testing kits) are stored in a warehouse in Singapore, using a part of the Japan-ASEAN Integrated Fund (JAIF) created by Japan and ASEAN member countries.

Acting as the procurement agent for the ASEAN office, JICS handles procurement of Tamiflu and PPE, stockpiling these supplies in a warehouse in Singapore and shipping of the stockpiled goods in the event of an avian flu outbreak. If stockpiling continues until the end of 2010, the expiration date for the Tamiflu in the stockpiles, JICS also plans to handle arrangements for disposal of the drug. Goods stored in the warehouse are packed so that they can be shipped internationally in an emergency, and the warehouse is staffed around the clock to enable immediate shipment if the need arises.

Following delivery of the first shipment of Tamiflu and other procured goods to Singapore on May 2, 2006, a handover ceremony was held in Jakarta, site of the ASEAN Secretariat, together with a seminar on measures for fighting new forms of influenza. JICS assisted in the preparations and execution of the ceremony and the seminar, with the help of the ASEAN Secretariat and the Japanese embassy in Indonesia. Stockpiling at the Singapore warehouse of all the goods procured was completed on August 15.

Many entities are involved in this project: the ASEAN Secretariat, which made the contract with JICS; the Japanese Ministry of Foreign Affairs and the Japanese embassy in Indonesia; the WHO Western Pacific Regional Office; the Singapore warehouse operator and its agent; and as necessary, the

Singapore Ministry of Health; flu drug manufacturers and many others. Decision-making requires liaising and coordinating with all the parties and takes more time and effort compared to the usual bilateral projects that JICS is involved in.

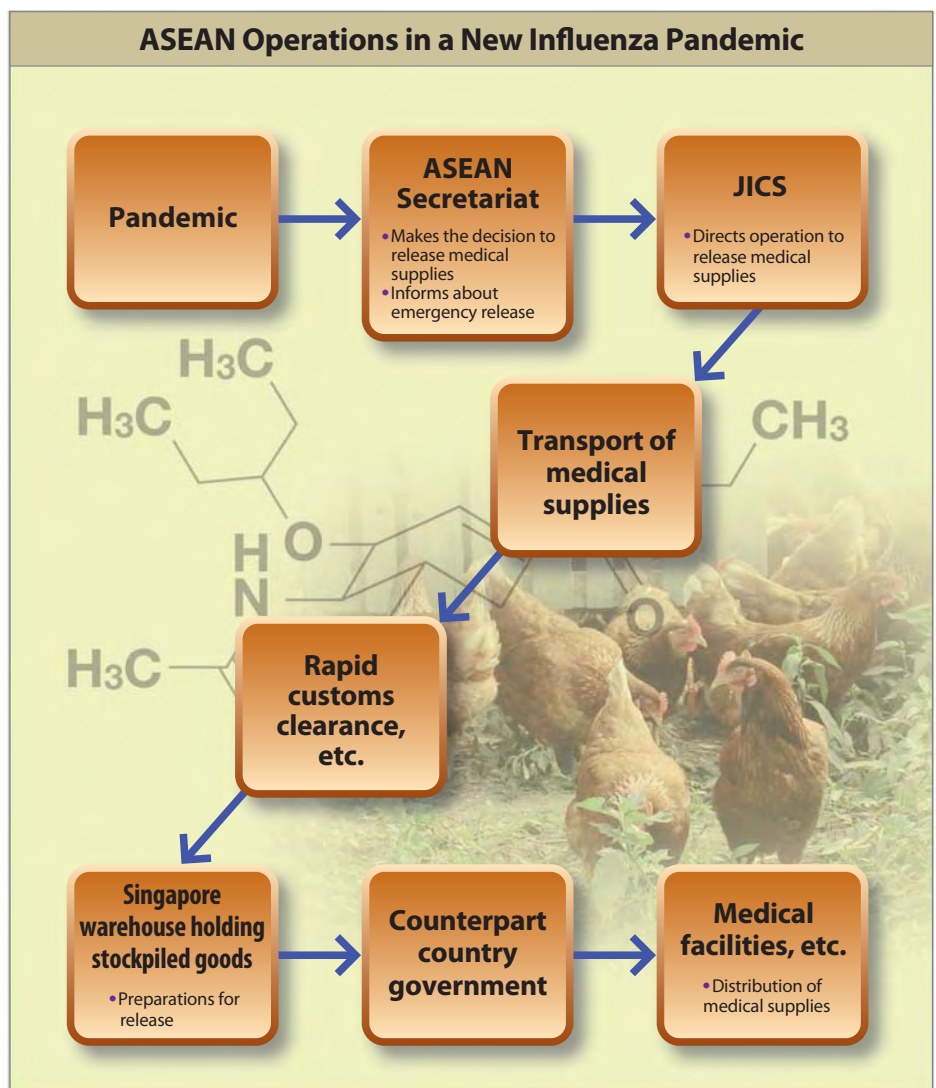
Additionally, customs clearance procedures for the stockpiled goods need to be confirmed among all 10 ASEAN member countries, since human-to-human transmission could occur at any time. The ASEAN Secretariat is handling this issue but since it involves working-level matters, JICS, the ASEAN Secretariat and the ASEAN member countries must continually be kept up to date. Time is always topmost in everyone's mind, since no one knows when an outbreak could happen.

A tabletop exercise in containing an influenza pandemic outbreak took place in April 2007. The exercise, assuming an outbreak of pandemic flu in Cambodia, followed the same flow as actual emergency



Medical supplies stockpiled in a Singapore warehouse

shipments, with the ASEAN Secretariat deciding to carry out an emergency shipment based on the advice of the WHO Western Pacific Regional Office and JICS arranging for transport. The aim of the exercise was to determine whether decision-making and liaison among the parties involved were being carried out quickly and efficiently.



Grant Aid for Research

Testing of Mine Detectors and Demining Equipment in Cambodia

Among the obstacles to reconstruction and economic development in post-conflict countries are landmines. With the international community prohibiting manufacture and use of anti-personnel mines, the Japanese government has also begun thinking of what it can do on the landmine issue. The Ministry of Foreign Affairs, the Ministry of Economy, Trade and Industry and the Ministry of Education, Culture, Sports, Science and Technology have gotten together to conduct field testing of mine detectors and demining equipment, making use of funds in the ODA budget for grant aid for research.

Following field testing of similar equipment in Afghanistan in 2004, field testing was carried out in Cambodia from July 2006 to January 2007. Compared to Afghanistan, which has sparse vegetation, Cambodia is covered in dense shrubbery and bamboo groves, and during testing, the Cambodian Mine Action Centre (CMAC), which is in charge of landmine clearing in Cambodia, reported having to spend 70% of the time clearing shrubbery. This points to the need for developing mine-clearing and detecting equipment suited to local conditions.

The first landmines in Cambodia were buried there in 1967, during the Vietnam War. In the nearly two-decade long civil war that followed, Cambodia was one of the



Mine detecting operations

world's most heavily mined countries, and even today around 800 people are victimized by mines every year.

As the project management agent for CMAC, JICS is involved in recruiting and selecting field testing participants. A selection committee composed of experts from Japan and Cambodia chose four models of demining machines and five types of mine detectors for testing. JICS also drew up the plan for field testing, provided field testing support, oversaw safety for Japanese staff, managed the testing and supervised funds locally.

It is expected that this testing result will be useful for further improving the equipment, with a view toward practical use. JICS will continue to support grant aid for research for demining and technology development.



Testing of demining machines

From the Field

Experience in Afghanistan Proved Valuable

I believe I was able to put the experience I acquired in Afghanistan to good use during field testing of mine detectors and demining equipment in Cambodia. In Afghanistan, which was my first time for participating in field testing, I learned that safety is the foremost priority and had a hard time making sure everything was all right.

First, we had to be sensitive to picking up local information, in order to protect and ensure the safety of the Japanese personnel who were participating. This meant always maintaining safety precautions and carrying out testing smoothly. JICS made a contract with a local security firm, arranging through them to protect the Japanese taking part in the testing during the day.

Second, we had to make sure that everyone on site—a maximum of 100 people, including 60 Afghans—were protected from injury due to explosives and mines being blown apart in the minefield and the test site. A relatively low-risk minefield was chosen, which was gone over several times by JICS and a local demining organization before Japanese personnel and project members were allowed in.

It was a frightening experience for me. With the smell of explosives in the air, I felt confident but anxious when identifying areas where mines were laid and demining machines could be used. Advancing step by step in the minefield and the previous few seconds replaying in my mind like an ever-changing panorama, I knew my fate was in the hands of the gods, but we also had to make a success of the project.

A Japanese demining machine succeeded in destroying 60 mines in one hour—our faith had been rewarded. A real feeling of accomplishment, wonder and excitement after completing a difficult job, mingled with the fear of walking in a minefield, brought tears to my eyes.

The success of the test made me feel that the wishes of the Japanese involved in the project had been brought together, and that was worth exchanging 10 years of my life for. Conditions on the minefield were relayed to waiting Japanese personnel in real time by wireless transmission, and after the test I was very moved when people who had not even been on the site wanted to shake my hand.

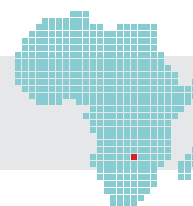
It's true that I risked my life to help remove landmines—even if only for an instant—but to me it felt like a truly universal experience, with no differences in ethnicity or social status, no fabrication or vainglory. I thanked everyone for having had a chance to participate and for being able to complete this test safely.

Those feelings and experiences encouraged me throughout my work on field testing in Cambodia.

Various Projects

Zambia

ZAMBIA



Improving the Cold Chain to Promote Vaccination

Grant Aid for Infectious Diseases Prevention and Treatment

The under-5 mortality rate in Zambia is 182 per 1,000 live births (as of 2004), placing the country eighteenth from the bottom of the list worldwide. In 70 percent of cases, death is caused by malaria, pneumonia, diarrheal diseases, measles, malnutrition and other preventable conditions. Diseases spread because of insufficient knowledge about infectious diseases, a weak health care support system, and an aging cold chain (refrigerators for vaccines, etc.), which means that vaccines cannot be stored at the proper temperature and often have to be discarded.

The goal in Zambia is to raise the vaccination rate for regular vaccinations (BCG, DTP + Hib, measles, polio and tetanus, which is given to pregnant women and women of child-bearing age to prevent neonatal

tetanus) to 90 percent by 2010 through introducing improved cold chain equipment. To this end, following the project for improving the vaccination system implemented in 2001, the Zambian government requested grant aid from Japan for replacing old cold chain equipment in 531 health centers and installing new equipment in 49 health centers that had not been covered by the project in 2001.

JICS made a procurement management contract with Zambia's Ministry of Health in November 2006 and assisted with equipment procurement. The entity procuring the cold chain equipment was selected in December 2006 after bids were taken; all the equipment was delivered to Zambia in August 2007 and

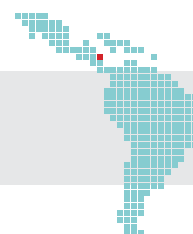
will be installed in health centers throughout the country. We hope that this project will contribute to storing vaccines at the proper temperature to reduce discards and cut down on mortality and morbidity rates by ensuring that the population are inoculated with effective vaccines.



Mothers waiting to have their children inoculated at a health center

Honduras

HONDURAS



Improving Productivity on Small Farms

Grant Assistance for Underprivileged Farmers (2KR)

Honduras, located in Central America, devotes considerable inputs to achieving self-sufficiency for its grain crops. But many farmers cultivate small plots, growing only enough to feed themselves and remain low productivity. To improve this situation, the government of Honduras concentrates on supporting small farmers through policies such as providing improved seed stocks and selling fertilizer at low prices. Japan was requested to provide fertilizer under 2KR grant aid. JICA conducted a field study in October 2005, in which JICS also participated. The study examined the validity of the request, and after confirming that fertilizer provided under past 2KR grant aid had been used effectively, the governments of

Honduras and Japan agreed on procurement of fertilizer valued at approximately 390 million yen on January 23, 2006.

Following this, JICS dispatched three staff members to Honduras in March 2006 to sign a procurement agent contract with the Honduras Ministry of Agriculture and Livestock and discuss and decide on specific procurement conditions. Following this, JICS made a procurement contract with the company selected through bidding at JICS to provide the fertilizer, which arrived in Honduras in September.

On January 24, 2007, the two governments' Committee met in Honduras to confirm how the fertilizer procured through 2KR grant aid would be distributed and sold and the Honduran side's arrangements for this purpose, and discuss what improvements could be made. JICS acted as the secretariat

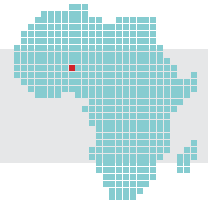
for this meeting, and staff dispatched for the meeting helped coordinate the meeting schedule, take minutes and contribute to its smooth operation.

The fertilizer sold to the farmers will help boost yields of maize and other principal grain crops in Honduras.



Farmers applying to receive improved seed stocks bought with proceeds from the sale of fertilizer

Niger



Contributing to Stable Supply of Food

Food Aid (KR)

Two-thirds of Niger, which is just south of the Sahara Desert, is desert terrain. Even though fully 90 percent of Niger's population is engaged in farming, only 12 percent of the land area is arable. It is difficult for the country to ensure stable food production, as rainfall is scarce, the soil is poor, grasshoppers and other pests damage crops, and severe droughts occur.

Japan has been providing Niger with rice for food aid (KR) since 1993, and on November 25, 2005, these two countries agreed to procurement of rice valued at some 410 million yen. Following this agreement, JICS dispatched staff to Niger in January 2006 to make a contract with the Niger Office for Food Products (Office des produits vivriers du Niger: OPVN), the public body in charge of managing food aid

received from abroad, for procurement management of the rice, and to discuss and decide on detailed procurement conditions.

After JICS staff returned to Japan, the bidding session was prepared in Japan and conducted by JICS on June 26, 2006, in the presence of the president of the OPVN, who had come to Japan for the occasion. Following this, JICS made a procurement contract with the company selected through bidding and the rice shipped from Japan reached Niger via Benin at the end of February 2007. During that time, JICS supervised transport of the rice, maintaining close contact with the procuring company and Niger officials to ensure the shipment's safe arrival.

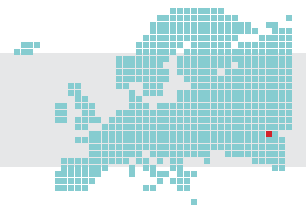
On February 14, 2007, a

meeting of the two countries' Committee was held in Niger to discuss food aid in general. JICS acted as the secretariat and staff dispatched for the meeting helped coordinate the meeting schedule, took minutes and contributed to its smooth operation.



Warehouse workers happily greeting the arrival of the rice (procured through JICS)

Bulgaria



Procuring Musical Instruments for a Symphony Orchestra

Cultural Grant Aid

The Symphony Orchestra of the Bulgarian National Radio, which is under the national radio organization, is considered the best in Bulgaria. In addition to playing 24 regular concerts in Bulgaria every year, the orchestra also tours abroad. Performances recorded daily in the studios of the national radio network are aired over the radio from Monday to Friday every week, reaching approximately 4 million listeners. Many Bulgarians are exposed to the arts through the orchestra's performances.

The orchestra, however, does not receive sufficient funding from the government, and only thorough maintenance ensures that its old instruments can still be played. Even so, many instruments have reached the end of their useful lives, and new instruments are

needed. Furthermore, the orchestra does not have enough types or sufficient numbers of instruments, which limits its repertoire and performance schedule. Accordingly, Bulgaria requested cultural grant aid from Japan to buy the necessary musical instruments.

JICS conducted a field study in July 2005, under a contract with the Japanese Ministry of Foreign Affairs delegating it to do so. The study collected information on the orchestra's activities, inquired about its repertoire, checked the condition and the maintenance of all the orchestra's instruments and also surveyed which instruments the orchestra needed. Based on the findings of the field study, on October 5, 2006 Japan and Bulgaria signed an agreement for cultural grant aid for

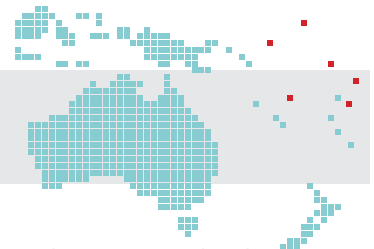
Musical Instruments for the Symphony Orchestra of the Bulgarian National Radio. Following this, JICS prepared invitations to bid on procurement of musical instruments and bidding documents, held the bidding session and performed other related duties.



The Symphony Orchestra of the Bulgarian National Radio recording a performance

Six Pacific Ocean States

OCEANIA



Support for Economic Restructuring Plan

Non-project Grant Aid

The Pacific has many island states, but most are very small and have permanent balance of trade deficits. To support economic restructuring plans by six of these nations—Nauru, Samoa, Tuvalu, Kiribati, Vanuatu and Tonga—Japan entered into agreements with each country's government to provide non-project grant aid in FY2005 and FY2006. Among Pacific Ocean states, Papua New Guinea has been receiving non-project grant aid but this is the first non-project grant aid for the six countries in question. Following the bilateral agreements, JICS made contracts for procurement management with each country.

The rising price of oil in the past few years has meant skyrocketing prices for diesel oil used for power generation and fuel for fishing boats, making it difficult for companies

and fishermen to use electric power and fishing boats to go out to sea. For Tuvalu, Kiribati and Samoa, where fishing is one of the few industries, and Nauru, whose national economy is unstable because the phosphate deposits on the island are nearly exhausted, the high cost of fuel is affecting the core of the national economy and they are taking active measures to restructure their economies. Non-project grant aid will be used to procure diesel fuel needed by Nauru, Tuvalu and Kiribati, construction equipment for Samoa and medicines for Vanuatu.

Non-project grant aid, which has been used in recent years to assist reconstruction after natural disasters, was started in 1987. It was originally intended to help developing countries in serious economic difficulties such as increasing debt or worsening balance of

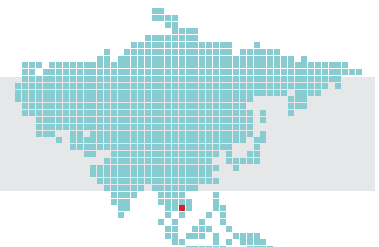
international payments, and under austerity measures imposed by the World Bank or the International Monetary Fund (IMF), pay for emergency imports of supplies. JICS first served as procurement agent for non-project grant aid in 1993 for Mongolia and has played the same role since then for counterpart countries.



Equipment for unloading diesel fuel in Nauru

Cambodia

CAMBODIA



Phase II of Arms Retrieval and Destruction

Grant Aid for Conflict Prevention and Peacebuilding

After an agreement on January 18, 2005 between the Japanese and Cambodian governments to carry out grant aid in the amount of 466 million yen for the Peacebuilding and Comprehensive Small Arms Management Programme (Phase II), JICS signed a project management (procurement agent) contract with the Cambodian government on February 3.

Numerous small arms that spread throughout the country during Cambodia's long civil war threaten public safety and are an obstacle to building a stable and peaceful society. The programme's Phase II aims to encourage local residents to turn in illegal small arms they possess, and provides development (construction of wells, schools,

bridges) that meets their needs. The programme carries out comprehensive small arms measures, such as holding arms destruction ceremonies, supporting small arms management and registration by the Cambodian government, assisting the national committee overseeing small arms, and carrying out projects to promote understanding and raise awareness of the small arms issue among local residents and government officials.

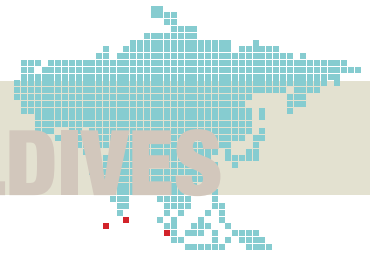
Phase II of the programme follows Phase I (April 2003-September 2005). It is being carried out by JSAC (Japanese Small Arms Control support team), which includes Japanese staff, in two provinces in central and northwestern Cambodia (Kompong Thom and Battambang provinces). A

total of 27,872 small arms (as of July 2007) have been recovered and destroyed since Phase I began. We hope that this programme's activities will contribute to improving public safety and building a peaceful society in Cambodia.



Small arms burning at a destruction ceremony in Kompong Thom Province

Indonesia, Sri Lanka, Maldives



Repairing Roads and Facilities Support for the Sumatra Earthquake and Tsunami Disaster

On December 26, 2004, a magnitude 9.0 earthquake occurred off the northwest coast of Sumatra in Indonesia, triggering a massive tsunami in the Indian Ocean and causing catastrophic destruction in Indonesia, Sri Lanka, the Maldives and other countries bordering the Indian Ocean.

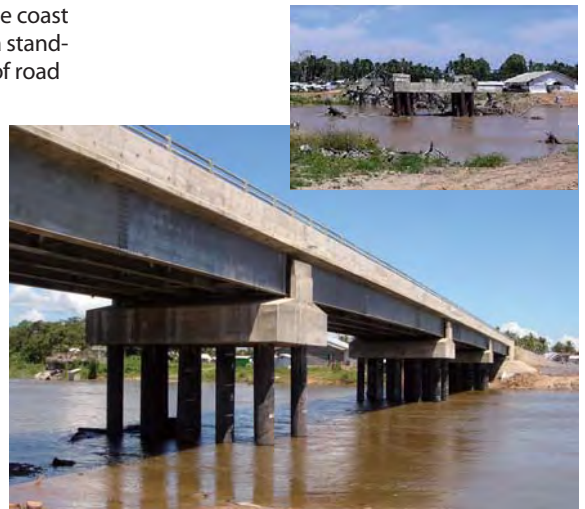
In response, Japan provided non-project grant aid totaling 24.6 billion yen to Indonesia, Sri Lanka and the Maldives. JICS entered into procurement agent contracts with the three countries and has been procuring goods and services. The contracts will expire soon, and efforts are concentrated now on completing construction and handing over facilities as soon as possible.

Grant aid to Indonesia was 14.6 billion yen, for procurement of equipment and facilities construction projects mainly in

Aceh Province and on Nias Island in North Sumatra Province. The largest of these projects is repair work to the western coastal road. The tsunami affected an 800 km stretch of the northwestern coast of Sumatra, wiping out roads along the coast and bringing economic activity to a standstill. In this project, 122 kilometers of road between Calang and Meulaboh were repaired and handed over to the Indonesian government in a ceremony on December 27, 2006. The portion between Calang and Banda Aceh is being rebuilt by the United States but is not ready yet, and local residents hope that the road will open soon.

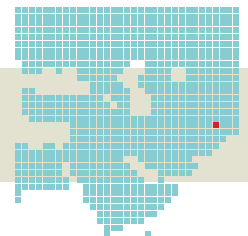
Sri Lanka received a total of 8 billion yen and the Maldives 2 billion yen, and projects there are proceeding smoothly. As the procurement agent for the two countries, JICS handled contracts for 100 and 20 projects, respec-

tively, and is working now toward rapid completion of construction projects so that they can be handed over to the respective governments for the benefit of local residents.



Before and after: a bridge in Aceh Province destroyed by the tsunami and rebuilt

Afghanistan



Building Roads Linking Major Regional Cities

Road Sector Program Grant Aid

Mazar-i-Sharif, in the northern part of Afghanistan, is a verdant city with relatively good public safety. As a religious site, it attracts pilgrims from all over the country. The city is still heavily damaged, however, after invasion by the Soviet Union, civil war and bombarding by the United States. Roads in the city, in particular, are in a very poor state, and this is having negative effects on economic activity in and around the city and is making it difficult for pilgrims and visitors to travel.

Against this background, on November 28, 2005 Japan and Afghanistan agreed on road sector program grant aid to repair 10.7 kilometers of road on 12 routes in the city. After a survey by JICA, JICS, as an agent for the Afghan government, signed a procurement

management contract with Afghanistan's Ministry of Urban Development and Housing to supervise road improvement, overseeing funds, arranging bidding procedures, making contracts with construction companies, and managing the project's progress. Following this, consultants and construction companies were selected and the work began in April 2006.

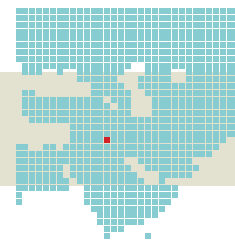
This is the third road project, following the Kabul-Kandahar road (KK road) and the Kandahar-Herat road (KH road), that JICS is involved with in Afghanistan. After the start of construction, the governments of Mazar-i-Sharif city and of Balkh Province requested many changes and additional work, which were successfully accommodated because of the well-organized nature of the sector program. Thanks to smooth cooperation among consultants, construction companies, hard-working Afghan

workers and the governments of the city and the province, the project was completed without incident in March 2007. Traffic jams, poorly defined roadways and sidewalks, potholes and so on have been eliminated. The Afghan government expressed its gratitude to Japan for the construction and JICS also received a certificate of appreciation from the Afghan government.



Children happily walking along one of the repaired roads

Iraq



Continuing Efforts to Support Reconstruction

Emergency Grant Aid, Grant Aid for Conflict Prevention and Peacebuilding

In October 2003, the Japanese government announced that it would provide 1.5 billion dollars in grant aid to support reconstruction in Iraq. This includes bilateral support for Iraq and support through international organizations. With regard to direct bilateral support (equivalent to 800 million dollars), JICS has been acting as procurement agent for the Iraqi government, overseeing funds and projects. Since FY2003, JICS has handled equipment procurement (nine cases), facilities rehabilitation (11 cases) and one peacebuilding grant, which were continued in FY2006.

Under the Projects for the Provision of Equipment for Solid Waste and Sewage Management, garbage collection vehicles were delivered to Baghdad municipality, the Ministry of Municipalities and Public Works,

and Samawah municipality and are being used for public sanitation. The Project for the Provision of Ambulances has delivered 700 ambulances which are being used throughout the country for medical emergencies. Under the Project for the Provision of Police Buses and Motorcycles, 480 police motorcycles and 150 buses have been delivered, which are being used to maintain public safety.

In the Projects for Rehabilitation of General Hospitals in the Northern, Central and Southern Regions of Iraq, 10 main hospitals in the northern, central and southern regions of Iraq have been refurbished and equipment was procured, delivered and installed. Refurbishing work and equipment handover were completed in June 2007. In the Project for Construction of a Diesel Power Station in Samawah, the Project for Rehabilitation of Taji Gas Turbine Power Station, the Project for Rehabilitation of the Mosul Gas Turbine Power Station, the Project for Rehabilitation of the Mosul Hydroelectric Power Station No.1, the Project for Improvement of the Trunk Communications Network, the Project for

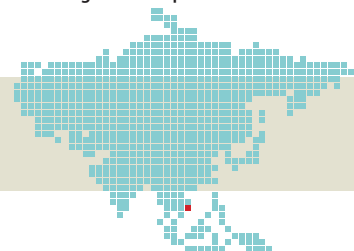
Improvement of Transit Switches and the Project for Improvement of Water Supply in Baghdad, transport of equipment has begun and some has already been installed. The projects are underway and hopefully will be completed soon.

In the Execution of the Police Training & Mentoring Program in Al-Muthanna Province being provided under grant aid for conflict prevention and peacebuilding, a six-month training program is being conducted for 6,200 police officers, to contribute to restoring public safety.



Patient monitoring equipment and a refurbished medical oxygen supply system provided under the Projects for Rehabilitation of General Hospitals in the Northern, Central and Southern Regions of Iraq

Vietnam



Study of Micro-finance in Farming Villages

Grant Aid for Japanese NGO Projects

Since FY2003, JICS has been delegated to carry out studies related to the Japanese Ministry of Foreign Affairs grant aid for Japanese NGO projects. This involves evaluating the appropriateness of projects submitted by NGOs in a fair and objective manner. For some projects, field studies are carried out to check how they have been conducted, conditions after the end of the project, effectiveness and so on. In FY2006, JICS evaluated 16 projects in eight countries such as Ghana, Vietnam and the Dominican Republic. In Vietnam, a field study was carried out on a micro-finance operation run by Save the Children Japan.

In Vietnam, economic growth has benefited mainly urban areas, and many people in farming villages in the mountainous north

and highland areas still live in poverty. Among children under age 5, one-third are malnourished. This project is extending micro-loans of a few thousand yen (equivalent to a month's earnings) to poor families with malnourished children or pregnant women mainly in farming villages around mountain areas in the north of Yen Bai Province. Borrowers then use the micro-loans to earn cash income by growing vegetables or raising livestock.

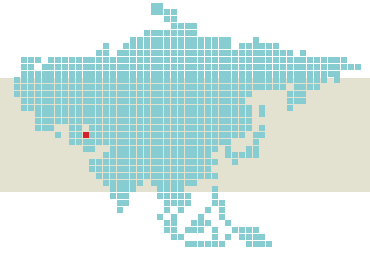
The field study examined the current status of the micro-finance program and checked on results by interviewing village women who were the borrowers. Many women said that the loans had enabled them to sell pigs or eggs for cash, allowing them to feed their children adequately and send them to school. The program has had a major impact on improving

mother and child nutrition and living conditions. Furthermore, the ability of the women to earn cash improved their position and stimulated their independence. One woman tearfully related that "If I could travel to Japan, I would like to thank the Japanese people."



A child being weighed when the mother receives a loan

Uzbekistan



Supporting Local Procurement by JICA Overseas Offices

Technical Cooperation

Ever since JICA became an independent administrative entity in October 2004, procurement methods have changed from procuring in Japan and shipping to local areas to local procurement. Field-based management has also been adopted by JICA for equipment procurement, to speed up and improve efficiency of procedures. In conjunction with this, in FY 2006, JICS dispatched local procurement support personnel to JICA overseas offices in France, Senegal, Saudi Arabia, Thailand, Sri Lanka, China, Uzbekistan, Kyrgyz, Serbia and Kenya for one to three months to help with procurement work, training of national staff and establishment of systems and procedures.

In January 2007, JICS dispatched a support staff member for one month to Uzbekistan to assist local procurement of

border control and implementation equipment in central Asia (Uzbekistan, Kyrgyz, Tajikistan) under the BOMCA program for improving the management of national borders in Central Asia carried out by the UNDP with EC funding. The equipment to be procured—X-ray inspection equipment and computer-related equipment to be installed at airports, and vehicle weighing scales to be installed at border crossings—was very expensive for a technical cooperation program, costing as much as tens of millions of yen and construction was involved for installing some of the equipment. In addition, contract procedures had to be completed within a limited time before the end of the fiscal year. JICS staff dispatched to the office helped decide the equipment with the local body involved in implementation, draw up specifications, prepare requests for estimates and answers to questions,

evaluate documents submitted for bidding and write draft contracts. This staff member also prepared forms for company lists and held a seminar for Japanese and national JICA office staff on preparing documents circulated for approval aimed at improving the accuracy of the documents, by explaining their purpose and how to draw them up.



Support staff (right) having a meeting with the Customs Committee, the implementing body in Uzbekistan

YEN LOANS

Basic Verification of Procurement Documents and Procurement Seminar Lecturer

Yen Loans

Yen loans, also called loan aid, refers to long-term, low-interest loans made to developing countries (borrowers) based on an agreement between Japan and the counterpart country. Most of these loans are made by Japan Bank for International Cooperation (JBIC). Borrowers use the funds to build economic and social infrastructure, such as for electricity, gas, transport or telecommunications, but must undertake procurement procedures following procurement guidelines and consultant hiring guidelines laid down by JBIC to obtain the necessary goods and services. In FY2006, JICS, delegated by JBIC, carried out basic verification of procurement documents prepared by borrowers to confirm that their contents followed JBIC guide-

lines.

JBIC also holds procurement seminars to give governments and implementing bodies in borrower countries a better understanding of the yen loan system and procedures and of the basic philosophy behind the system. In FY2006, JICS personnel served as instructors in procurement seminars in India, Egypt, Romania and Peru, imparting the knowledge and experience gained through basic verification of procurement documents to officials in the borrower countries and offering suggestions for improving the quality of documents prepared, in order to improve the procurement capacity of the implementing bodies in borrower countries.

Through this work, JICS helps countries set up efficient systems for handling the work, so that yen loan projects can contribute to more effective development assistance.



JICS personnel lecturing at a procurement seminar for borrowing countries (Romania)

JICS Recent Events

Management Planning Department Created

In line with amalgamation of ODA implementing bodies planned in FY2008, JICS created an Office of Management Planning on January 1, 2007 to handle the planning necessary to operate JICS in accordance with the JICS Vision.

The Office of Management Planning, which reports directly to the Secretary General, was created to allow more specialized and effective measures related to organizational change, reform of operations, personnel system reform, new project planning and other matters which had previously been handled by the Advisory Council on Management, the General Affairs Division, the Planning and Coordination Division and other JICS departments or divisions.

JICS will be 20 years old in 2009. To mark this milestone, the Office of Management Planning will take the lead in guiding changes at JICS to make it a more specialized international procurement organization.

JICS Participates in One World Festival

The One World Festival took place at International House, Osaka on February 3 and 4, 2007. This event, held since 1993, attracted 12,600 visitors over the two days. The theme this year, "What Each Person Can Do to Create a World for Everyone Living



Visitors to the JICS booth

Together," attracted participatory and hands-on workshops, offering opportunities for those not so familiar with international cooperation to learn about this subject and about cross-cultural understanding.

The JICS booth at the One World Festival described JICS' role within ODA and provided information on our support for research into demining equipment in Cambodia and for measures to contain the spread of avian influenza, through panel displays and an exhibit of procured equipment. These high-profile topics attracted many interested visitors to the JICS booth who asked questions and offered comments. In particular, students with an interest in ODA noted that they appreciated the clear information in the panel displays.

JICS Guidelines for the Procurement of Consultant Services Drawn Up and Implemented

In recent years, an increasing number of projects where JICS provides procurement management services involve construction work for reconstruction after natural disasters and so on. Contractors handling these projects are generally selected by international competitive bidding. However, depending on the project, the work involved or the construction environment may differ, and since contractors large and small, from many countries and of varying technical capability, participate in the bidding, highly specialized knowledge and extensive experience are required to set down bid conditions, conduct technical evaluation of the bidding and supervise the work.

Thus, in cases where the help of a consultant is deemed necessary to carry out the project in question appropriately and effectively, grant aid funds are used, with the consent of the recipient country, to hire a consultant to handle the work, and selection of such consultants is also generally done through international competitive bidding.

Given that JICS foresees handling more procurement of consultant services in the future and the need to set clear consultant selection criteria, JICS Guidelines for the Procurement of Consultant Services were adopted and implemented in April 2006.

These guidelines set out general principles for observing impartiality, fairness and competitiveness when selecting consultants. JICS procurement guidelines for equipment procurement were implemented in April 2005.

Meeting and Discussion: JICS Support for NGOs



NGO participants reporting on how they had benefited from JICS' support

On September 4, 2006 a meeting took place among JICS, officials from NGO recipients of support from JICS in FY2004 and experts in the field, to hear progress reports on the NGOs' activities and discuss various issues.

The progress reports submitted described the status of each NGO's activities and results achieved by JICS support. It was confirmed that support funds were used effectively and initial goals of the projects were generally achieved. Groups participating in the meeting said they would utilize the experience they had gained and specific issues that had come up through project implementation for future activities.

Participants discussed issues such as fundraising and institutional building of NGOs under the theme of strengthening the foundations of NGOs. JICS will continue holding similar meetings, and plans to continue to offer support that meets the needs of NGOs.



Participants listened attentively to the presentations

Global Festa Japan 2006

The Global Festa Japan 2006 event took place at Tokyo's Hibiya Park on September 30 and October 1.

In line with this year's Global Festa theme of "food," the JICS booth presented a panel exhibit and samples of procured materials relating to recent projects we have been involved in—grant aid for food and grant assistance for underprivileged farmers, as well as support for reconstruction and rehabilitation in Pakistan, and support measures for preventing the spread of avian flu. The timely nature of the information on avian flu measures attracted particularly strong interest from visitors to our booth.



Visitors at the JICS Global Festa booth

Board of Directors and Board of Trustees Meetings Held

The second regular meetings of the Board of Trustees and the Board of Directors for FY2006 were held on March 19 and 20, at JICS's office. The Board of Trustees meeting on March 19 discussed and approved agenda items on operations planning and the revised budget for FY2006, project policy and planning for FY2007, the FY2007 budget, a draft of changes to the Articles of Foundation of JICS, and selection of executives.



Board of Trustees meeting

The changes concerning the Articles of Foundation were made to Articles 3 (Purposes) and 4 (Operations), with the approval of the Japanese Ministry of Foreign Affairs, to reflect the more diverse and complex nature of projects JICS is being expected to undertake and allow us to operate in a broader field, as a result of changing conditions in the international cooperation environment.

At the meeting, 11 executives, including a new executive director, were chosen for the next term of office running from April 1, 2007 to March 31, 2009.

The Board of Directors meeting held on March 20 approved the first four agenda items discussed by the Board of Trustees the previous day. The assembled members also chose the president, president and Board of Trustees members. It was agreed that president Takahisa Sasaki and vice president Yukihiisa Sakurada would continue in their positions for the new term. A total of 13 Board of Trustees members, including one new member, were also chosen.

New executive director

Yozo Kaneko, President, Japan Overseas Cooperative Association

New Board of Trustees member

Tomoyuki Sakurai, Managing Director, General Affairs Department, Japan Foundation

Policies for project implementation in FY2007

- Respond quickly and appropriately to needs for implementing ODA
- Give JICS a stronger foundation appropriate as an international procurement organization
- Improve JICS financial condition

NGOs to Receive Support from JICS in FY2006 Selected

To contribute to the development of NGOs involved in international cooperation and to mark the 10th anniversary of its founding, in FY1999 JICS began offering support for NGOs active in that field. Eligible NGOs receive a grant of up to 1 million yen for equipment and materials, transportation expenses, local projects or operating funds for bolstering the groups.

In FY2006, the eighth year of this program, JICS placed recruitment ads for NGOs through its website and other media. Eleven applications were received and after examination by experts in the field, seven groups were selected to receive support totaling 5.75 million yen.

Compared to earlier years, more groups this year applied for funds for strengthening the foundations of NGOs. JICS believes that building a firm foundation by conducting public relations activities, raising funds or training personnel is essential for allowing NGOs to improve their operations, and we place importance on strengthening the foundations of these organizations in our support activity.

JICS will continue doing its best to keep abreast of the needs of NGOs and study how it can extend helpful support.

NGOs Supported by JICS in FY2006 (in alphabetical order)

NGO Name	Country	Support Description	Amount granted (yen)
Action with Lao Children (ALC)	Laos	•Funds for strengthening the foundations of NGOs	684,650
CARA (Association pour la Coopération et l'Autogestion Rurale en Afrique de l'Ouest)	Mali	•Funds for strengthening the foundations of NGOs	694,890
Caring for Young Refugees (CYR)	Cambodia	•Equipment and materials purchasing expenses/ transportation expenses •Project operation expenses	1,000,000
Intercommunication Center for Asia and Nippon	Philippines	•Project operation expenses •Funds for strengthening the foundations of NGOs	975,620
Japanese Association for the Promotion of Health in Myanmar (JAPHM)	Myanmar	•Equipment and materials purchasing expenses/ transportation expenses	1,000,000
Terra People Act Kanagawa (TPAK)	Thailand	•Equipment and materials purchasing expenses/ transportation expenses •Project operation expenses	485,600
TICO (Tokushima International Cooperation)	Zambia	•Funds for strengthening the foundations of NGOs	900,000

The Role of JICS in ODA

Japan 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 information below describes 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 Assistance for Underprivileged Farmers (2KR, formerly known as Grant Aid for Increase of Food Production)

Grant Assistance for Underprivileged Farmers (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. Grant aid for increase of food production

(2KR) has been changed since FY2005 to grant assistance for underprivileged farmers (2KR) in order to show that Japan will provide more effective support to developing countries in their self-help efforts for achieving food self-sufficiency. By clarifying that aid recipients are poor, small-scale farmers, Japan will strengthen its efforts to support increase of food production in those countries.

Since its founding in 1989, JICS has been delegated by 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 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.

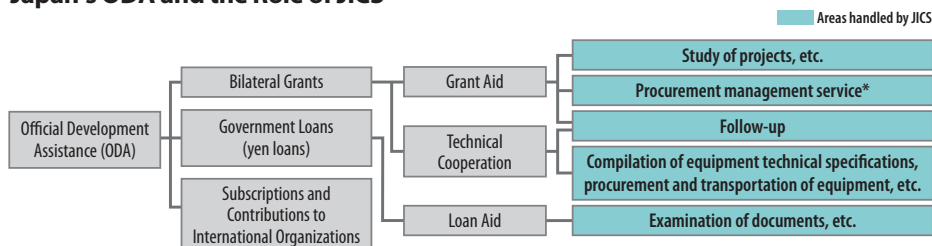
In FY2004, JICS began analyzing project applications and also project applications for grassroots cultural grant aid. The main types of equipment procured include sound and lighting equipment for theaters, sports equipment, equipment for excavating and preserving archaeological sites, musical instruments, 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.

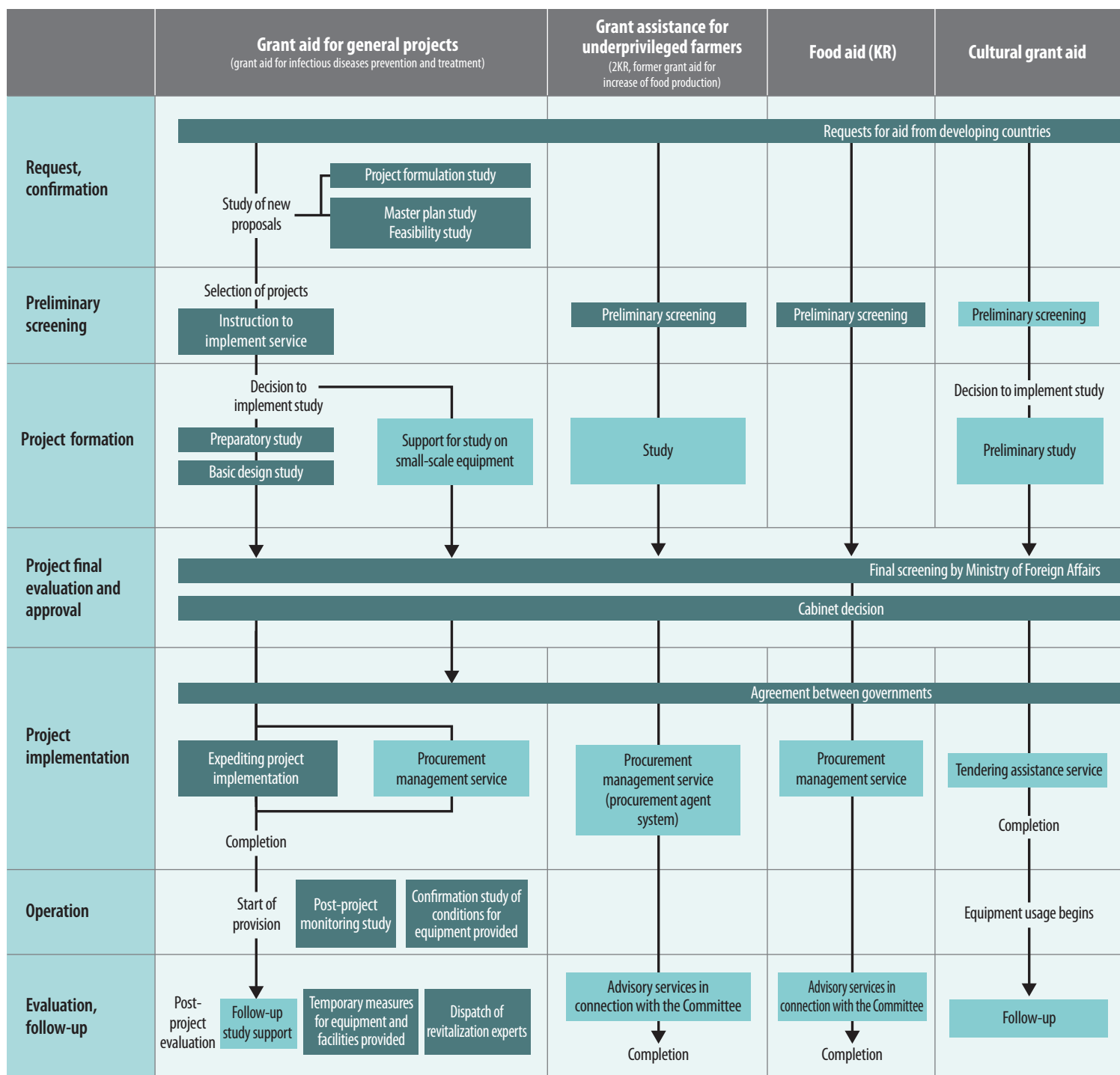
Since FY2001, in accordance with contracts with the governments of developing countries, JICS has been managing grant aid provided for research and development activities, and offering coordination and sup-

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.

Areas Handled by JICS in the Case of Grant Aid Projects



port 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

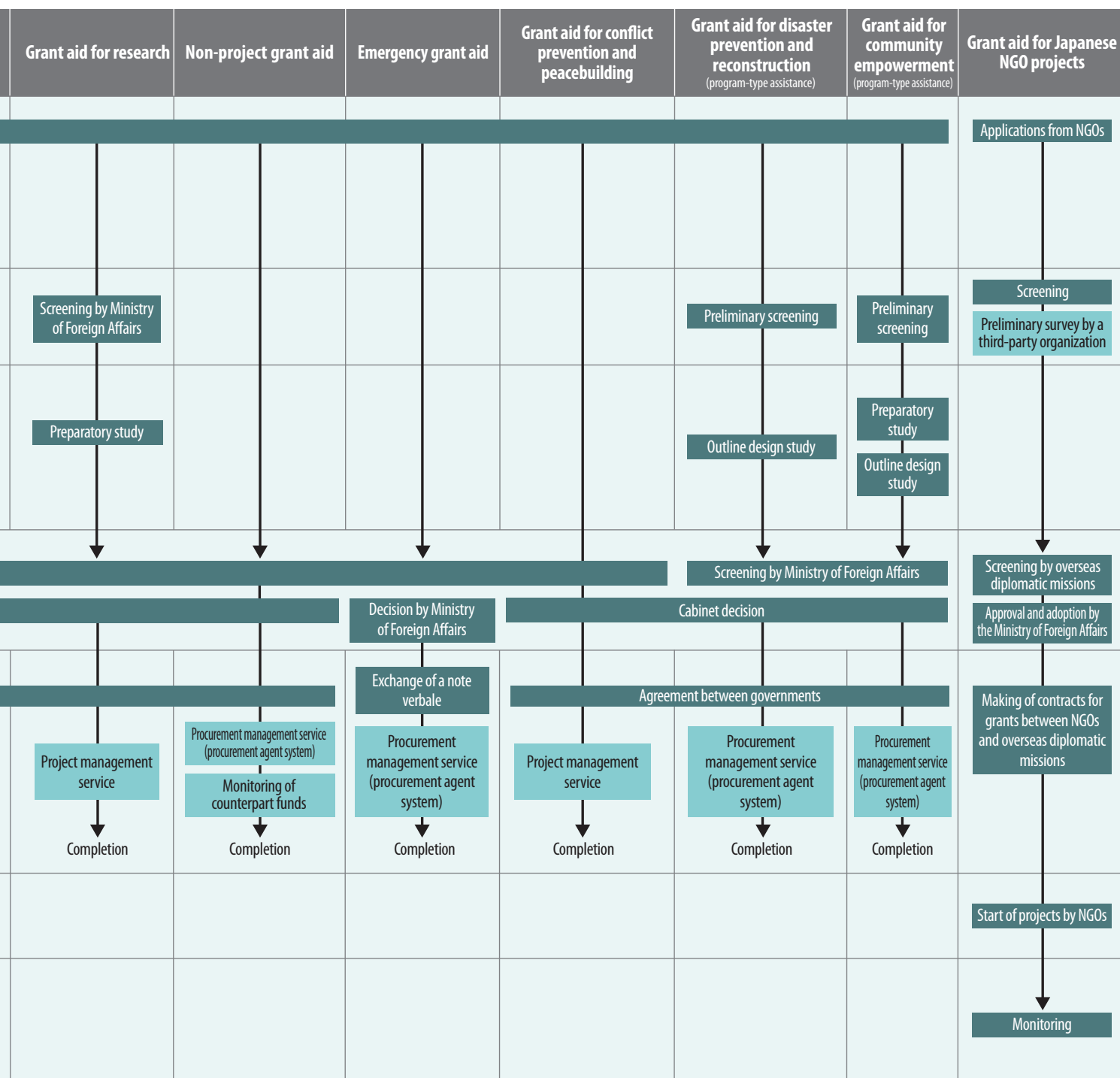
accumulated debt or a rising international balance of payments deficit, as part of assistance to improve the country's economic structure. Since this aid is not earmarked for specific projects (e.g. building schools, etc.), it is called non-project grant aid.

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 emer-



gency 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 establishing 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.

Grant Aid for Disaster Prevention and Reconstruction

Grant aid for disaster prevention and reconstruction is intended to provide seamless assistance, from emergency relief for natural disasters to full-scale rehabilitation and reconstruction aid. It began in FY2006, aiming at providing multi-component assistance such as restoration and reconstruction of schools, medical institutions and roads, according to the changing needs of the affected areas. Since disaster response requires speed and multi-faceted support simultaneously, a higher level of procurement management capabilities and knowledge of diverse fields is needed. JICS supports the smooth and effective implementation of grant aid for disaster prevention and reconstruction as a procurement management agency.

Grant Aid for Community Empowerment

Grant aid for community empowerment began in FY2006, aiming at supporting comprehensive capacity development of communities facing threats such as poverty, hunger and disease. This grant aid is expected to reduce costs and make communities more competitive by using local businesses, equipment and materials based on local specifications and design, allowing flexible response to various situations according to local conditions. On the other hand, a high level of procurement management capabilities is necessary since close attention is required to ensure quality. JICS has been conducting procurement management of school construction projects since FY2006.

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 breakdowns 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.