

Part **1**

Principal Activities
in FY2014

Special
Feature

In Contributing to Japan's Economic Cooperation with Myanmar, JICS is Further Demonstrating Its Capabilities as a Service Provider

Democratization and economic reform are moving ahead at a rapid pace in Myanmar, where a new government administration was inaugurated in 2011. Although various issues remain, including a full reconciliation with minority ethnic groups, to assist the constructive reform efforts of the Myanmar government, in April 2012 the Japanese government revised its economic cooperation policy vis-à-vis Myanmar. The new policy focuses on three priority areas for assistance:

- Assistance for improvement of people's livelihoods
- Assistance for capacity building and institutions development to sustain economy and society
- Assistance for development of infrastructure and related systems necessary for sustainable economic development.

Subsequently, full-scale assistance commenced, including through the loan aid program. JICS is involved in projects related to these three priority areas, and is broadening its potential for providing new services.



Satoshi Matoba
First Construction
Management Division
First Management
Department



Kazuki Inaoka
First Construction
Management Division
First Management
Department

Assistance for Improvement of People's Livelihoods

→ "Project for Electrification of Rural Villages"

Features of the Project

- Procurement of electricity generation systems that utilize renewable energy
- As part of procurement agent services, JICS also handled construction management

Improving the Living Conditions of Village Residents through Projects to Bring Electricity to Off-grid Areas

Compared with other countries in the Association of Southeast Asian Nations (ASEAN) region, the development of electricity infrastructure in Myanmar is lagging. Of some 88,000 village communities that exist in Myanmar, more than 37,000, or around 42%, are not connected to the national power grid. In these communities lacking electrification, which do not even have such basic facilities as lighting, residents have a strong desire to gain access as soon as possible to the services that majority of us take for granted.

The Myanmar government, as part of its national policy, is giving priority to the connection of communities to the national grid, and to promoting the effective utilization of renewable energy. However, development is not progressing as smoothly as hoped. Myanmar has a large land area—approximately 1.8 times the size of Japan—and its topography is extremely challenging as it includes very steep, mountainous regions.

In light of this situation, the Japanese government made the decision to provide grant aid to Myanmar with the objective of improving the living conditions of residents in local areas. The grant aid promotes the electrification of areas that lack electricity, which include a large number of ethnic-minority communities. This will be achieved by developing and installing renewable energy-based systems, including small-scale hydroelectric power and solar electricity generation, in village communities where electrification is lagging. In June 2014, after the Exchange of Notes (E/N) was signed between the Government of Japan and the Government of the Republic of the Union of Myanmar, JICS signed the Agent Agreement with the Myanmar government. Based on this, JICS has been appointed as the agent for the Ministry of Livestock, Fisheries and Rural Development, which is the implementing ministry for this project.

Faced with Severe Conditions, JICS Responded by Adapting to the Local Situation

The candidate sites for this project—several dozen village communities where electricity generation systems were to be installed—were spread widely east and west across Myanmar's land area. Not only were the villages remote, but roads leading to them and some of the actual communities themselves were situated in extremely steep locations. Hence, the geographic conditions faced by the project were very severe.

The small-scale hydroelectric generation systems to be developed by the project were very small, with capacity ranging from 100W (0.1kW) to 10kW. Such tiny systems are often referred to as "micro-hydro" or "pico-hydro." The small number of experts in this technology was also one of the issues we needed to consider when planning the project.

Furthermore, since we, JICS, had a strong mission in Myanmar that the project be delivered at the earliest possible date, it was necessary to gather the information required for



Civil engineering works carried out for a micro-hydro project



An installed micro-hydro generation unit undergoes test operation



Villagers carry equipment needed for a solar electricity generation project



procurement swiftly and to an appropriate level. We also needed to consider the electricity generation method and equipment specifications suited to the conditions at each site.

In response to these and other conditions, we decided to seek the help of a JICS in-house engineer who possessed experience in a similar field. Based on the request documentation from the Myanmar government, we carried out an on-site survey of each candidate site, and analyzed such factors as geographical conditions and residents' living environment. Although we had hopes prior to the survey that micro-hydro candidate sites would have agricultural canals or other existing water-source facilities, often this was not the case. In addition, at some candidate sites there was a very high seasonal fluctuation in the volume of water flowing through the site's mountain stream. Consequently, we needed to respond with higher flexibility to the actual conditions we found. In some cases this meant switching from an initial plan involving a micro-hydro development to a solar electricity generation project.

Based on the results of our survey, we engaged in discussions with a broad range of stakeholders to adjust and reconfirm the details of the project. Such stakeholders included the Myanmar central government (the Ministry of Livestock, Fisheries and Rural Development and other agencies), state governments, administrative branch offices in each local region, and local village residents. Backed by these close communication efforts, we received agreement from stakeholders regarding site selection and the equipment to be installed.

Over a period of almost one year from the signing of the E/N between the two governments, we were able to hand over an initial lot of eight completed project sites. To our honor, the Myanmar government sincerely expressed their sense of appreciation on the quick procurement in one year.

At one of the communities (Sint-In Village) where handover was completed, the Myanmar government organized a ceremony to mark the start of electricity supply, inviting V.I.P.s from both governments. All of the residents gathered, making it a magnificent occasion for the village, and gratitude was expressed toward the people of Japan. After hearing the great hopes held by the residents we met while carrying out the survey and seeing the devoted cooperation of villagers during engineering works and while carrying in the equipment, we had a strong motivation to respond, and we are sure that this contributed to ensuring a successful outcome.

Providing Services with High Value-Added

Through this project, it was once again brought home to us that the procurement agent services performed by JICS are a type of service, and the essential goal of a service is customer satisfaction. We were able to rapidly advance the project after harmonizing the thinking of a large number of stakeholders and then receiving the cooperation of those stakeholders. We believe that this was made possible by gaining not only the agreement but also the trust of the people with whom we dealt, based on making proposals that went the extra distance beyond their requests as part of day-to-day dialogue. For example, we provided concise, tightly focused reference information that had strong visual appeal.

Within the project, as part of our procurement agent operations we also handled construction management. Leveraging this experience, we can reassess JICS' role and value as a service provider, and use these insights to broaden the range of services offered by JICS in the future. We want to respond to the various needs in the field of economic cooperation from Japan so that JICS will be in a position to actively contribute—even more than ever.

Assistance for Capacity Building and Institutions Development to Sustain Economy and Society

→ "Yangon Technological University Equipment Provision Project"

Features of the Project

- The project is funded by the Japan–ASEAN Integration Fund (JAIF)
- Rapid procurement of a wide array of equipment

Making Up for Lost Years in Myanmar's Higher Education and Research System

At Yangon Technological University (YTU), Myanmar's top engineering and technological university, all faculties excluding the graduate schools were closed from 2000 to 2012. However, in December 2012 YTU reopened all faculties. Unfortunately, the suspension of



Utility poles were erected thanks to the full-scale cooperation of community residents



Solar panels and generators



Village residents welcome the completion of installation of a solar electricity generation system



The magnificent ceremony to celebrate the start of electricity supply



Jinichi Watanabe
International Organization
Division
Third Management
Department
(At the time of the project's implementation)



Naoko Ochiai
International Organization
Division
Third Management
Department

educational programs for 12 years meant that much of the equipment at the institution was obsolete and there was a severe shortage of educational and research equipment. The Myanmar government requested that the Japanese government assist in the provision of replacement equipment for the university. As a multilateral aid project, this project utilized the Japan–ASEAN Integration Fund (JAIF), which was established in 2006 through funds contributed by the Japanese government to support integration in the ASEAN region. To improve the research and learning environment at the undergraduate faculty level, we carried out procurement of experiment apparatus and practical training equipment.

From around 10 years ago, JICS has built up a comprehensive track record in the execution of expeditious procurement services within grant aid programs for Myanmar. Consequently, in February 2013 this experience was leveraged in the implementation of this project.

Detailed Selection of Equipment Necessary for All Faculties

To quickly improve the educational and research environment of the reopened faculties, JICS initially carried out discussions with YTU's 11 faculties and laboratories. The requested items covered a wide range of equipment, including gas chromatography instruments for environmental analysis, a factory automation (FA) system trainer, a vacuum tube furnace for metal processing, triaxial compression machine for geology, a laboratory sample knitting machine for testing fiber strength, a multifunctional printer for producing maps, ampere meter and voltage meter, and inoculating loops with sphere. While confirming the priorities of each faculty and laboratory, JICS determined the items to be procured. Since the university's facilities are old, and electrical voltage varies between classrooms, the urgent need to add transformers to the list of procurement items became apparent. Although such unexpected matters arose, we successfully delivered approximately 100 items, including notebook PCs, the inspection equipment, experiment apparatus, and training equipment covering such fields as electrical engineering, information technology (IT), mechanical engineering, metals, chemistry, mining, geology, and petroleum. Installation and initial training were completed as planned. The handover ceremony was attended by a large number of stakeholders, including the Myanmar Minister of Science and Technology, the Ambassador of Japan to Myanmar, and local media. At the ceremony, we observed the high level of interest in Japanese assistance for Myanmar provided through the project.

The equipment procured as part of the project will play a useful role in human resource capacity building in the technology field. Personnel in this area are sure to be an important driver of future economic growth in Myanmar. For JICS too, we believe that this is extremely significant.



YTU personnel and a JICS employee (center)



Part of the equipment procured for YTU, including a printer for producing maps (right)

Assistance for Development of Infrastructure and Related Systems Necessary for Sustainable Economic Development

→ “The Project for Reduction of Non-Revenue Water in Mayangone Township in Yangon City”

Features of the Project

- Introduction of the concept of Public–Private Partnerships (PPP) for the project involving service operations and management components

Aiming to Facilitate Development through the Management of Public Services by Japanese Companies

In November 2014, after a proposal-based competitive-selection process conducted by the Japanese Ministry of Foreign Affairs (MOFA), JICS was recommended to the Myanmar government as a procurement agent for “The Project for Reduction of Non-Revenue Water* in Mayangone Township in Yangon City”—a grant aid project for Myanmar. Subsequently, in August 2015 JICS signed an Agent Agreement.

This project encompasses the rehabilitation of facilities related to municipal water supply system in Mayangone Township in Yangon, and the management components in a broad sense. The project aims to contribute to a reduction in the water leakage rate in the area covered, and the improvement of water supply capacity and management of non-revenue water over the long-time period.

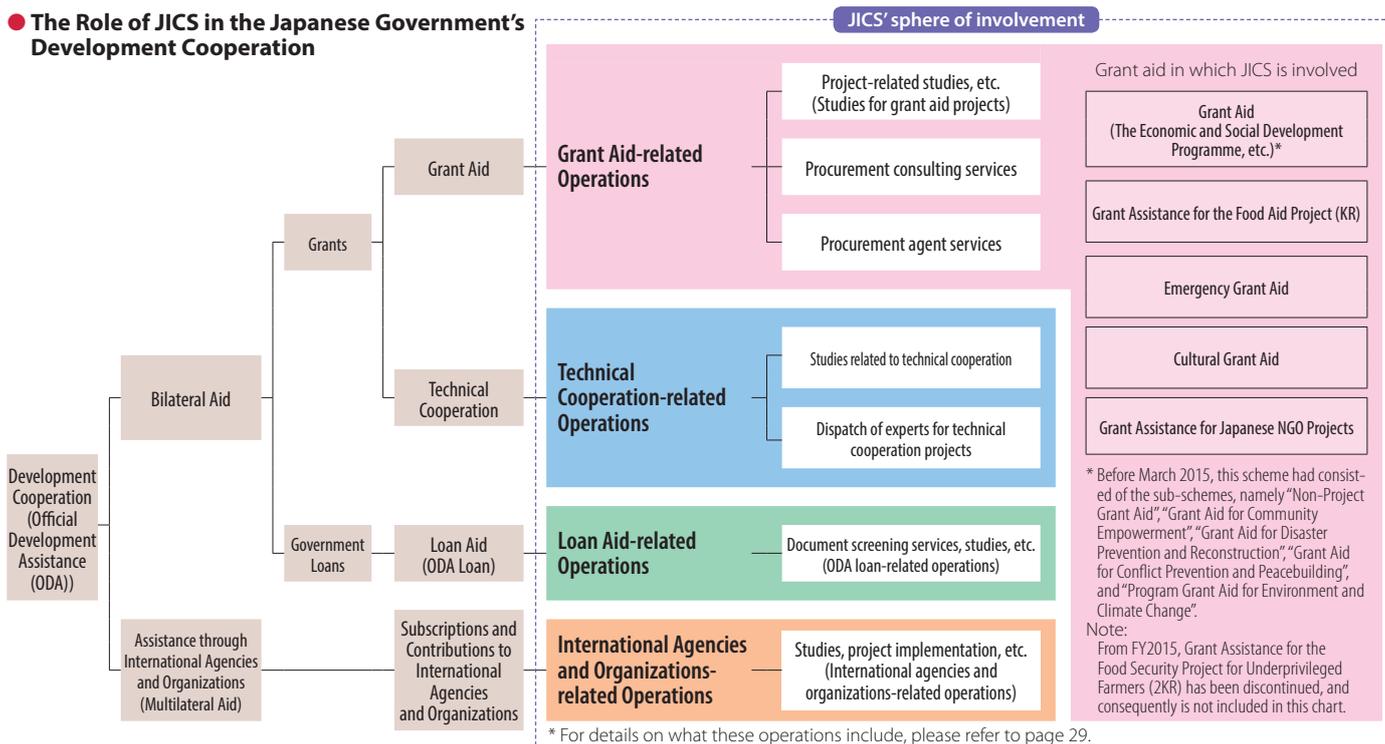
In recent years, developing countries have introduced PPP projects in the area of public service provision. Private-sector enterprises provide services over a medium- to long-term period, with the expectation that the technology and know-how of the company taking part will be utilized. In this project, the excellent technologies of private-sector Japanese companies will be utilized for the rehabilitation of water facilities. Also, it is expected that a contract which includes the operation and management components will be signed between a Japanese company and the Myanmar government separately.

As the procurement agent of the Myanmar government, JICS will undertake management of the project. This will include procurement of consulting services to review and assist with the preparation of tender documentations, and conducting selection of a contractor to carry out improvement of water supply-related facilities. JICS will utilize its extensive project management experience, including experience to date in procurement agent operations, and specifically in Myanmar, the procurement of various equipment for the Myanmar government as well as the construction of primary schools that also function as cyclone shelters. We will endeavor to execute effective, efficient operations.

* Non-revenue water: Water for which revenues are not collected, including pipe leakage and stolen water

Development Cooperation and the Role of JICS in ODA

● The Role of JICS in the Japanese Government's Development Cooperation



Development Cooperation and the Role of JICS in ODA

The Japanese government's Official Development Assistance (ODA) policy has been implemented based on the ODA Charter (approved by the Cabinet in 1994; revised in 2003). However, owing to changes in the domestic and international environment for ODA, this policy has undergone an overhaul, and in February 2015 the Cabinet approved the new "Development Cooperation Charter." In accordance with the goals for Japan's development cooperation set under the Development Cooperation Charter, Japan will increase its proactive efforts aimed at realizing peace, stability, and prosperity in the international community so that a desirable international environment will take shape. These efforts should also contribute to securing Japan's national interest.

Development cooperation refers to "international cooperation activities that are conducted by the government and its affiliated agencies for the main purpose of development in developing regions," and is conducted through ODA programs. Japan's ODA is divided into the provision of funds and technology by the Japanese government and its executing agency for the purpose of development in developing countries. This includes such aspects as peacebuilding and the promotion of good governance and fundamental human rights, as well as the provision of humanitarian assistance.

Development cooperation is divided into two broad categories—bilateral aid that is conducted directly in cooperation with a particular developing country and multilateral aid that is carried out through an international organization. Bilateral aid can be further divided into three modalities—grant aid, technical cooperation, and loan aid.

Since its launch in 1989, as a fair and neutral procurement organization, JICS has provided a broad array of services related to the procurement procedures for goods, equipment, and services necessary in the execution of many types of ODA projects. The information below provides an overview of the main operations in which JICS is involved.

Grant Aid-related Operations

Grant aid is a form of assistance whereby funds required for the procurement of goods, equipment, and services are provided to developing countries without a repayment obligation.

In operations related to grant aid, JICS carries out procurement services, which include funds management, and project management, as an agent of the governments of recipient countries. We call these services "procurement agent services."

JICS also conducts studies to examine the appropriateness of applications by recipient-country governments, and to consider the price and specifications of goods and equipment, and performs procurement consulting services to assist procurement procedures carried out by recipient-country governments, project application analysis, and report screening services.

Procurement Agent Services

First of all, the Japanese government examines and considers applications from recipient-country governments before making decisions to provide funds. Funds are then donated to recipient-country governments, but because the funds must be used in accordance with Japan's ODA rules, third-party organizations well-acquainted with those rules carry out procurement procedures and funds management. Through agreements with recipient-country governments, JICS conducts the procurement of goods and equipment and manages construction of facilities on their behalf.

Specifically, JICS sets terms for tenders after confirming specifications, quantities, and conditions for delivery or construction work relating to the goods and equipment or facilities, selects suppliers and construction companies through a tendering process, and subsequently monitors progress of contract fulfillment by the contractor while managing project funds.

Goods and Equipment Procurement	Facility Construction
<p>[Features]</p> <ol style="list-style-type: none"> JICS procures goods and equipment after checking local import customs clearance procedures, recipient country systems in place for taking possession of and storing the goods and equipment, conditions at the installation site, the systems for maintenance, and other factors. Some projects involve tracking the progress of distribution of the procured goods and equipment and counterpart funds* deposited by the recipient country. 	<p>[Features]</p> <ol style="list-style-type: none"> JICS concludes a contract with a construction consultant, and together with the consultant determines facility specifications and construction work terms after checking the proposed construction site, road conditions, and general standard for construction in the recipient-countries. JICS selects construction companies and carries out on-site project management.

* Under self-help efforts, developing country governments deposit local currency equivalent to a certain proportion of the price of equipment procured by grant aid. These funds are utilized for local economic and social development projects for the recipient-country after consultation with the Japanese government.

Priority issues under the Development Cooperation Charter

“Quality growth” and poverty eradication through such growth

Sharing universal values and realizing a peaceful and secure society

Grant Aid that Contributes to Solving Development Cooperation Priority Issues and JICS’ Procurement Agent Operations

“Quality growth” and poverty eradication

Healthcare and Population / Water and Sanitation / Education

Grant Aid for Community Empowerment (Note)

This scheme was established with the objective of assisting comprehensive capacity development in communities facing poverty, hunger, infectious diseases, and other threats to human life and secure livelihoods. The Grant Aid for Community Empowerment can reduce project costs by incorporating local input into project specifications and design and positively utilizing local enterprises and locally sourced goods and equipment, and is expected to lead to the efficient use of grant aid funds. While this scheme can flexibly respond to diverse local needs and conditions, it requires advanced procurement-execution management capabilities owing to the diverse efforts needed to meet procurement schedules and to assure quality.

In FY2014, JICS managed a total of 37 projects in Africa and Asia relating to construction work for schools, health centers, and other facilities. This total includes ongoing projects from the previous fiscal year or earlier years.

Agriculture and Rural Development

Grant Assistance for the Food Aid Project (KR) / Grant Assistance for the Food Security Project for Underprivileged Farmers (2KR)

Targeted at developing countries facing food shortages, Grant Assistance for the Food Aid Project (commenced in 1968) is grant aid provided for the procurement of rice, wheat, maize, and other staple grains, while Grant Assistance for the Food Security Project for Underprivileged Farmers (commenced in 1977) is grant aid provided for the procurement of fertilizer and agricultural equipment that will help increase the production of grain crops. The International Grains Agreement, which came into effect in 1967, was negotiated in the context of the Kennedy Round (KR) of the General Agreement on Tariff and Trade (GATT), and these aid programs were launched in accordance with the aforementioned agreement. Hence, the two schemes’ respective alternative names, KR and 2KR, derive from their historic link with the Kennedy Round. A decision was made to discontinue the 2KR scheme from FY2015.

JICS has been operating the KR scheme since FY2001, and in FY2014 implemented procurement services for 28 projects mainly in Africa, including projects ongoing from the previous fiscal year. With regard to the 2KR scheme, JICS has operated this since FY1989, and in FY2014 implemented procurement services for 14 projects mainly in Africa, including projects ongoing from the previous fiscal year.

Foundation for Economic Growth

Non-Project Grant Aid (Note)

Non-Project Grant Aid provides funds to developing countries that are implementing economic and social development—such as poverty reduction programs—for the procurement and importation of necessary goods and equipment from overseas. JICS carries out procurement of raw materials (petroleum products, steel, etc.) and machinery for public works (vehicles and construction machinery) selected by the recipient-country governments from a list of items. In recent years, industrial products manufactured in areas affected by the Great East Japan Earthquake have been procured under this scheme. Products made by Japanese companies have also been procured such as products manufactured by Japanese small and medium-sized enterprises (SMEs), medical equipment, and next-generation eco-friendly vehicles. This aspect of the scheme is designed simultaneously to support the overseas business expansion efforts of Japanese enterprises. At the end of FY2014, product categories eligible for procurement under the scheme were expanded to include Japanese local products and Japanese disaster reduction equipment.

JICS commenced provision of services under this scheme in FY1993, and in FY2014 implemented procurement in a total of 94 projects in a wide range of countries, including projects ongoing from the previous fiscal year or earlier years. Regions covered included Oceania, the Middle East, Africa, Asia, Central America, and South America.



A secondary school built under the Grant Aid for Community Empowerment (Mozambique)



A used vessel departs Nagasaki (for Viet Nam)

Operations for Grant Aid Schemes Other than Procurement Agent Services, and JICS’ Involvement

Cultural Grant Aid

The Japanese government provides grant aid for the purpose of promoting culture and education, as well as for the preservation of cultural heritage in developing countries. This grant aid comprises funds for the purchase, transportation, and installation of materials and equipment, and the construction of facilities necessary for the aforementioned cultural and educational activities. General Cultural Grant Aid is carried out vis-à-vis governmental and public agencies while Grassroots Grant Aid is provided to nongovernmental organizations (NGOs) and local public agencies.

In FY2014, JICS carried out procurement consulting services and services relating to the preparation of a list of sports equipment as part of eight General Cultural Grant Aid projects that continued from the previous fiscal year.



A boxing demonstration at a handover ceremony (Guatemala)

Building a sustainable and resilient international community through efforts to address global challenges

Cross-sectoral issues: Human security, gender equality

Sharing universal values, realizing a peaceful and secure society

Building a sustainable and resilient international community through efforts to address global challenges

Conflicts and Development

Humanitarian Aid

Environment and Climate Change / Energy

Disaster Prevention

Grant Aid for Conflict Prevention and Peacebuilding (Note)

The objectives of this scheme are to assist developing countries in conflict prevention and peacebuilding efforts through such measures as programs for the reintegration of former soldiers, collection of small arms, and ethnic reconciliation.

In FY2014, JICS implemented procurement services for a total of 14 projects, including projects ongoing from the previous fiscal year or earlier years. Projects included airport improvement in Afghanistan, construction work to restore a water supply system in Haiti, disposal of unexploded landmines in Laos, and development of small-scale hydroelectric generation systems and solar power generation systems in local village communities in Myanmar.

Emergency Grant Aid

Japan provides Emergency Grant Aid from a humanitarian perspective, giving urgently needed funds to assist overseas victims of natural disasters and conflicts as well as refugees and evacuees. Key features of the program are the rapid procurement and provision of necessary goods, and the delivery of these goods to the affected areas. Emergency Grant Aid delivered through international agencies or the Red Cross may also be used to support democratization in developing countries, including support for the holding of elections, and to support the post-conflict reconstruction and development process.

In FY2014, JICS provided procurement agent services for a total of four Emergency Grant Aid projects, including projects ongoing from the previous fiscal year or earlier years. This included a new project initiated to assist Guinea and Liberia in dealing with the Ebola hemorrhagic fever epidemic.

Program Grant Aid for Environment and Climate Change (Note)

From the perspective of strengthening developing countries' response measures to climate change, this grant aid scheme provides funds necessary for the formulation of climate change-related policies and response plans, and for the procurement of materials and equipment and facility construction services needed for the execution of such plans.

In FY2014, JICS managed 45 projects ongoing from the previous fiscal year or earlier years. JICS also received a new contract for a project in Myanmar, which is a Grant Aid project involving service operations and management components which introduces the concept of Public-Private Partnerships (PPP). In addition, some projects under the Grant Aid for Conflict Prevention and Peacebuilding, also were carried out to address energy issues such as a project for small-scale hydroelectric power development.

Grant Aid for Disaster Prevention and Reconstruction (Note)

For developing countries that are vulnerable to natural disasters, as assistance for disaster-prevention measures and post-disaster reconstruction, Japan provides grant aid funds needed for the procurement of necessary materials and equipment as well as for construction or restoration of schools, cyclone shelters, and other facilities. In post-disaster reconstruction, to facilitate rapid response and enable the provision of multiple types of assistance simultaneously, it is essential to utilize very advanced coordination capabilities. These projects draw on expertise across a diverse range of fields and manages relief efforts through an integrated approach.

In FY2014, JICS implemented procurement services for a total of eight projects ongoing from the previous fiscal year or earlier years. These were mainly in countries located in the Pacific Ring of Fire volcanic zone.

Note: These are sub-scheme names used for projects decided until March 2015.



A classroom in a completed primary school (Uganda)



An excavator for river dredging was procured for use in carrying out anti-flood measures (Indonesia)

Grant Assistance for Japanese NGO Projects

This grant assistance program conducted by the Ministry of Foreign Affairs covers economic and social development projects carried out by Japanese NGOs and public service corporations in developing countries and regions. In FY2014, continuing on from the previous fiscal year, JICS was commissioned under this scheme to conduct examination of application documentation and post-project reports submitted by NGOs and other organizations.

Study on Work Ratio of Construction Machine and Labor

These investigations concern grant aid projects that have reached completion. The information provided through these investigations is used by JICA when considering adjustments to budgetary estimates as part of preparatory project studies. JICS conducts surveys and analyses of the completed project site situation, materials costs, and the operational situation of the construction firms involved, including such factors as worker skills, experience, and wages. JICS received the contract for these services in FY2014, and carried out investigations in four countries in Africa.

Operations Other than Those Related to Grant Aid, and JICS' Involvement

Technical Cooperation-related Operations



Procurement Administration Support (Tender) (Saint Kitts and Nevis)

Technical Cooperation is a framework for assisting the human resources development, research and development, adoption of technology, and establishment of programs required for economic and social development in developing countries. JICA plays a central role—for example, through the dispatch of experts, supply of necessary equipment, and implementation of human resource training in Japan—to help build up issue resolution capabilities and raise ownership in developing countries.

In FY2014, JICS dispatched short-term assistance staff to four countries to facilitate the smooth implementation of procurement at JICA overseas offices by providing operational support for procurement and gathering information on the procurement environment.

Loan Aid-related Operations



Ex-Post Procurement Audit (Bangladesh)

Loan Aid (ODA Loans) involves the loan of development funds to developing countries under such concessionary conditions as long repayment periods and low interest rates. Unlike grant aid, loan aid requires repayment of aid funds. Hence, this mode of aid aims at nurturing ownership of the development process within the developing country by promoting the efficient use of loan funds and appropriate execution of projects.

JICS is commissioned to carry out primary checks of procurement-related documentation prepared by recipient countries. In FY2014, JICS conducted 361 documentation checks for projects in Anglophone, Francophone, and Hispanophone regions. JICS aims to expand its Loan Aid-related Operations and has received contracts for Ex-Post Procurement Audit and studies aimed at facilitating the smooth implementation of Loan Aid projects. JICS has also participated in the latter type of project with private-sector partners.

Multilateral Aid-related Operations



JICS presentation at the ASEAN Senior Officials Meeting on Health Development

Multilateral aid enables Japan to contribute indirectly to the development of developing countries through subscriptions and contributions to development aid institutions that are part of the United Nations, and multilateral development banks, such as the World Bank.

Since FY2006, JICS has provided procurement services for multilateral aid-related programs carried out by international agencies and organizations, including project works commissioned by the ASEAN Secretariat using part of the Japan-ASEAN Integration Fund (JAIF) established by the Japanese government to support ASEAN integration.

In FY2014, JICS implemented procurement and study services for a total of 13 projects, including projects ongoing from the previous fiscal year or earlier years.

JICS' Initiatives for Developing New Business

Entry into new fields relating to global-scale issues

New business fields entered by JICS in recent years are as follows.

- Geothermal power development (Grant Aid / Loan Aid / Technical Cooperation) (related article on page 19)
- Small-scale hydroelectric power generation (Grant Aid) (related article on pages 6–7)
- Grant Aid project involving service operations and management components which introduces the concept of PPP (related article on page 8)
- Waste disposal (Study aimed at initiating an SME-related project)



Steam pours from a geothermal well (Ethiopia, geothermal development as part of a Grant Aid project)

Support for Japanese enterprises' overseas business expansion other than through grant aid

JICS has received contracts and acted on its own initiative in relation to support that aims to achieve compatibility between solving the development issues of developing countries and the overseas business expansion of Japanese SMEs.

- JICA-commissioned study aimed at initiating an SME project and contracts received for collaboration with SMEs related to a verification survey on the dissemination of technologies held by Japanese SMEs (three projects in FY2014)
- "J-apo" appointment agent service in developing countries: Targeting Japanese enterprises hoping to enter Jordan or Pakistan markets, an agent service for obtaining appointments with local companies (commenced in April 2015)

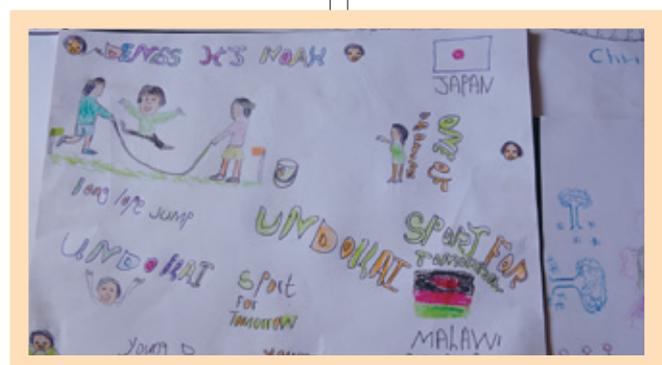
Other priority areas of the Japanese government

SPORT FOR TOMORROW is a project by the Japanese government that seeks to make a contribution to the international community through sports. JICS has joined the SPORT FOR TOMORROW Consortium, and provided support for the implementation of *UNDOKAI* (school sports days) in Malawi (related article on page 20).

JICS' own initiatives

JICS is involved in the following activities as part of its own initiative.

- Medical Lecture for Travelers (commenced in FY2013)
- Internship conducted in Laos (related article on page 23)



A picture drawn by a child in Malawi after taking part in an *UNDOKAI*

JICS' Major Activities in FY2014

JICS' major activities in FY2014 divide broadly into five themes: (1) grant aid also provided as overseas development support for Japanese companies (pages 13–14), (2) emergency grant aid provided as humanitarian support (pages 15–17), (3) facility construction projects in which we aim to enhance technologies as a First Class Registered Architects Office (pages 17–18), (4) loan aid projects (pages 18–19), and (5) cultivating new business in the field of sports. These activities will be introduced here by the staff in charge of them.

New Movements in Non-Project Grant Aid

Amid increasingly diverse non-project grant aid, here we introduce initiatives in recent years making use of Japanese corporations' products based on the Japanese government's Priority Policy for International Cooperation.

Takashi Wakamura

Second Special Project Management Division
Second Management Department



Linking Economic Expansion in Developing Countries with Economic Growth in Japan

Since FY2012, the Japanese government has provided a variety of non-project grant aid under the phrase of "ODA to support emerging and developing countries to grow together with Japan" in accordance with the Japanese government's Priority Policy for International Cooperation. As part of this ongoing trend, in February 2015 the ODA Charter was revised as the Development Cooperation Charter by decision at the Japanese Cabinet to align with the doctrine of "ODA that contributes to the Japanese economy," prompting more specific initiatives in this regard.

Through FY2014, non-project grant aid has been provided in response to the diverse needs of developing countries in such categories as Non-Project Grant Aid for Provision of Japanese SME's Products, Non-Project Grant Aid for Introduction of Japanese Advanced Products and Its System (Next-Generation Eco-Friendly Vehicle Package), and Non-Project Grant Aid for Introduction of Japanese Advanced Products and Its System (Medical Equipment and Welfare Apparatus Package). In addition, the newly introduced themes of Japan's Non-Project

Grant Aid for Provision of Japanese Local Products and Japan's Non-Project Grant Aid for Provision of Japanese Disaster Reduction Equipment have been introduced to promote the ongoing procurement of Japanese products. Working to address the increasingly diverse issues facing international society and meet government policy objectives in line with the newly-released Development Cooperation Charter, JICS works toward and takes part in projects aimed at providing a bridge between development in emerging and developing countries, and the economic invigoration of Japanese companies and local communities.

In addition, to facilitate the promotion of Non-Project Grant Aid for Provision of Japanese SME's Products through the growing awareness of grant aid, JICS organized the Event to Provide Opportunities for Using SME's Products in Japanese ODA, held in Tokyo in September 2015. This event provided an overview of aid and organizations, explained future plans, and served as a venue for interaction between SME manufacturers and trading companies.

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

This aid involves the donation of equipment and products produced in regions including the area affected by the Great East Japan Earthquake* to support economic society in emerging and developing countries. This aid also seeks to increase the recognition of equipment and products, cultivate ongoing demand, and contribute to the invigoration of regional economies and recovery of the affected region.

While in April 2015 JICS concluded an Agent Agreement with the Governments of Mongolia and Jordan for which this aid is

to be implemented, JICS is also going through procedure on the agreement with the Government of the Democratic Socialist Republic of Sri Lanka. The Government of the Hashemite Kingdom of Jordan requested the provision of medical equipment, which is expected to contribute in the field of healthcare to the country's hospitals as well as the Ministry of Health.

* Refers to all regions outside the Tokyo metropolitan area, as well as locations within this area, affected by the March 2011 Great East Japan Earthquake

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

The Japanese government donates superior Japanese disaster-prevention technologies to countries that are vulnerable to natural disasters with the aim of augmenting their disaster-prevention capabilities. These activities are in line with the promotion of international cooperation on disaster provision espoused at the Third UN World Conference on Disaster Risk

Reduction, held in Sendai in March 2015.

An Agent Agreement was concluded for a project in the Maldives in May 2015. We are currently conducting a hearing investigation to determine the government's detailed requests for items.

Sustaining Efficient and Smooth Procurement

In the two new initiatives described above, JICS will continue to maintain its erstwhile stance of impartiality, fairness, and transparency. At the same time, as the procurement agent for

the governments of recipient countries we will work to present various equipment and manufacturer information with the aim of facilitating efficient and smooth procurement.

Non-Project Grant Aid for Provision of Japanese SME's Products (Dominican Republic)

In this section, we introduce JICS' role and successes in procuring products produced by Japanese SMEs to encourage socioeconomic development in the Dominican Republic, as well as to support the overseas development of Japanese companies via Non-Project Grant Aid for Provision of Japanese SME's Products.

Asuka Ichimura
Third Procurement Management Division Second Management Department



- Project Name: Non-Project Grant Aid for Provision of Japanese SME's Projects
- Objective: To procure medical equipment for the Luis E. Aybar Hospital (including the provision of initial operation guidance on some medical equipment), research equipment for the Instituto Dominicano de Investigaciones Agropecuarias y Forestales (IDIAF), and testing instruments for the Oficina Nacional de Evaluación Sísmica y Vulnerabilidad de Infraestructura y Edificaciones (ONESVIE)
- Counterpart of Agent Agreement: Ministry of Economy, Planning and Development, Dominican Republic
- Grant Amount: ¥200 million
- Exchange of Notes (Bilateral Agreement): March 11, 2013
- Delivery / Completion: February 2015

Supporting Socioeconomic Development in the Dominican Republic with Products from Japanese SMEs

Due to its stable economic growth in recent years, the Dominican Republic has entered the ranks of newly industrializing economies. However, the country remains characterized by major income gaps. The poverty rate is particularly high among agricultural households in rural areas. Currently, the country believes that bolstering the competitiveness of its domestic industries is essential to sustaining ongoing economic growth. Against this backdrop, the Government of the Dominican Republic has formulated its National Development Strategy 2010–2030, under which it is undertaking planned development-oriented initiatives.

To support the Government of the Dominican Republic's efforts at socioeconomic development, the Japanese government decided to donate products to be procured from Japanese SMEs as Non-Project Grant Aid for Provision of Japanese SME's Products.

Acting as procurement agent for the Government of the Dominican Republic, JICS is undertaking the appropriate management of grant funds. In line with the government's requests, we are procuring items produced by Japanese SMEs for the Luis E. Aybar Hospital, which provides healthcare services to low-income individuals; the IDIAF, which plays a key role in ensuring food stability and boosting international trade competitiveness; and ONESVIE, which examines the earthquake resistance of buildings such as schools and infrastructure. Although ONESVIE was initially outside the scope of this project, it was later included as part of an urgent effort by the Government of the Dominican Republic to create a system for diagnosing the earthquake resistance of buildings and infrastructure in response to the major economic and social blow that neighboring Haiti suffered as the result of a large-scale earthquake in 2010.

Procuring Diverse Equipment in Various Fields through Three Executing Institutions

For this project, the executing institutions were divided into three, each requesting various equipment. However, JICS was able to handle the procurement swiftly and accurately by leveraging its accumulated experience in Non-Project Grant Aid for Provision of Japanese SME's Products and its database of equipment and manufacturer information.

Members of the Ministry of Economy, Planning and Development, the coordinating organization, have created a structure for positive collaboration and promoted the smooth performance of this project through discussions with various executing institutions, holding committee meetings, determin-

ing procurement conditions, and contributing proactively to delivery dates and post-delivery adjustments. These members have continued to do their utmost to facilitate adjustments by executing institutions in ensuing projects.

Many of the SMEs from which equipment was procured are enthusiastic about the opportunity to export their products through this project. We are aware that executing institutions in the Dominican Republic have asked for referrals on related products, which we hope will contribute to the future development of business in the country.



Microscopes for eye examinations, slit lamps (Luis E. Aybar Hospital)



Clean benches and stereoscopic microscopes used for testing and research in aseptic conditions preventing the encroachment of bacteria (IDIAF)



Thermostatic incubator used in culturing cells (IDIAF)

Stakeholder Comment

Ministry of Economy, Planning and Development is satisfied with the excellent work JICS has performed in procuring products from Japanese SMEs. Through its provision of a variety of products, institutions within the Dominican Republic are able to meet citizens' current needs and provide services more efficiently.

Inocencio Garcia Javier
Vice minister for International Cooperation
Ministry of Economy, Planning and Development



Emergency Grant Aid (Hashemite Kingdom of Jordan)

Jordan continues to face a major influx of Syrian refugees, which are having a major impact on the lives of the citizens of Jordan, their host. Here, we look at JICS' structures for promoting procurement operations on this project to provide support in the face of an ongoing increase in the number of displaced people.

Ryoji Yaginuma
Second Management
Department



- Project Name: Emergency Grant Aid
- Objective: To provide drinking water to Syrian refugees and their host community in Jordan and procure special vehicles for processing waste and sewage (69 compactors, 9 water tankers, 9 vacuum trucks, 16 wheel loaders)
- Counterpart of Agent Agreement: Ministry of Planning and International Cooperation, Hashemite Kingdom of Jordan
- Grant Amount: ¥1.0 billion
- Note Verbale (Bilateral Agreement): October 27, 2013
- Delivery / Completion: January 2015

Supporting Both Syrian Refugees and the People of Jordan

Syrian refugees seeking to escape the war that has been ongoing since 2011 continue to flow into neighboring countries. As of September 30, 2013, the United Nations High Commissioner for Refugees (UNHCR) had registered some 530,000 displaced people in Jordan, equivalent to approximately 10% of the country's population. These people are living in the Za'atari Refugee Camp in northern Jordan near its border with Syria or are living in host communities outside camps.

Prior to its influx of Syrian refugees, Jordan had faced inflows

of displaced people from Palestine and Iraq, who are now living within the country. The country faces a variety of problems, from public finance issues to high levels of unemployment and an income gap between urban and rural populations. Amid these conditions, the rapid increase in Syrian refugees is starting to have a major impact on the lives of Jordanian citizens, requiring urgent support not only for the Syrian refugees but also their host community.

Changing Deployment Plans in Response to Migrations of Displaced People

At the end of September 2013, the Japanese government resolved to step up its support for Syrian refugees and provide Emergency Grant Aid to communities hosting large numbers of displaced people. Based on its experience in procurement activities for numerous Emergency Grant Aid projects such as flooding in Thailand, the decision was made to employ JICS in this project, and JICS entered into an Agent Agreement with the Government of the Hashemite Kingdom of Jordan. To determine the impact of the influx of Syrian refugees in Jordan and the status of support for displaced people, we conducted local studies twice. In response to the government's requests for such special-order items as water tankers, compactors, and vacuum trucks, JICS conducted surveys on manufacturers of special-purpose vehicles, confirmed technical specifications, and requested estimates while liaising with JICS staff members in Japan.

Although the initial request was in response to conditions in northern Jordan, where Syrian refugees were numerous, by 2014 the situation had changed, with refugees moving to communities in the center of the country. Accordingly, vehicle deployment plans were changed, and customs procedures required more time than initially planned. The amount of effort required to gather information and make the necessary adjustments exceeded initial expectations, but procurement operations were successfully concluded in January 2015.

This was JICS' first experience in providing support for displaced people in this way. However, the project enabled us to accumulate expertise in the urgent procurement of supplies and equipment, including disaster response. In the case of urgent procurement, the ability to respond to urgent procurement needs and changes in recipient countries' needs from moment to moment is likely to remain an important point for JICS going forward.



Wheel loaders undergoing inspection prior to shipment



Water tankers



Compactors

Stakeholder Comment

On behalf of the Ministry of Municipal Affairs and the Municipalities of the Hashemite Kingdom of Jordan, I would like to express my gratitude to the Government of Japan and Japan International Cooperation System for this Emergency Grant Aid to the host communities of Syrian refugees. The procured vehicles are of high quality, in compliance with Jordanian standards, and worked properly on Jordanian diesel.

I would like to especially thank JICS for their good cooperation and coordination between the suppliers, the ministry, and the Embassy of Japan, in addition to their follow up and assurance of vehicles delivery and proper operation in municipalities. Thanks for all who participated in completing this Grant Aid successfully and as planned.

Murad Makhamreh
Ministry of Municipal Affairs
Hashemite Kingdom of Jordan



The Project to Implement Emergency Measures in Responses to the Ebola Virus Disease Outbreak (Guinea and Liberia)

Since March 2014, concern about an outbreak of infection from the Ebola virus has made it difficult to cross into and move within Guinea and Liberia. How was JICS able to promptly provide remote procurement via Japan in response to requests from the governments of these two countries?

Guinea
Yuriko Hayashi
Second Procurement
Management Division
Second Management
Department



Liberia
Tomoko Nomura
First Procurement
Management Division
Second Management
Department



- Project Name: Emergency Grant Aid for the Republic of Liberia (response to the Ebola virus outbreak)
- Objective: To procure personal protective equipment (PPE), medical supplies, testing instruments, and other items for national coordination units and medical institutions in response to the outbreak of the Ebola virus in the Republic of Guinea
- Counterpart of Agent Agreement: Ministry of International Cooperation, Republic of Guinea
- Grant Amount: ¥389.94 million
- Exchange of Notes (Bilateral Agreement): November 14, 2014

- Project Name: Emergency Grant Aid for the Republic of Liberia (response to the Ebola virus outbreak)
- Objective: To procure personal protective equipment (PPE), masks, medical equipment, and other items for the Ebola Command Center in Liberia
- Counterpart of Agent Agreement: Embassy of the Republic of Liberia in Tokyo
- Grant Amount: ¥389.94 million
- Exchange of Notes (Bilateral Agreement): November 12, 2014

Conducting Procurement through Remote Operation

Guinea suffered a mass outbreak of the Ebola virus in March 2014, and infection spread to the neighboring countries of Sierra Leone and Liberia as it rampaged throughout West Africa. In response, at the UN General Assembly held in New York on September 25 of the same year, Japanese Prime Minister Abe pledged additional support of US\$40 million (approximately ¥4.4 billion). In November, a portion of this funding was determined as bilateral emergency grant aid for three West African countries (Guinea, Liberia, and Sierra Leone). Of these, JICS was designated the procurement agent for support to Guinea and Liberia.

With the number of infected people rising on a daily basis, entry into Guinea and Liberia was restricted. As meeting directly with the executing institutions was not possible, this support had to be provided remotely, via telephone, e-mail, and

through confirmations and liaison with local coordinators. In response to rising demand, global supplies were running short for personal protective equipment (PPE) needed as the Ebola virus disease outbreak continued. Through multiple corporate referrals based on its experience of procuring protective clothing for past projects, as soon as they were located JICS was able to secure items meeting the various specifications and requirements. Coordinating with multiple suppliers of protective clothing, goggles, and other items, JICS ourselves arranged air transport of the items which is usually done by suppliers. As available cargo space on the day would determine when the procured materials could be delivered, once delivery arrangements had been made, each day we communicated with transport companies, asking them to deliver the supplies to their destination as quickly as possible.

Ongoing Procurement to Contain the Spread of Infection and Prevent Recurrence

Having secured sufficient protective clothing due to support from other countries, although the Government of the Republic of Guinea is still suffering from the outbreak, JICS is procuring drugs and other necessary items to meet the needs of Guinea. Furthermore, responding to a request from the government, rapid detection kits for the Ebola virus developed via industry-academia collaboration (Nagasaki University and Toshiba Corporation) have been procured, and local training on their use was executed.

Meanwhile, Liberia, where the World Health Organization announced on May 9, 2015, that the disease had been contained,

is currently conducting initiatives to prevent another outbreak. In addition to using thermography as a border measure at airports, ports, and universities, JICS is steadily procuring beds, pulse oxymeters, and other items to help enhance medical and healthcare equipment.

In the event of acute infectious diseases such as the Ebola virus, local contagion conditions must be identified, and decisions about necessary supplies made rapidly. We believe that our experience in quickly conducting remote operations to meet local needs in these two countries is extremely meaningful for future projects of a highly urgent nature.



Rapid detection kit, capable of detecting Ebola virus genes in 15 minutes (Guinea)



Professor Jiro Yasuda (second from right) and Assistant Professor Yohei Kurosaki (left) of the Institute of Tropical Medicine, Nagasaki University (NEKKEN) training local staff (Guinea)



Thermography in operation at an airport (Liberia)

Stakeholder Comment

When the Ebola virus disease outbreak was confirmed in March 2014, the Japanese government was one of the first responders to the Government of the Republic of Guinea's requests for aid.

Through this project, we received donations of medical supplies, PPE, and rapid detection kits, as well as training on how to use the kits. This assistance, immediately received as the number of infected individuals was mounting rapidly, went a long way toward containing the outbreak.

The national coordination unit is extremely thankful for and satisfied with the aid Japan provided. Japan's contributions have enabled us to near our goal of eradicating Ebola. I believe this cooperation is evidence of the positive relations between our two countries, as described in the proverb "A friend in need is a friend indeed." I offer my heartfelt thanks to the people of Japan.

Dr. Sakoba Keita

National Coordinator of the Fight against Ebola Virus
Republic of Guinea

Grant Aid for Community Empowerment: The 5th Project for Construction of Primary Schools (Republic of Benin)

The Project for Construction of Primary Schools (Phase V), whose objective is construction of elementary schools and providing classroom furniture in the Republic of Benin, is a continuation of the Project for Construction of Primary Schools (Phase IV). JICS is involved in overall project implementation management as the procurement agent for the Ministry of Early Childhood and Primary Education. Here, one of the people responsible for the project shares what she has learned.

Mai Izumi

Third Construction
Management Division
First Management
Department



- Project Name: The Project for Construction of Primary Schools (Phase V)
- Objective: To construct 47 elementary schools, including 203 classrooms, head teachers' rooms, and storerooms and toilet blocks and to procure classroom furniture at 27 sites in the Atacora Department and 20 sites in the Donga Department
- Counterpart of Agent Agreement: Ministry of Early Childhood and Primary Education, Republic of Benin
- Grant Amount: ¥1,227 million
- Exchange of Notes (Bilateral Agreement): December 5, 2012
- Grant Agreement: December 7, 2012
- Delivery / Completion: October 2015 (planned)

A Worsening Educational Environment Due to Classroom Overcrowding and Dilapidation

Benin made primary school education free of charge in 2006 as part of an aim to provide this education for all by 2015. However, the number of facilities was insufficient to accommodate all the children wishing to attend school. In addition to classrooms having to house more pupils than their capacities, the educational environment was deteriorating markedly, with classrooms often built of thatch and sun-dried bricks, presenting safety problems.

Under these conditions, the Government of the Republic of Benin requested to the Government of Japan a grant aid related to the construction of elementary schools, and the

governments signed an Exchange of Notes (E/N) on December 5, 2012. The decision was made to make donations necessary to construct primary schools and provide classroom furniture in the Atacora and Donga departments, in the country's north-west, and funds were donated based on a Grant Agreement between the Government of the Republic of Benin and the Japan International Cooperation Agency (JICA). JICS entered into a procurement agent agreement with the Ministry of Early Childhood and Primary Education. In addition to managing overall project implementation, JICS was tasked with procuring the services and equipment needed to construct the schools.

Ensuring Adequate Quality and Completing Construction within the Allotted Time

JICS analyzed the factors behind the construction delays in the Project for Construction of Primary Schools (Phase IV). Doing everything possible to prevent this project from encountering similar delays and, taking into consideration the project's content and scale, JICS established bidding conditions to select construction companies based on the suitability of their technical expertise, financial status, number of personnel, and other factors.

After the start of construction, every two months we accompanied our counterpart* on tours of construction sites, ensuring that quality levels met the standards specified in the construction agreements and responding to any issues or problems through joint consultation with Japanese consultants, considering countermeasures as necessary. In cases involving changes in sites or the number of components, as well as other major project revisions, we promptly made proposals and adjustments for deliberation by the two governments, always working on the project management front to keep progress from being impeded. In addition, Japanese consultants carefully

supervised local construction firms, providing technical management and making every effort to maintain their motivation. Thanks to these efforts to maintain positive relations, the project proceeded without major mishap, and the construction of schools at all sites in the Atacora Department were completed on schedule in November 2014. The remaining construction of schools in the Donga Department are also slated for completion within the agreed-upon period.

In Benin and other parts of Africa, it is not uncommon for project completion to be delayed beyond the original plan period. However, by building a system of collaboration with our counterpart, responding quickly to any problems, and managing construction appropriately, we were able to meet the required conditions and complete construction according to the prescribed quality level within the allotted time. By sharing what has been learned through this project, I hope JICS will be able to play a role in project implementation in other countries.

* Counterpart: In international cooperation, the administrative official or technology officer of the recipient government



On-site consultant providing instruction



Completed classroom



Children dancing at the transfer ceremony to celebrate the completion of construction



Inside a bright classroom with a high ceiling

Stakeholder Comment

The phase 5 of the Project of construction and equipment for primary schools in Benin, which is known as "JAPONS," is recognized not only to cover the severe shortage of classrooms and school furniture, but also, to support the Republic of Benin in implementing the policy which targets at the most disadvantaged settlements in the field of education, especially those of Atacora and Donga. In this sense, the Project contributes to achieve the targets of "Education For All (EFA)" and "Millennium Development Goals (MDGs)."

Aboubakari Mohamed

Director of Programming and Prospective
Ministry of Early Childhood and Primary Education, Republic of Benin



Loan Aid-related Operations (ODA Loans) (Primary Checks, Ex-Post Procurement Audits, Dispatch of Experts, Geothermal-related Activities)

With regard to loan aid (ODA loans), JICS carries out primary checks of procurement-related documentation prepared by recipient countries, as well as performs Ex-Post procurement audits and dispatches experts. In recent years, JICS has made use of its experience in appropriate procurement procedures for ODA loans into involvement in projects that address problems on a global scale, such as promoting geothermal power generation projects, which require huge amounts of funding and time.

Mieko Ishii

Grant and Loan Cooperation Support Division
Third Management Department



Keizo Inoue

Second Special Project Management Division
Second Management Department



Primary Check of Procurement-related Documents under Japanese ODA Loans (Lot B)
Counterpart of Contract: Japan International Cooperation Agency (JICA)

With regard to loan aid-related operations (ODA loans)*1, JICS has been engaged in primary checks of procurement-related documentation for JICA since winning a proposal-based competitive tender in FY2004. In these operations, JICS examines procurement-related documentation prepared and submitted by recipient governments whether they conform with the Guidelines for procurement under Japanese ODA Loans and standard bidding documents. JICS identifies any problems, unclear items or insufficient information and questions and submits them to JICA as English reports. As recipient govern

ments include French- and Spanish-speaking countries, JICS staff proficient in English, French, and Spanish and familiar with procurement procedures check these documents swiftly within the allotted period, usually within three to seven days per case.

To date, JICS has handled projects from Southwest Asia, Central and South America, Africa, the Middle East, and Eastern Europe. In FY2014, we conducted primary checks on procurement-related documentation for a total of 361 cases.

*1 Until September 2008, handled by the Japan Bank for International Cooperation (JBIC)

Ex-Post Procurement Audits Related to ODA Loan Projects in FY2012 and FY2013
Counterpart of Contract: Japan International Cooperation Agency (JICA)

Ex-Post Procurement Audits are conducted by independent auditors for the purpose of confirming that the finished selection and procurement process for consultants and contractors required for project implementation were appropriately performed in compliance with the agreements of both countries. These tend to be projects under STEP*2 conditions and to be contracts involving large contract amounts.

Having won a proposal-based competitive tender for this work, JICS conducted these document auditing works for JICA headquarters. For five projects selected on a random basis, we have also visited five countries (Sri Lanka, Bangladesh, Nepal,

Indonesia, and Uganda) to conduct on-site audits of executing agencies of recipient countries. Following these works, we submitted audit reports to JICA outlining audit results and any issues that were identified. Although JICS is rarely involving in this kind of activity, since FY2011 we have continued to perform these services, which play an important role in ensuring appropriateness in procurement process.

*2 STEP (Special Terms for Economic Partnership): A condition for the use of Japanese technology, this system of ODA loan involves the utilization of technologies and expertise in areas where Japan excels, transferring technologies to developing countries as "visible aid."

Assistance for Implementation of Toamasina Port Development Project in the Republic of Madagascar (JICA's Technical Assistance)

Counterpart of Contract: The Overseas Coastal Area Development Institute of Japan (OCDI)

Feasibility Studies (F/S) are typically conducted to confirm project configuration, efficiency, and other characteristics prior to the extension of an ODA loan. JICA conducted a feasibility study on a project for the development of the Toamasina Port in the Republic of Madagascar in 2009, but the project was discontinued due to political instability, and a decision was made to review the project. Despite the project being a prime candidate for an ODA loan, no new loans have been extended to the Government of the Republic of Madagascar since 1988. In addition, the executing agency, the Toamasina Autonomous Port Company, has no history of receiving ODA loans, and is not familiar with Japanese ODA Loans procedures, JICA therefore considered that, in addition to promoting project development, to ensure smooth project management following the provision

of an ODA loan it would be essential to reinforce the executing institution's capabilities. JICA decided to dispatch consultants to provide the executing institution with technical support, including the collection and analysis of information based on the previous feasibility study and conducting seminars related to ODA loan procedures.

Commissioned by the Overseas Coastal Area Development Institute of Japan to undertake this work, to reinforce its cooperation JICS dispatched as a member of the study team a native speaker of French—the language spoken in Madagascar—who also has some 10 years of experience related to ODA loans. Applying the operational experience gained to date, this staff member provided explanations and instruction on ODA loan procedures and prepared a procedural manual.

Procurement of Drilling Contractor under Consulting Works of the Geothermal Resource Evaluation for the Construction of Tulehu Geothermal Power Plant

Counterpart of Contract: West Japan Engineering Consultants, Inc.

The Government of the Republic of Indonesia is promoting the development of renewable energy in response to growing national demand for electricity and as a climate change countermeasure. As surveys have indicated promising geothermal resources in the city of Ambon, in Maluku Province, plans have been drawn up to build a geothermal power plant there to replace aging diesel-powered generators. Accordingly, JICA has entered into a Loan Agreement with the Government of the Republic of Indonesia for an Engineering Service Loan of the Geothermal Development Acceleration Program (Tulehu Geothermal Power Plant Project <E/S>).

Before building the geothermal power plant, the project calls for the drilling of four geothermal wells*³ on the construction site. As part of this process, JICS cooperated with geothermal development consultants for drawing up tender documents for the selection of a drilling firm and contract negotiations after appointment.

JICS played a role of selecting a drilling company for this project, which had to drill to a depth of 2,000 meters of underground wells to locate geothermal power. As we can't expect what happens in such deep subterranean construction, contract conditions differed from those of typical construction and civil engineering projects. The agreement therefore contained

conditions specific to drilling work. For example, if construction has to be halted due to drill bits falling off or the emission of noxious gases, the contract has to include such stipulation as compensation would be borne not by the drilling company but by the contractor. This was a lesson for JICS, as contractual conditions for above-ground and subterranean work differ substantially.

Having substantial experience in vetting procurement-related documentation on ODA loans, staff familiar with ODA loan guidelines and standard documentation for tenders were able to provide guidance based on their know-how on appropriate procurement for ODA loans and detailed procedural explanations to the local executing agency in Indonesia. As a result, project procurement proceeded smoothly. We realized that this is going to be also one of JICS' strengths.

In addition to ODA loans, JICS is involved in technical cooperation geothermal projects in Indonesia (other than Tulehu) and Kenya, and grant aid project in Ethiopia. Each of these operations is different in scope, but by pooling the expertise gained through such projects, we believe JICS will be able to provide a broad-based response on future geothermal-related activities.

*3 Geothermal well: A well to obtain or survey the steam and hot water contained in geothermal sources



Ex-Post Procurement Audit: Audit at the Bangladesh Telegraph and Telephone Board



Ex-Post Procurement Audit: Construction site of a project to be audited in Uganda



Madagascar: Toamasina Port, the project site, facing the Indian Ocean



Madagascar: JICS staff member (right) explaining ODA loan procedures

UNDOKAI (Sports Days) as Part of the SPORT FOR TOMORROW Programme in Malawi and Guatemala

The Japanese government launched the **SPORT FOR TOMORROW (SFT) Programme** in 2014 as a way to make an international contribution through sports. As part of the SFT implementation, JICS was involved in an **UNDOKAI (sports day)** in the Republic of Malawi and observed operations in the Republic of Guatemala.

Maki Ueno

First Special Project Management Division
Second Management Department
(Observer of **UNDOKAI** operations in Guatemala)



- Operating Organization: JAPAN SPORT COUNCIL (JSC)
- Contractee: Japan Overseas Cooperative Association (JOCA)
- Locations: Matapila Elementary School (Malawi) and Chuixiquiac Tululu, Cementerio Antiguo, and Pasac Primero elementary schools (Guatemala)
- Dates held: February 25, 2015 (Malawi), and March 3, 4, and 6, 2015 (Guatemala)

Contributing to the Holding of *UNDOKAI* as a Member of the SFT Consortium

SFT is an initiative of the Japanese government to promote sports to more than 10 million people in over 100 countries for spreading values learned through sports and increasing awareness of the Olympic and Paralympic movement to people of all generations worldwide.

In October 2014, JICS joined the SFT Consortium, a network to promote public-private collaboration in the promotion of SFT. JSC commissioned JOCA to conduct **UNDOKAI** in the Republic of Malawi and the Republic of Guatemala. JICS took part as reinforcement personnel for JOCA in the preparations and operation of the former.

- Malawi: Working with Japan Overseas Cooperation Volunteers (JOCV) at Matapila Elementary School, where the event was held, we collaborated with the school's teachers to provide instruction and practice the various games, prepare for the

event, and support operations on the day.

Aiming to help **UNDOKAI** take root locally, we used locally procured items, such as balls for the games and ropes for the jump rope activity. The headbands the students wore were made by people with disabilities in Lilongwe, the country's capital.

- Guatemala: In Guatemala, **UNDOKAI** were scheduled to take place at three schools over the course of a week.

Preparations and operations were handled by JOCV coordinators and local JOCV, and participants took part in yes/no quizzes containing questions about the Olympics and environmental education. In addition to observing on the three days, JICS recorded the **UNDOKAI** on video to share the content of the activities with Japan. This video is available on the JICS website.

Leveraging Our Experience in *UNDOKAI* to International Cooperation in the Field of Sports

The teachers and students in the two countries had no idea what an **UNDOKAI** was, and because they had no experience of such events as jumping over a long rope, tug-of-war, or races carrying a ball, they sometimes found it hard to get motivated and understand the rules. Even though the preparation period was short, repeated explanations of the **UNDOKAI** concept and practice gave the teachers and students a sense of mission, and on the day it was clear that they were competing hard and really enjoying themselves. After the events concluded, teachers in Malawi made a number of positive comments, indicating that the **UNDOKAI** had been meaningful for the students' growth and suggesting that the event was also fun for the teachers, as well. Similarly in Guatemala, one comment was that the

UNDOKAI were dynamic and forward-looking in the way they stimulated friends and allowed everyone to participate. Although we do not know for certain whether local teachers will carry on the **UNDOKAI** tradition, I believe that holding the **UNDOKAI** was deeply meaningful from the perspective of sharing the joy of sports.

Through its participation in SFT, JICS is embarking on a new aspect of the Japanese government's international contribution efforts, presenting an opportunity to communicate these new activities to people in developing countries, as well as to the people of Japan. Going forward, we hope to increase our involvement in cultivating and promoting international cooperation activities in the sports category.



Presenting an attractive fan during team gymnastics (Malawi)



Tug-of-war between second-year students (Malawi)



Children showing an interest in the video camera during recording in video (Guatemala)



The group who correctly answered "si" (yes) in the yes/no quiz (Guatemala)

Stakeholder Comment

By participating in **UNDOKAI**, we could not only encourage community empowerment, but also build the partnership being sustained among schools. I would like to request you, the Japanese officials, to keep on assisting us to boost up **UNDOKAI** here at Matapila zone as well as the whole country of Malawi.

Ephraim Welson

Head Teacher at Matapila Elementary School, Republic of Malawi

Project Office Introduction

JICS has project offices in various aid-receiving countries that act as necessary to facilitate smooth and swift project promotion in various ways. In this section, the project office staff currently working in individual regions talk about their everyday activities and their offices.

Asia

Cambodia

Office Location: **Phnom Penh**

Grant Aid for Community Empowerment The Project for Expansion of Lower Secondary Schools in Phnom Penh

In the country's capital, Phnom Penh, Buddhist temples and modern buildings sit side by side in a political and economic hub where the Mekong, Tonle Sap, and Bassac rivers meet. Working in the unrelenting sun, we drip with sweat to promote projects.

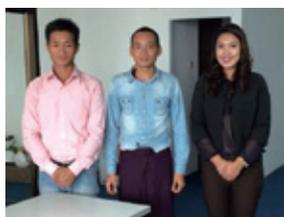


Myanmar

Office Location: **Yangon**

Grant Aid for Conflict Prevention and Peacebuilding The Project for Electrification of Rural Villages, Japan-ASEAN Integration Fund (JAIF), and the Project for Enhancing Technological Universities in Yangon

My name is Sue (right in photo), and I work as the local secretary. I am in charge of facilitating communications with the government agencies that are our clients in all the projects JICS undertakes, such as Grant Aid for Conflict Prevention and Peacebuilding and International Agencies and Organizations-related Operations. Frankly speaking, I'm entirely overwhelmed by my busy works of schedule in a day, but I believe there is real value in what we do. I plan to continue doing my best, including efforts at self-improvement, as I move throughout the country.



Pakistan

Office Location: **Karachi**

Grant Aid for Community Empowerment The Project for Upgrading Primary Girls Schools into Elementary Schools in Southern Rural Sindh

Working with bearded staff at this office, which was selected with safety foremost in mind, we do our best to ensure that Pakistan's first Grant Aid for Community Empowerment concludes successfully. Our two aims are to (1) ensure projects operate according to plan and (2) prevent embroilment in terrorism and crime.



Laos

Office Location: **Vientiane**

Grant Aid for Community Empowerment The Project for Strengthening Health Service Network in Southern Provinces and the Project for Improving Secondary School Environment in the Southern Provinces

In Laos, we are involved in an education project so-called the "third school project" and the first health preservation project. In addition to this, we are also pursuing multiple projects, and have office space that can be freely used by staff traveling from headquarters in Japan.



Africa

Ethiopia

Office Location: **Addis Ababa**

Program Grant Aid for Environment and Climate Change The Forest Preservation Programme

Sometimes called the "horn of Africa," Ethiopia is a leading African country with a population of more than 90 million and strong economic growth. The capital city, Addis Ababa, situated at a height of 2,400 meters above sea level and the headquarters of the African Union and other international bodies, is also the location of the JICS project office. The staff here all work together, collaborating in a harsh climate with clearly defined rainy and dry seasons.



Senegal

Office Location: **Dakar**

Grant Aid for Community Empowerment The Project for Construction of Secondary Schools in the Suburb of Dakar Region and the Project for Construction of Secondary Schools for Louga and Kaolack in Senegal

This project office comprises two Japanese staff and three local members. The office is located among government buildings in central Dakar, nearby our counterpart, the Ministry of National Education. Being an Islamic country, on Friday afternoons after 1 p.m. the streets are thronged with people and cars on their way to worship. For this reason, whether going to government buildings or moving about in the city, we usually travel on foot.



NigeriaOffice Location: **Abuja****Grant Aid for Community Empowerment
The Project for Construction of Classrooms for Primary
Schools in Oyo State**

This is a lonely project office, with no local staff. I adopt my slogan of the "3D" of Abuja: "don't panic", "don't hurry", and "don't depend on anything." My creed is to think quickly and be light on my feet, and I work every day to promptly provide information according to clients' conditions and to meet their needs.

**Niger**Office Location: **Niamey****Grant Aid for Community Empowerment
The Project for Construction of Secondary Schools
in Niger**

Our project office in Niger has a staff of three: one Japanese project manager, a secretary, and a driver. This project involves the construction of 105 classrooms in the city of Niamey. Temperatures are extremely high, exceeding 40°C. Sometimes the sandstorms are so severe you can't see the sun, and sometimes we have power outages lasting multiple days. We conduct our operations every day in this difficult working environment.

**Burkina Faso**Office Location: **Ouagadougou****Grant Aid for Community Empowerment
The Project for Construction of Primary Schools (Phase V)
and the Project for Construction of the Health and Social
Promotion Centers**

We work through numerous persistent discussions together with Burkinabe people, who are calm but occasionally rigid in their ideas, toward the completion of public health centers and primary schools the village people can feel safe to frequent.

**Benin**Office Location: **Cotonou****Grant Aid for Community Empowerment
The Project for Construction of Primary Schools (Phase V)**

Our project office in Benin is small, being staffed with only three people, including a secretary and a driver. The remotest of the current project sites is located some 13 hours by car from the capital city of Porto-Novo, so getting there is a major challenge. Nevertheless, we are doing our best as we work toward the project's completion.

**Malawi**Office Location: **Lilongwe****Grant Aid for Community Empowerment
The Project for Construction of a Teacher Training College
for Secondary School Teachers in Lilongwe**

The project office in Malawi opened in September 2010. The Project for the Re-construction and Expansion of Selected Community Day Secondary Schools involved six schools. Six were completed in the Phase II and we are currently working on the Phase III for the construction of 11 secondary schools. One of the least developed countries in Africa, Malawi is also known as the "warm heart of Africa." People here are very friendly and have sunny dispositions.

**Mozambique**Office Location: **Maputo****Grant Aid for Community Empowerment
The Project for the Construction of Monapo Primary
Teacher Training Institute in Nampula Province**

The Mozambique project office is located in the capital city of Maputo. Our project location is in Nampula, around two hours away by airplane. Even so, the people involved in the project are pulling together to make sure the project is completed without mishap.

**Central and South America****Haiti**Office Location: **Port-au-Prince****Grant Aid for Conflict Prevention and Peacebuilding
The Project for Restoration of Water Supply System for
the Reconstruction of Leogan City**

Our project office in Haiti has a staff of four: one Japanese member, a secretary, a driver, and a security guard. The view from our office,

situated on a low hill about halfway between the 8-kilometer stretch that separates the capital of Port-au-Prince from the city of Pétionville, is beautiful.



JICS Recent Events

FY2014 Meetings of the Board of Directors and the Board of Trustees

In FY2014, the Board of Directors convened six times, and the Board of Trustees met twice.

The Board of Directors received appropriate reports from executives on such matters as the management situation and the state of progress of new business projects. The Board of Directors also approved the medium-term management plan beginning in FY2015.

At the regular meeting of the Board of Trustees held in June 2014, the trustees expressed opinions from a variety of perspectives concerning how JICS should approach facility construction projects. In addition, at its first extraordinary meeting in September 2014, the Board of Trustees approved a change in the Articles of Incorporation required for registration as a First Class Registered Architects Office that would allow an expansion in the scope of activities to include "procurement agent with technological capabilities."



Regular meeting of the Board of Trustees in FY2014

Changing the Articles of Incorporation to Register as a First Class Registered Architects Office

By resolution of the first extraordinary meeting of the Board of Trustees on September 25, 2014, the description of business in JICS' Articles of Incorporation was revised, adding the phrase "design and supervision of architecture and civil engineering work concerning international cooperation." In November 25 of the same year, JICS became a First Class Registered Architects Office.

In response to the 2004 Major Earthquake off the Coast of Sumatra and Tsunami in the Indian Ocean, JICS has supported the Japanese government. This has prompted JICS to become involved as a procurement agent in dozens of countries throughout the world in projects for the construction of such facilities as schools, health centers, and vocational schools centered on Grant Aid for Community Empowerment since 2006. JICS became a First Class Registered Architects Office in the aim of gaining a higher degree of trust for the quality of operations by obtaining technical expertise, such as survey, design and construction management, after the necessary changes were made to the Articles of Incorporation while making use of the experience and knowledge gained in the course of these activities.

Participation in International Cooperation Events

JICS participates in various types of international cooperation events, viewing them as opportunities to communicate directly with various stakeholders and let them know about JICS' operations. In FY2014, JICS had an exhibition booth at Global Festa Japan 2014 (Tokyo, October 2014) and One World Festival (Osaka, February 2015).



In front of the JICS booth at Global Festa Japan 2014

First Overseas Internship Conducted in Laos

JICS conducted its first international internship on a trial basis

at the Laos project office for the five-day period from August 18–22, 2014.

One member of staff and two students from the University of Kitakyushu, which is working to cultivate global human resources, visited construction sites of ODA projects in which JICS is involved, including the construction of elementary schools and a healthcare facility, and interviewed and conducted exchanges of opinion between related parties. Participants also helped draft an English-language report to the Ministry of Health and participated in a reporting meeting, taking on the challenge of translating the tender notice into Japanese.

The program gave the participating students a firsthand look at the impact of ODA operations, which impressed them in various ways. Their comments included "I don't think we can find so many internship programs which offer a chance to travel to the sites overseas and to interview local people directly," "When I saw the enthusiasm with which the elementary school students learned at the school constructed under the ODA project and spoke with the nurses who were looking forward with anticipation to the completion of the new healthcare facility, I was happy to understand the effectiveness of Japanese aid," and "I would like to be involved in international cooperation in the future, and this was valuable in helping me to select my type of work."



Students (the two at left) interviewing teachers about the learning environment at the elementary school constructed through Grant Aid for Community Empowerment

Personnel Training: Active in Internal Training and Workshops

JICS works to develop human resources to ensure the smoothness of its operations and to enhance their quality, JICS conducts internal training on the technical specifications of the materials and equipment we procure. We also invite experts from outside, such as people at international logistics companies who are knowledgeable in international marine transport, to provide training at JICS and encourage staff to acquire trading business proficiency and other qualifications. Some staff also conduct study sessions of their own accord, including sessions aimed at passing the business law examination and French and other language proficiency tests, as well as taking part in procurement research groups.

Lecturers from the Ministry of Foreign Affairs, JICA, and private-sector companies are invited to speak about future issues related to ODA and the corporate culture at private-sector companies. Such lectures help in considering JICS' future ambitions.

In addition to being a service provider for the Japanese government's development cooperation business, JICS is considering becoming a service provider in development cooperation activities to other governments, as well as international organizations. In February 2015, a seminar was led by a staff who had served as an individual consultant at the United Nations Development Programme (UNDP) office in Iraq, sharing with other staff of JICS the knowledge and experience that international organizations require for their staff.

Through training and study sessions such as these, JICS will continue working to improve the quality of the services and to provide services in new business fields.



Working as a procurement consultant for the UNDP in Iraq

JICS' NGO Support Activities

► Outline of NGO Support Activities and Determination of Groups Receiving Support in FY2014

JICS has been providing financial support to small and medium-sized Japanese NPOs and NGOs (hereinafter referred to as "NGOs") that conduct aid activities for developing countries since 1999, to contribute to the further development of international cooperation activities by civil society groups. With JICS' transition to a general incorporated foundation in FY2012, these activities are classified as planned expenditure for the public fund.

In addition to such direct business expenses as financial support for purchasing equipment and materials for overseas development projects, and for their transportation expenses, JICS also supports "Network NGO" activities to promote and develop NGO activities and "Funds for Strengthening the Foundations of the NGOs." This includes NGO headquarters personnel expenses and the costs of preparing public relations tools that help strengthen NGOs' foundations. New multi-year support was introduced in FY2014 in response to increasingly diverse activity needs from the perspective of strengthening and augmenting NGO foundations' capabilities.

To date, JICS' NGO support has been provided to about 10 groups each year, with a maximum award of ¥1 million per fiscal year (for multi-year awards, ¥1 million in the first year and ¥500,000 in the second year at maximum). In FY2014, 40 NGOs applied and 13 of these groups were selected to receive support after deliberation by the Selection Committee. Of these groups, 12 were selected for single-year awards and one for a multi-year award. (The NGO names and assistance contents are presented on page 46 of Part 2.) Through the end of March 2015, a cumulative 174 NGOs have received total assistance of ¥140 million.

► Report on Activities and Exchange of Views

In addition to providing financial assistance for activities, the NGO support program holds a meeting each year for activity reports and opinion exchanges with the NGOs supported, as well as to exchange opinions and interact with other NGOs and outside experts.

The FY2014 meeting was held on October 30, 2014, with 10 of the groups receiving assistance in FY2012 participating. The theme of the opinion exchange meeting was "The Concept of NGO Activities that Can Elicit Empathy from Society."



Activity report by an NGO

■ Main Activities Reports

Japan Association for Mae Tao Clinic (JAM)

This organization provides support from Japan for the Mae Tao Clinic, a clinic for displaced people that provides medical and social security services for immigrants and displaced people from Myanmar living on the Thai-Myanmar border.

The Mae Tao Clinic handles numerous patients with infectious diseases such as malaria, HIV/AIDS, influenza, and tuberculosis. Accordingly, the high risk of infection within the clinic is an issue. For this reason, the organization has created guidelines on handwashing hygiene and the handling of sharp instruments. In addition, the organization has conducted a workshop to establish an inventory management system for consumables.

JICS' support included providing supplies in high demand from local staff, such as masks to prevent infection from tuberculosis and bottles of alcohol, as well as conducting awareness activities through guidelines and workshops. These awareness activities are sustained on-site through the leadership of clinic staff.

Going forward, in addition to establishing guidelines related to tuberculosis, the organization plans to assist the clinic to practice the "5S" standards for hygienic environments (*Seiri* (Sort), *Seiton* (Set), *Seiso* (Shine), *Seiketsu* (Standardize), and *Shitsuke* (Sustain)) and to increase the number of local healthcare workers, through personal training activities with the aim at returning those trained workers to parts of Myanmar where healthcare systems may be lacking.



Holding a workshop to raise awareness of guidelines

Haiti-No-Kai

The Republic of Haiti, located in the Caribbean Sea, suffered a major earthquake in 2010 that resulted in the loss of some 310,000 lives and affected around one third of the country's population. In addition, each year Haiti suffers from hurricane damage, which have left it unable to achieve foodstuff self-sufficiency.

Since 1986, this organization has been working for poor children in Haiti to provide literacy education and lifestyle guidance, with activities for agricultural support and building farms to help improve lives in the region.

JICS' support has involved supplying some 1,800 people in 300 families within the village of Bonabi, home of a former Haitian exchange student to Japan, with the equipment and supplies to build farms. These supplies included seeds and seedlings of beans, corn, cassava (tapioca), and other crops, as well as guidance on agriculture. The organization's persistent work over the years, combined with JICS' assistance, is showing clear signs of success by boosting agricultural productivity and helping the local populace along the road to economic self-sustainability. The organization is also conducting public relations activities targeting Japanese people with the theme of "Don't forget Haiti!"



Agricultural training officer providing technical instruction on farming

Hammock Tree (Formerly: Caring for Young Refugees Aichi (CYR-A))

This organization has harnessed the growing awareness of international cooperation in Aichi Prefecture since the time of the 2005 World Exposition, Aichi, Japan, by forging ties among youth interested in international cooperation and aged and senior people with a strong interest in volunteer activities and linking them with support activities targeting children in Cambodia.

The organization's website encourages people with an interest in NGO activities to take part in actual tasks. It also serves as an important medium for disseminating information about the organization's activities. Funds donated by the organization's supporters provide an extremely important source of funding for the organization's ongoing activities. At the same time, the organization has found it difficult to build an effective organization for maintaining activities, and responses have become slow. JICS' Funds for Strengthening the Foundations of the NGOs were applied toward the rebuilding of the organization's website in order to strengthen its ability to disseminate information, as well as to hold fund-raising training for 29 members. Based on the ideas that came out of this training, the organization has begun such activities as selling woven fabrics and placing coin donation boxes.



Selling woven cloth sourced locally as fair trade items and placing coin donation boxes