

Annual Report 2011



Real Aid in Action

Japan International Cooperation System

Profile of JICS

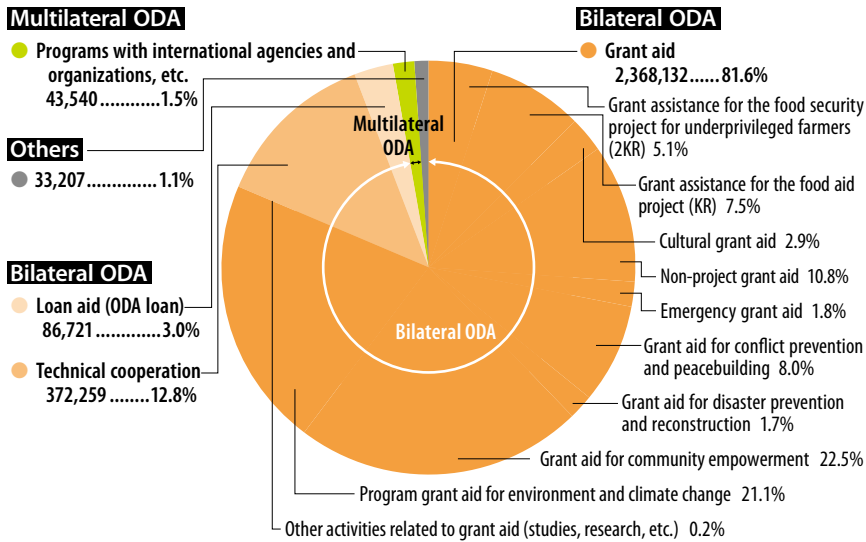
Japan International Cooperation System (JICS) was the first foundation in Japan to specialize in procurement operations within the field of international cooperation. JICS' activities primarily focus on aid project-related procurement and supervision operations within the Japanese government's Official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

"Procurement" refers to the acquisition of and payment for goods and services—such as transportation, design and

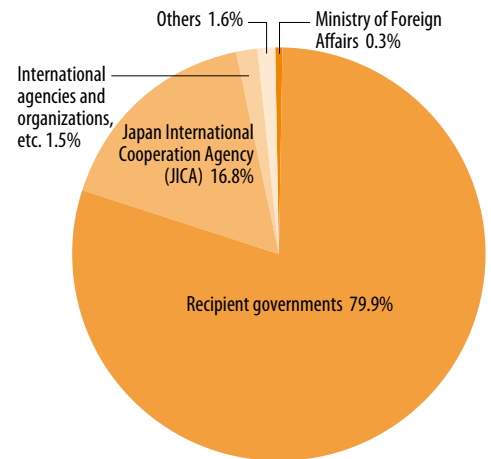
construction—necessary to achieve a specific objective. Since its establishment in 1989, JICS has appropriately and effectively carried out the selection and procurement of goods and services needed in local areas where cooperation projects are being implemented.

JICS aims to become "the world's best service provider in the international cooperation field" which is described in "Mission, Vision and Value" (MVV). In pursuit of this goal, JICS is building up its base of expertise and knowledge while focusing on the development of human resources.

● Revenue by Type of ODA (FY2011) (Unit: thousand yen)



● Revenue by Client (FY2011)



Mission, Vision and Value (MVV)

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



Definition of MISSION

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

Definition of VISION

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

Definition of VALUE

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

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| 16 | Grant Aid for Community Empowerment (Mozambique) [Project Name: The Project for Construction of Secondary Schools in Mozambique] |
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A Message from the President

On April 1, 2012, Japan International Cooperation System (JICS) made the transition to the status of a general incorporated foundation.

In FY2011, ended March 31, 2012, the impact of the Great East Japan Earthquake had a significant effect on our operations. However, thanks to the support and cooperation we received from our staff and many other stakeholders, we were able to steadily carry out our operations underpinned by the efforts of our entire organization.

During FY2011, we grappled with many organizational issues stemming from our transition to a general incorporated foundation in line with the institutional reform of a charitable corporation. First of all, we implemented various preparations for the shift to a general incorporated foundation. While taking into account progress in the government's reforms in this area, we undertook substantial measures to ensure that JICS employees fully understand the reform of the foundation's status and to achieve a satisfactory consensus. Following these preparations, a formal decision was made by our organization and we submitted an application to the Cabinet Office, and received approval to make the transition to a general incorporated foundation, which was consummated in April 2012. Simultaneously, we announced a new set of fundamental organizational management policies, called "Mission, Vision and Value" (MVV). On the inside front cover of this annual report as well as in the special feature we provide information on how MVV was formulated and explain details of these policies.

In the future, as JICS' operating environment becomes increasingly competitive, we are committed to maintaining a competitive advantage as we work to fulfill our responsibilities and roles. To realize this goal, we have established three internal task forces covering operations, human resources and organization, which are reviewing solutions to a range of issues.

With regard to operations, we have formulated a three-year Medium-term Operational Action Plan commencing FY2012. The plan defines the ideal state of JICS 10 years hence, and contains two major strategies: (1) further cultivate our existing operations focusing on procurement agent services; and (2) develop new businesses. With regard to the latter strategy, we held a proposal competition with the participation of all employees, and the organization is working toward commercializing the highest quality proposals.



In the area of human resources, we have formulated a Human Resources Development Grand Design, which aims to nurture people who are capable of playing critical roles within an international procurement institution. We are implementing this framework from FY2012.

In our organization, we changed from our FY2010 structure comprising three departments and 16 offices and divisions to a revamped structure comprising two offices, five departments and 18 divisions. This structure aims to better enable managers to keep closely in touch with their subordinates' progress and provide more detailed guidance and supervision. Coinciding with this organizational overhaul, we appointed 13 new managers. Although such investments in human resource involve costs, we recognize that it is one of the key challenges that we must undertake. The nurturing of management talent by the entire organization through its day-to-day operations will become even more crucial in the future, and I believe that JICS is sure to receive an excellent return on this investment.

In 2011, the impact of the Great East Japan Earthquake was particularly large, leading not only to delays in the execution of certain projects but also a reduction in the number of projects in some core programs, including "Non-project grant aid" and "Grant aid for community empowerment", compared with our original targets.

Meanwhile, as an expansion of our existing operations, we have been

commissioned to undertake procurement execution and facilitation support services, including ex-post procurement audit services as part of a strengthening of Japanese ODA loan-related operations, and construction operations related to technical cooperation projects carried out by the Japan International Cooperation Agency (JICA). To further broaden the scope of these activities, we are working to implement a structure for proactively seeking new project commissions.

Although we anticipate that the environment affecting ODA and JICS' operations will become more severe in the future, we believe that the importance of JICS' roles and responsibilities will remain unchanged. To bolster the efficiency of international cooperation project execution, we are committed to vigorously fulfilling our vital roles and responsibilities in this field.

To become "the world's best service provider in the international cooperation field", we will not rest on our laurels, but diligently strive to enhance the trust placed in us by our stakeholders worldwide. In these endeavors, we sincerely look forward to your ongoing support and encouragement.

Toru Nakatani
President
Japan International Cooperation System (JICS)