

# Principal Activities in Fiscal 2015

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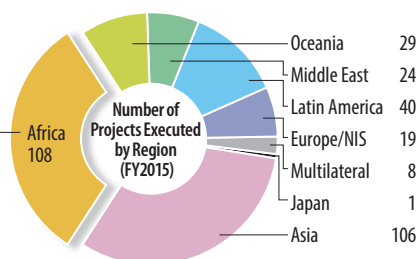
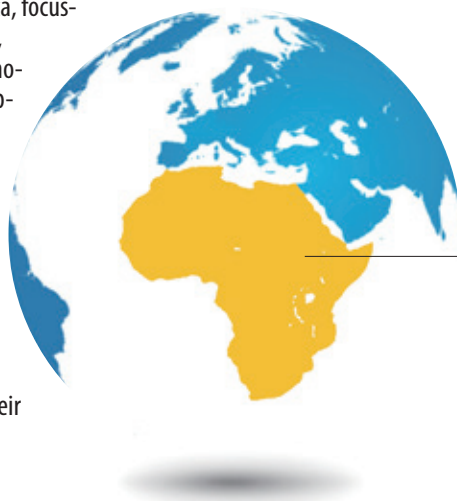
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# What Can JICS Do in Africa?

## —JICS' Strengths and Challenges as Seen from the Project Frontline—

The Japanese government's Development Cooperation Charter stipulates that the public and private sectors should work hand-in-hand to achieve growth in African countries by creating linkage between mutual development in Japan and Africa. In August 2016, for the first time the Tokyo International Conference on African Development (TICAD VI) was convened in Africa (Kenya). At the conference, the Japanese government announced that it would implement a program of investment in Africa, focusing on such areas as human resource development, high-quality infrastructure development, the promotion of a robust healthcare system, and the development of a foundation for peace and stability. JICS is involved in a large number of ODA projects in Africa as a procurement agent, and through this role is undertaking efforts that will enable it to contribute to growth in African countries. In this special feature article, JICS staff who are tasked with carrying out these projects discuss JICS' strengths and challenges the organization faces from the point of view of people working on the frontline of development cooperation, based on their own direct experience.



### Profiles of Discussion Participants

#### Takahiro Saeki

Second Construction Management Division, First Management Department

#### Mai Izumi

Third Construction Management Division, First Management Department

#### Kyoko Katahira

Third Construction Management Division, First Management Department

#### Yuriko Hayashi

Second Procurement Management Division, Second Management Department

### Project Overview

## Union of Comoros, Democratic Republic of Sao Tome and Principe, Democratic Republic of the Congo



Food Assistance (KR)

Assigned Staff Member: Yuriko Hayashi

Japan commenced its grant aid program vis-à-vis developing countries facing food shortages in 1968. This program assists recipient countries in the purchase of such staple grains and cereals as rice, wheat and maize. The procured grains are sold within the developing country, and the funds raised from these sales are accumulated as "counterpart funds," which are then utilized to carry out local economic and social development programs.

Food Assistance is known by the acronym "KR." 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 Tariffs and Trade (GATT), and the KR scheme was launched in accordance with the aforementioned agreement. Hence, the scheme acronym is derived from the name given to the GATT negotiations. Since fiscal 2001, JICS has provided support for food procurement as a procurement management organization, and also acted as secretariat for the inter-governmental committee, which follows up on such aspects as the situation regarding the distribution of food procured through the aid scheme and the status of counterpart funds generated. Since fiscal 2007, JICS has taken on greater responsibilities as the procurement agent of recipient countries, including the provision of services relating to the management of funds.



A ship being loaded with cargo for the Democratic Republic of the Congo (KR)

## JICS' Strengths (1): Many Years of Operational Experience

**Hayashi:** Africa is geographically far from Japan, and I believe that the region is comparatively unfamiliar to most Japanese citizens. However, for JICS, Africa is a region with which we have a very deep relationship. For example, JICS has procurement operational experience spanning 15 years in Food Assistance (KR). Recipient countries for this scheme are centered on the Africa region. Although KR aid projects are fundamentally carried out and completed on a single-fiscal-year basis, there are many cases in which Japan provides assistance to the same country each year. Hence, with these countries JICS has built long-term, positive relationships that are ongoing.

**Katahira:** In addition to food aid, JICS has a long record of involvement in facility construction projects. In Burkina Faso, a country in West Africa to which I was assigned, over an eight-year period starting from 2008, I served as an in-country JICS staff member. As procurement agent for the Burkina Faso Ministry of Basic Education and Literacy, we were involved in the construction of primary schools and teacher training schools for primary education. During my time in Burkina Faso, there were periods of instability, as the country experienced a coup d'état and acts by terrorist groups. Despite this situation, we successfully completed the primary school projects to which I was assigned, and we are currently carrying out planning for projects that will see the construction of junior high schools.

**Saeki:** In Nigeria too, since 2010 JICS has had an ongoing involvement in projects for the construction of primary schools. Project management, which has overcome such difficulties as terrorist incidents in the country, is very active at present.

## JICS' Strengths (2): Accumulation of Knowledge and Expertise

**Izumi:** In Burkina Faso, we are also implementing the Project for Construction of Health and Social Promotion

Centers, to which the Burkina Faso Ministry of Basic Education and Literacy and the Ministry of Health are the counterpart agencies. In Africa, although it is not uncommon for administrative procedures—such as tenders and contracts—to take up a large proportion of time, during the initial stages of this project we presented a proposal to the Ministry of Health focusing on the appropriate and swift implementation of such procedures. We subsequently reached an agreement with the Ministry of Health regarding this proposal. The experience we had previously gained during the primary school construction projects was instrumental in our ability to make the aforementioned proposal.

**Saeki:** In projects for primary schools and other facilities, a core premise is the utilization of local resources in the supply of construction services and materials. Consequently, one of the key points determining how smoothly progress can be made on the project and the level of quality that can be maintained is our ability to select local companies of a high standard.

In the Project for Construction of Classrooms for Primary Schools in Oyo State, Nigeria—which I managed—a critical factor that led to the success of the project was our selection of local companies with the right skills and sufficient financial resources. Our ability to leverage JICS' experience in Nigeria and other countries in the region as well as our information-gathering resources meant that we were able to set appropriate conditions for the tenders and contracts. I believe that this had a particularly large impact on the success of the project.

**Izumi:** When carrying out a project, any aspect that is not directly stipulated in the JICA's guidelines related to procurement is implemented in accordance with local laws and regulations. Within JICS' ongoing pursuit of projects, we of course accumulate and share information on the local legal framework in each country. But we have been trained to apply our information gathering and sharing activities on a much broader scope to local conditions and situations in general. Consequently, as a project manager

### Project Overview Nigeria

#### Grant Aid for Community Empowerment: "The Project for Construction of Classrooms for Primary Schools in Oyo State"

Assigned Staff Member: Takahiro Saeki



In 2014, the Japanese government made the decision to provide grant aid totaling 1,277 million yen, and the project was launched to build and expand 30 primary schools in Oyo State. In Nigeria, thanks to the move to compulsory, free primary education, there has been a large increase in opportunities for education. However, in Oyo State, the average number of children per classroom was 65, putting it far above the country's standard of a maximum of 40 pupils per classroom. Hence, improvement of the state's educational conditions was an urgent task.

This project was the second time JICS has been involved in the construction of primary schools in Nigeria. As the procurement agent of the Nigerian government (Universal Basic Education Commission), JICS was responsible for overall supervision of project execution, including management of funds, selection of construction companies, and coordinating the parties involved in both Nigeria and Japan. To commemorate the completion of a total of 30 school buildings, in July 2016 a handover ceremony was held. There are broad expectations that the new facilities will help lead to an improvement in the schooling environment in Oyo State.



During his speech at the handover ceremony, Governor of Oyo State, Mr. Abiola Ajimobi, speaks about his gratitude to the Government of Japan, and says, "We hope that through education, children will grow into leaders of the nation."



Governor of Oyo State, Mr. Abiola Ajimobi, presents a commemorative gift to the Japanese Ambassador to Nigeria, Mr. Sadanobu Kusaoke (handover ceremony)



Ahead of the handover ceremony, Nigerian-born Japanese television personality Bobby Ologun teaches a special class for children at his alma mater

I am always very conscious of my responsibilities in this area.

**Hayashi:** Within the KR scheme, we have built up an extensive body of knowledge and expertise relating to such aspects as local information (port information, customs clearance procedures, climate, food situation, etc.) and the setting of tender conditions and supervision of the delivery of goods based on such information. We of course apply this knowledge to our current operations. The areas in which I feel that the knowledge and expertise built up to date has proved particularly useful relate to management by the recipient government of the grant aid goods (receipt, sale and distribution of goods) and management of counterpart funds. Based on precedents in other countries and JICS' experience, we make proposals to the recipient country on how to develop and maintain a good management system. This contributes to the improvement of each country's management capabilities. Through such technical support activities, which go beyond the basic procurement of physical goods, I believe that we are able to greatly deepen our relationship of trust with aid recipient countries.

### JICS' Strengths (3): Human Networks

**Saeki:** Within projects in Nigeria, senior officials from the executing agency and the primary school principals participated in monthly project-management consultations, which created a strong feeling of unity. Furthermore, the efforts of the consultants from Japan in providing enthusiastic leadership to the construction companies both at the sites and at the management offices on safety, quality, materials and labor management have been a major factor in the projects' success.

**Izumi:** In projects that involve the work of a diverse range of participating organizations—including the recipient governments, Japanese embassies, JICA, consultants, and local companies—good communication is essential. Sharing information and knowledge through close mutual

communication, and addressing and resolving potential problems at an early stage are an important part of JICS' raison d'être.

**Saeki:** Our role is to ensure that everyone involved can perform to their potential when carrying out the project. To achieve this, it is absolutely critical to invest efforts in building relationships in which we can trust the other parties involved and they can feel a strong level of trust in us. I think that this aspect is actually JICS' greatest strength when working in Africa. The staff working on the frontline of projects have steadily built up these networks based on trust through close communication with those around them. Nowadays, the JICS name is widely recognized. Wherever we go, often when we meet people for the first time they receive us warmly by saying, "Oh, I see! You are from JICS."

**Hayashi:** Yes, that is right. Even in the KR scheme, which does not have long-term JICS staff members assigned to work locally, when we visit a recipient country on a short stay, we always receive a wonderful welcome.

**Katahira:** I was assigned to work in Burkina Faso for a year, and in the Project for Construction of Primary Schools (Phase V)—which I managed—I was able to receive appropriate support from the recipient government on a constant basis. I feel that this was made possible by the relationship of trust established by my JICS colleague who previously managed the project.

### Future Challenges in Activities to Support Africa

#### Safety and Security Measures

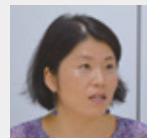
**Saeki:** Personally, I believe that we are now at a point where we, as JICS, must think about improving the strategic value of support for Africa. This is in the context of expansion of aid activities in Africa as part of Japan's development cooperation program.

**Hayashi:** In Africa in the future, in the expansion of our activities "safety and security" will be key words. I think it is likely that we will see grant aid projects utilized as a means

## Project Overview Burkina Faso

Grant Aid for Community Empowerment: "The Project for Construction of Primary Schools (Phase V)"

Assigned Staff Member: Kyoko Katahira



In 2012, the Japanese government made the decision to provide grant aid totaling 1,138 million yen, which was utilized to construct 100 elementary schools and ancillary facilities, as well as provide desks, chairs and other school furniture. This project was the third time JICS has been involved in the construction of elementary schools in Burkina Faso. As the procurement agent, JICS is responsible for overall project supervision, including management of funds, entering contracts with consultants, construction companies and furniture manufacturers, and coordinating the parties involved.

In June 2016, at a handover ceremony held for Finoungnou School in Kouritenga Province, the Japanese Ambassador to Burkina Faso, Mr. Masato Futaishi, offered the following greeting to the school children. "Everyone, please listen carefully to what your parents and teachers tell you. Please be well-ordered and honest. Since

all of you are the future of 'the land of honest people,'\* please study at school as hard as you can so that you will grow to become people able to support the development of Burkina Faso." These words have been put on display at the school building as a reminder of the friendly relations between Burkina Faso and Japan.

Note: In the local Mossi language, "Burkina Faso" means "land of honest people"



The speech by Ambassador Futaishi



A tour of the inside of the school



On the day of the handover, the children wait at the new school building for the start of the ceremony



JICS staff involved in facilities projects in Africa

to combat terrorism. Security is also an important point for JICS when carrying out projects.

**Izumi:** In facility construction projects, one of

our main premises is that the Japanese consultants will supervise the work on-site. However, in the Project for Construction of Health and Social Promotion Centers, owing to safety issues, we made the decision to implement remote supervision from the country's capital and provincial cities near to the construction sites. It was the first time for JICS to carry out full-fledged remote supervision in a facility construction project. We hope that in the future, the experience we gained in this project will be used as reference in project execution in countries and regions where it is difficult for Japanese staff to visit the construction site frequently owing to safety, security and access issues. Remote supervision is not appropriate in every case, but I believe that it should be considered as an option.

### Proposal Activities

**Izumi:** Africa has the greatest level of development needs of any region in the world, but due to a wide array of reasons the amount of aid being implemented is still insufficient. If we can work very proactively to gain a sound understanding of local needs, and make proposals to recipient-country governments on potential new projects, then this may lead to a request by the recipient country to the Japanese government. If this type of scenario can be

realized, I think it will also lead to a strengthening of the relationship between Africa and Japan.

**Saeki:** We must also remember that senior government officials are very busy, and so gaining opportunities to meet with them can be very difficult. Hence, we must constantly use our heads and our feet to work to the maximum of our capacity. We need to maintain robust communication with stakeholders. If we work steadily, we can build a positive reputation in African countries. Our efforts should make people think, "JICS listens very enthusiastically to what we have to say. They are really trying to understand our needs and working hard to respond to what we are saying." In Africa, if one wins the trust of people, one will be treated very kindly.

**Izumi:** Through the human networks built up over many years, JICS has become one of the few Japanese organizations that is able to talk directly to a large number of African governments and companies. We have put down strong roots in Africa, and we want to further leverage JICS' unique set of strengths based on a robust knowledge on the ground. In the future, we are keen to grow into a major player in the development cooperation field in Africa.



JICS staff involved in materials and equipment projects in Africa

## Project Overview Burkina Faso

### Grant Aid for Community Empowerment: "The Project for Construction of Health and Social Promotion Centers"

In 2011, the Japanese government made the decision to provide grant aid totaling 1,401 million yen, which would be utilized for the construction of health and social promotion centers in 39 locations, comprising general medical examination and treatment wards, maternity wards and general service buildings. In French, the centers are called "Centres de Santé et de Promotion Sociale," which is abbreviated as "CSPS." In addition, the project involves the drilling of deep wells; the procurement of medical equipment, furniture, and motorcycles to transport vaccines; and the implementation of training programs on the management of CSPS.

In Burkina Faso, the mortality rate for pregnant women, women during childbirth, and children (under five years) remains very high. In particular, to achieve an improvement in access to medical services for residents of provincial areas, it is urgent to expand primary health care capacity through an increase in CSPS.

JICS signed a procurement agent agreement with the Burkina Faso Ministry of Health, and is responsible as the ministry's agent for the overall management of execution of the project. By August 2016, handover was completed at 24 of the project's 39 sites, and the project is currently ongoing.

Assigned Staff Member: Mai Izumi



Villagers in Toroba Kari show their delight at the opening of a CSPS



Maternity ward

# Development Cooperation and the Role of JICS in ODA

## Development Cooperation and the Role of JICS in ODA

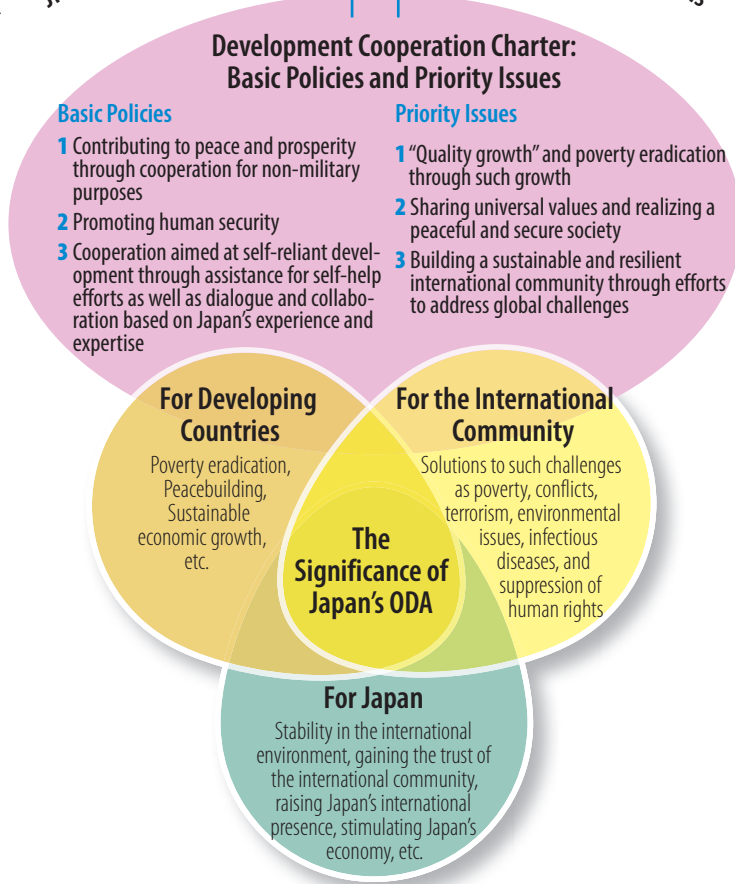
For more than two decades, the Japanese government's Official Development Assistance (ODA) policy was implemented in line with the Official Development Assistance Charter (adopted by a Cabinet decision in 1994; revised in 2003). However, the government reviewed this charter in response to changes in the international and domestic environment for ODA, and this led to the adoption of the Development Cooperation Charter by a Cabinet decision in February 2015. Under the Development Cooperation Charter, Japan has set the objectives of its development cooperation program as securing the peace, stability and prosperity of the international community. To achieve this, Japan will strive to contribute even more actively to the international community than it has done to date. These efforts are also expected to contribute to Japan's national interests.

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. Under Japan's ODA program, the government and its executing agencies provide funds and technology for the purpose of development in developing countries. This includes such aspects as peacebuilding, the promotion of good governance and fundamental human rights, and 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 establishment in 1989, as a fair and neutral procurement organization, JICS has provided a broad array of services related to the procurement procedures for goods, equipment, and services necessary in the execution of many types of ODA projects. The information below provides an overview of the main operations in which JICS is involved.

In accordance with the Development Cooperation Charter, JICS achieves tangible results and continues to make project proposals through the steady execution of operations



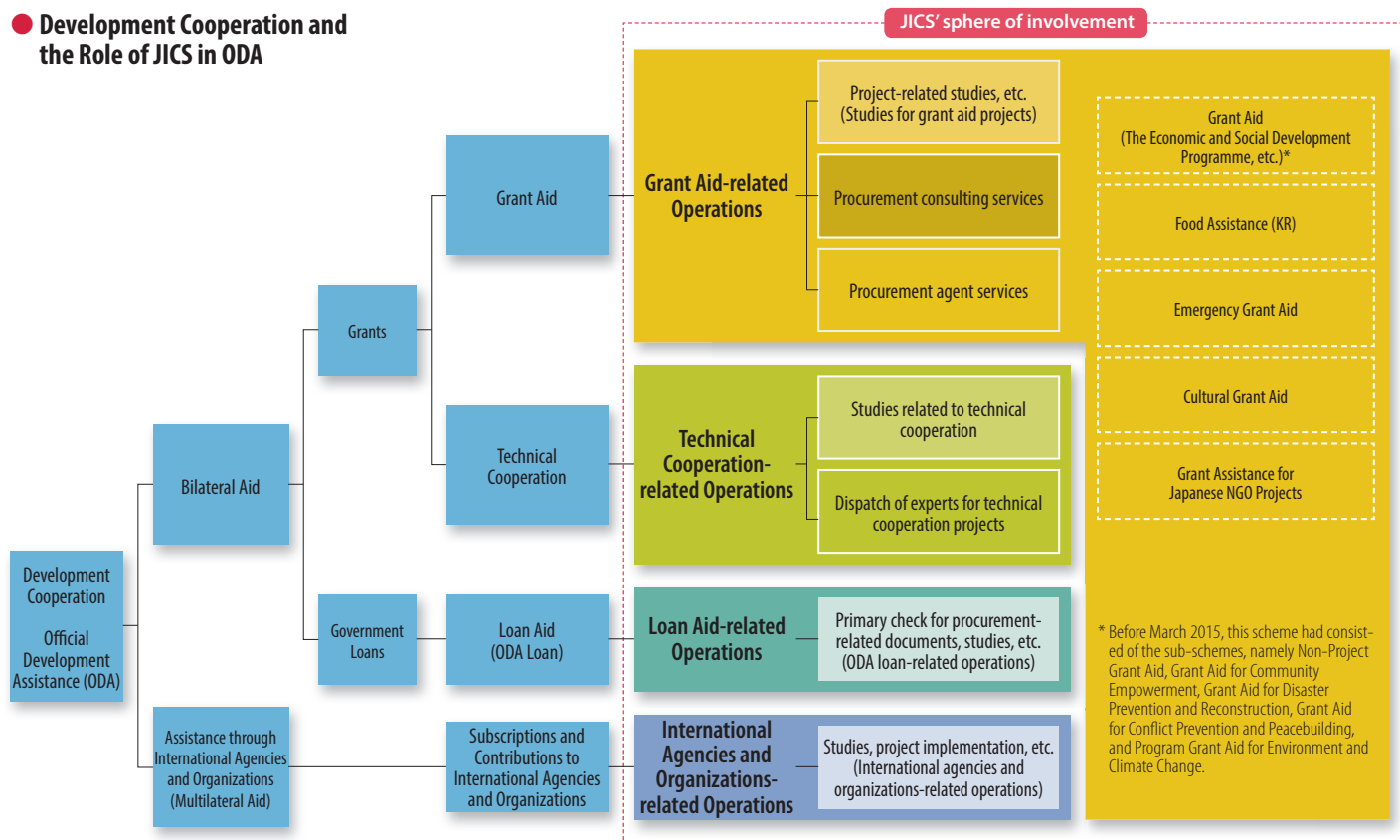
## A Brief History of JICS

1989–1993 Initial Phase		1994–1998 Growth Phase		1999–2003 Expansion Phase	
<ul style="list-style-type: none"> <li>▶ Technical Cooperation-related services</li> <li>▶ Grant Aid-related studies/procurement consulting services</li> <li>▶ Commencement of procurement agent services within Japan's Grant Aid programme</li> </ul>		<ul style="list-style-type: none"> <li>▶ Expansion of procurement consulting services and procurement agent services</li> </ul>		<ul style="list-style-type: none"> <li>▶ Expansion of procurement consulting services</li> <li>▶ Diversification of procurement agent services through reconstruction assistance</li> </ul>	
1989 April	JICS established (two departments and four divisions). Office located in the Economic Cooperation Center Building, Ichigaya Honmura-cho, Shinkuku-ku	1994 February	JICS office relocated to Shinjuku Mitsui Building., Nishi-Shinjuku, Shinjuku-ku	1999 February	Established an information center for the maintenance of medical equipment used in Grant Aid projects
August	Began compiling specifications on Technical Cooperation and launched studies for expediting execution of Grant Aid projects for the increase of food production	April	JICS reorganized into three departments, five divisions and five offices	July	JICS reorganized into three departments, one office and 13 divisions
December	Began conducting on-site surveys for Grant Aid projects	1996 March	JICS office relocated to Shinjuku Sanshin Building, Yoyogi, Shibuya-ku	October	Launched a support program for NGO activities
1990 January	Began conducting follow-up studies for Grant Aid projects	1997 July	Began providing services for Grant Aid projects for child health	2001 April	JICS partially revised its Articles of Foundation
April	Began providing procurement consulting services for Grant Aid projects	1998 January	Began providing procurement consulting services for Grant Aid projects for the increase of food production	2002 April	Began providing services for Grant Aid for research assistance projects
November	Began providing procurement and transportation services for equipment used in Technical Cooperation projects	March	Began providing services for Emergency Grant Aid projects	June	Began providing procurement consulting services for Grant Assistance for the Food Aid project
1992 January	Began providing procurement and transportation services for equipment used by experts in Technical Cooperation projects			2003 March	Began providing services for Grant Aid for Conflict Prevention and Peacebuilding projects
1993 October	Began providing services for Cultural Grant Aid projects			April	JICS office relocated to Shinjuku EAST Building, Tomihisa-cho, Shinjuku-ku
October	Began providing procurement agent services for Non-project Grant Aid			October	Began providing services for Grant Aid for Japanese NGO projects

1998—Assistance to Indonesia during the Asian currency crisis  
Procurement of pharmaceuticals and medical equipment, and maritime transportation of government rice through the Emergency Grant Aid scheme

Reconstruction Assistance  
2002 Road construction, etc., in Afghanistan through Emergency Grant Aid and Non-project Grant Aid  
2003 Reducing small arms in Cambodia through Grant Aid for Conflict Prevention and Peacebuilding

## Development Cooperation and the Role of JICS in ODA



2004–2011 Transitional Phase		2012–2016 Reform Phase		
<ul style="list-style-type: none"> <li>▶ Increase in project management of construction as part of procurement agent services</li> <li>▶ Commencement of services related to Loan Aid and international organizations and agencies</li> </ul>		<ul style="list-style-type: none"> <li>▶ Strengthening of competitiveness and strategies to further develop conventional businesses</li> <li>▶ Development of new businesses related to Public–Private Partnerships (PPP) and the private sector</li> </ul>		<ul style="list-style-type: none"> <li>Procurement of goods</li> <li>Procurement of goods + Construction</li> <li>Procurement and management of construction</li> </ul>
<p><b>Developing Management Services in Construction Projects</b></p>		<p><b>Launching Management Services in Project under PPP</b></p>		
2004 April	Began providing services for primary checks of Loan Aid procurement-related documentation	2012 April	JICS made the transition to a not-for-profit, general incorporated foundation	
June	JICS reorganized into three offices, two departments and three divisions		JICS reorganized into two offices, five departments and 18 divisions	
2006 April	Began providing procurement agent services for projects related to international organizations and agencies	2013 July	JICS reorganized into six offices, four departments and 16 divisions	
August	Began providing services for Grant Aid for Disaster Prevention and Reconstruction		Established New Business Development Office	
December	Began providing services for Grant Aid for Community Empowerment	2014 August	Established Compliance and Risk Management Office	
2007 January	Established Office of Management Planning	September	JICS partially revised its Articles of Incorporation	
April	JICS partially revised its Articles of Foundation	November	JICS registered as a First Class Registered Architects Office	
2008 October	JICS reorganized into four offices, three departments and 11 divisions	2015 August	Won a new contract for a Grant Aid project under Public–Private Partnership	
2009 April	Began providing services for Program Grant Aid for Environment and Climate Change	2016 February	Won a new contract for a Grant Aid project for Construction	
		July	Introduced a management structure comprising three full-time Directors	

2004 Procurement of portable electrical transformers and water treatment equipment, construction of electrical power generation plants, etc., under the Emergency Grant Aid scheme as part of reconstruction assistance in Iraq  
 2005 Sea wall reconstruction, hospital construction, bridge construction, etc., under the Non-Project Grant Aid scheme as part of assistance in dealing with damage from the 2004 Indian Ocean earthquake and tsunami  
 2006 Assistance for measures by the ASEAN Secretariat and the World Organization for Animal Health to combat an avian influenza epidemic

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

.....> Procurement of Goods Procurement and Management of Construction

# Procurement Agent Services

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

### Necessity of a Procurement Agent

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

### Major Role

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

#### Procurement of Goods

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

#### Procurement and Management of Construction

- ▶ JICS enters into a contract with a construction consultant, and confirms the local general construction conditions. Based on the needs of the recipient country, JICS together with the consultant determines the facilities specifications and the construction conditions for the project.
- ▶ During the construction period, JICS carries out project management at the site.

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

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

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

#### Major Procurement Items

- ▶ Petroleum products, steel, etc.
- ▶ Products that also contribute to the overseas expansion of Japanese products (industrial products manufactured in the areas affected by the Great East Japan Earthquake, products manufactured by Japanese small and medium-sized enterprises (SMEs), medical equipment, next-generation eco-friendly vehicles, and equipment manufactured in local regions in Japan)

#### Accomplishments in Fiscal 2015

135 projects in 65 countries\*, including ongoing projects from the previous fiscal year or earlier years

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

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

#### Major Procurement Items

- ▶ Project execution management for a project in Myanmar to reduce non-revenue water

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

#### Conflict and Development

JICS is involved in projects related to such areas as conflict prevention, peacebuilding and the strengthening of maritime security.

#### Major Procurement Items

- ▶ Equipment for the removal of landmines, equipment for airport management and maintenance, installation of small-scale hydroelectric power generation units and solar power generation systems for the electrification of local villages, and equipment for the reconstruction of water supply systems
- ▶ Vessels for strengthening maritime security

#### Accomplishments in Fiscal 2015

13 projects in eight countries, including ongoing projects from the previous fiscal year or earlier years

#### Humanitarian Assistance "Emergency Grant Aid"

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

#### Major Procurement Items

- ▶ Equipment necessary to combat an Ebola hemorrhagic fever

#### Accomplishments in Fiscal 2015

- ▶ Three projects in three countries started in the previous fiscal year or earlier years

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



Laboratory and testing equipment procured for the Dominican Republic Agriculture, Pasture and Forestry Research Agency



Dump truck training (Project for Improvement of Road Maintenance Capacity in Afghanistan)



## Grant Aid-related Operations

Grant aid is a form of assistance whereby funds required for the procurement of goods, equipment, and services are provided to developing countries without a repayment obligation. Within Japan's Grant Aid program, JICS' main operations are procurement agent services.

### Addressing Global Challenges and Promoting Human Security

#### Healthcare/Water/Education

JICS is involved in projects to build such facilities as schools and health-care centers. Such projects have the objective of assisting comprehensive capacity development in communities facing poverty, hunger, infectious diseases, and other threats to human life and secure livelihoods. With adoption of local specifications and designs, local enterprises and materials and equipment are proactively utilized.

#### ● Major Procurement Items

► Management of construction projects, such as those for elementary and junior high schools, and healthcare centers

#### ● Accomplishments in Fiscal 2015

37 projects in 20 countries, including ongoing projects from the previous fiscal year or earlier years

#### Environment and Climate Change/Energy

JICS is involved in projects that assist countries working to strengthen their measures to address the issue of climate change. Such projects assist those countries to formulate and implement policies and programs.

#### ● Major Procurement Items

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

#### ● Accomplishments in Fiscal 2015

48 projects in 35 countries, including ongoing projects from the previous fiscal year or earlier years

#### Improvement of Food Shortages "Food Assistance"

JICS is involved in Food Assistance (KR), which provides support for purchasing staple grains and cereals to countries grappling with food shortages.

#### ● Major Procurement Items

► Grains, such as rice, wheat and maize

#### ● Accomplishments in Fiscal 2015

33 projects for 17 African countries and Haiti, including ongoing projects from the previous fiscal year or earlier years

#### Disaster Prevention

JICS is involved in projects for disaster prevention in countries that are vulnerable to natural disasters, and projects that assist in post-disaster reconstruction.

#### ● Major Procurement Items

► Procurement of disaster prevention system equipment and project execution management of construction

#### ● Accomplishments in Fiscal 2015

Seven projects in seven countries, including ongoing projects from the previous fiscal year or earlier years

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

### Procurement Consulting Service/ Surveys

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

Cultural Grant Aid has the objectives of promoting culture and education, as well as preserving cultural heritage. 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 entities.

JICS carries out surveys and procurement related to audiovisual equipment, sound and lighting equipment, musical instruments, sports equipment and Japanese-language teaching materials. In fiscal 2015, JICS executed three projects.

### Application Screening

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

Under this program, the Japanese Ministry of Foreign Affairs provides grant assistance for economic and social development projects in developing countries conducted by Japanese NGOs and other groups. In fiscal 2015, JICS provided support in such areas as screening of application documentation submitted by NGOs, etc.

### Studies

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

These investigations concern grant aid projects that have reached completion. The information provided through these investigations is used by JICA when considering adjustments to budgetary estimates as part of preparatory project studies. JICS conducts surveys 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. In fiscal 2015, JICS carried out investigations in five countries.



A ship being loaded with food assistance (government rice) for Mauritania



At a forest planting event, students take seedlings one at a time out of the seedling beds (Forest conservation program in Indonesia)

## ▼ JICS' Involvement in Programs other than Grant Aid

### Technical Cooperation-related Operations

- ▶ Procurement Operational Support
- ▶ Assessment/Monitoring

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

#### ■ Major Operations

- ▶ Procurement operational support (including execution in collaboration with private-sector partners)
- ▶ Post-project assessments and monitoring studies



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

### Loan Aid-related Operations

- ▶ Primary Checks of Procurement-related Documentation
- ▶ Studies to Facilitate the Smooth Implementation of Loan Aid Projects
- ▶ Ex-Post Procurement Audits

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

#### ■ Major Operations

- ▶ Primary checks of procurement-related documentation prepared by recipient countries to assess whether this documentation conforms with the Guidelines for procurement under Japanese ODA Loans (in fiscal 2015, JICS conducted such checks in 349 cases on documentation submitted by Anglophone, Francophone and Hispanophone country governments)
- ▶ Ex-post procurement audits
- ▶ Studies to facilitate the smooth implementation of Loan Aid projects (including execution in collaboration with private-sector partners)



Ex-Post Procurement Audit (Bangladesh)

### Multilateral Aid-related Operations

- ▶ Procurement Services
- ▶ Contract Management Support Services

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

#### ■ Major Operations

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

#### ■ Major Procurement Items

- ▶ Laboratory equipment for universities, equipment for dealing with infectious diseases, disaster-prevention equipment



Annual meeting at JICS on avian influenza countermeasures

## ▼ JICS' Initiatives for Developing New Business

### Support for Japanese Enterprises' Overseas Business Expansion

#### ● Collaboration with private-sector enterprises

JICS received contracts in collaboration with Japanese SMEs, as a member of the project formulation survey for disseminating Japanese technologies in development countries under JICA's assistance.

#### ● Public tender notification service for projects implemented by international agencies and organizations

For enterprises aiming to win project contracts from international agencies and organizations, JICS provides information on the public notification of tenders.

### Other Priority Areas of the Japanese Government

#### ● SPORT FOR TOMORROW (SFT): A program by the Japanese government that seeks to make a contribution to the international community through sports

In fiscal 2015, JICS provided support for this program in India and Nepal.

JICS' own initiatives: JICS' NGO support activities, lecture course on travel medicine



An UNDOKAI (Sports Day) in India

# JICS' Major Activities in Fiscal 2015

JICS' major activities in fiscal 2015 divide broadly into four themes: (1) economic cooperation with Myanmar (pages 15–17), (2) economic and social development programs created through the combination and integration of various conventional non-project grant aid sub-schemes (pages 18–19), (3) loan aid-related operations intended to expand business (page 20) and (4) contributions to the international community through sports promoted by the Japanese government (page 21). These activities will be introduced by assigned of each area. (Note: Includes some activities from fiscal 2016)

**JICS is engaged in a variety of projects in line with economic cooperation policies of the Japanese government in Myanmar, where democracy is spreading rapidly amid economic reforms. This section introduces the project aimed at the rapid reconstruction of schools damaged by floods, and progress of the Project for the Electrification of Rural Villages for the improvement of citizen lives and the project related to infrastructure supporting sustainable growth in Myanmar.**



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

JICS acts as procurement agent for the government of Myanmar in the reconstruction of Myanmar schools damaged by floods in 2015. The following discussion focuses on activities aimed at the rapid reconstruction of school buildings that are more impervious to damage and the rapid restoration of a safe environment so that children can resume their studies.



**Daiki Shinoda**  
First Construction  
Management Division  
First Management  
Department

### Basic Project Information

**Project Name:** The Project for the Reconstruction of Flood-Affected Schools

**Objective:** To reconstruct approximately 80 school buildings in the Sagaing, Magway, Bago and Ayeyarwady regions damaged by flooding that occurred in mid-July 2015.

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

**Grant Amount:** ¥1.2 billion

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

### Reconstruction Focused on Speed

Projects involving the construction of standard school buildings generally require one and a half to two years of time, including local studies, subsequent Exchange of Notes (E/N) and various procedures before construction commences. However, on this project JICS conducted studies, design, estimates and bids all at once to reduce the time required to begin construction as quickly as possible.

Note: Build Back Better: Approach aiming to create a society more resilient to disaster rather than simply restoring pre-disaster conditions.

## Reconstructing Resilient Schools Able to Withstand Future Disasters

Torrential monsoon rains that began falling in Myanmar in July 2015 caused enormous damage from flooding. Overflowing in the Ayeyarwady River delta damaged 12 states and regions and affected 1.62 million people, including flood damage to 4,116 schools (according to reports from the government of Myanmar). The government of Myanmar requested assistance from the Japanese government for the repair and reconstruction of school buildings. The Japanese government announced support in the form of grant aid via the Project for the Reconstruction of Flood-Affected Schools aimed at the reconstruction of approximately 80 schools in the Sagaing, Magway, Bago and Ayeyarwady regions. JICS was selected through a public offering as the procurement agent for the Myanmar government tasked with the construction and management of funds.

In light of conditions in affected areas, where children had been studying in a poor environment consisting of simple prefabricated structures and open-air classrooms, JICS strives to engage in reconstruction focused on speed. Reconstruction efforts are predicated on the concept of quickly constructing simply designed facilities. However, rather than merely placing a priority on simplicity and speed, the focus is also on building facilities resilient to future disasters. While respecting Myanmar government design standards, we have incorporated the Build Back Better\* concept to propose designs leveraging Japanese disaster knowledge.



Providing guidance at the reconstruction site

## Utilizing Our Architects to Shorten the Construction Schedule

One particularly distinctive aspect of the Project for the Reconstruction of Flood-Affected Schools is JICS' use of its own Japanese architects to design and supervise construction. Utilizing our own architects to engage in design and estimates enabled us to omit the consultant selection process and substantially shorten the time required to begin studies, launch construction and complete the project. Furthermore, Japanese architects provide apposite guidance to the Myanmar construction company selected by competitive bid, ensuring quality in addition to a shorter construction schedule.

At present, there are plans to deliver five schools during 2016, with the reconstruction of all 80 schools planned for completion by March 2018.

Although seasonal rains (June–October) impede progress and make construction difficult, everyone involved in this project is working together to proceed ahead of schedule and deliver the new school buildings so that children are able to study safely in a pleasant learning environment as soon as possible.



Compiling process management reports at the site office in Magway



## Grant Aid: The Project for Electrification of Rural Villages

In Myanmar, a country (1.8 times the size of Japan) covered by steep mountain ranges, the population (40% that of Japan) is spread out among 64,000 rural villages. Of these, residents in approximately 38,000 rural villages are forced to live with no electricity. The following discussion focuses on the status of a project undertaken by JICS on behalf of the Japanese government to install small-scale hydroelectric and solar power generators to extend electricity to rural and remote villages that have no electricity.



**Satoshi Matoba**  
First Construction Management Division  
First Management Department



20 kW solar power system

### Basic Project Information

**Project Name:** The Project for Electrification of Rural Villages

**Objective:** To establish independent power stations in rural villages located in the states of Chin and Shan that lack electricity, and provide illumination (lighting) required for family living through the use of renewable energy appropriate for the environment of each village.

**Counterpart of Agent Agreement:** Ministry of Agriculture, Livestock and Irrigation (Department of Rural Development), Republic of the Union of Myanmar

**Grant Amount:** ¥994 million

**Exchange of Notes (Bilateral Agreements):** June 5, 2014

## Facing Unexpected Difficulties While Improving Living Environments in Rural Villages under Off-Grid Electricity

In accordance with its five-year National Energy Plan (NEP), Myanmar is moving forward with a project introducing power generation systems using water, solar and other renewable energies to bring electricity to rural villages lacking electricity and not yet connected to the national power grid.

Important points of view associated with the development of rural villages include: (1) geographical risks related to targeted rural villages spread out across the country, (2) topographical risks as many rural villages are located in mountainous regions, (3) risks associated with the difficulties of managing nature, (4) risks associated with electricity use and management by village residents and (5) risks associated with safety management in the event of ethnic conflict. With small-scale hydroelectric generation, regardless of differences in flow volumes between dry and rainy seasons, there are examples of changes occurring in mountain stream quality due to water source environments. Furthermore, there is a remarkable impact from heavy rains during the rainy season in mountainous regions, particularly in the state of Chin, where water currents increase suddenly and landslides are easily occurring in hilly areas, resulting in unexpected conditions at the installation location. It is also necessary to establish optimal countermeasures to respond with meticulous flexibility to unexpected changes in natural conditions that make management difficult. At solar power generation sites that have already commenced operations, there are also examples of overload usages by villagers as well as villagers who conduct their own technical improvements. In response to these conditions, we are engaged in enhancing villagers' awareness through activities including the distribution of Burmese-language manuals detailing precautions when using electric power.

There are several sites near the Myanmar border that take four days to reach from Yangon, making travel to and from villages spread far apart quite difficult. It is critical to prevent problems before they occur and quickly establish countermeasures after incidences by attempting to establish close communications and cooperation with the Myanmar government, regional governments, township offices, contracted companies and villagers.

## Providing Services Aimed at the Sustainable Use of Power Generators

As of September 2016, facilities at 27 of 31 sites targeted in this project had been delivered. In Nant Hkam On Village located in the Theinni township of northern Shan, near an area that is unstable due to ethnic conflict, a ceremony commemorating hand-over was held in June 2016, with care taken to ensure safety. From the beginning, we were given a magnificent welcome from the villagers and local community, who conveyed their appreciation. However, JICS' work does not end when the power generation equipment is delivered. This is the role expected of us, as this equipment will be used continuously over the medium to long term. We make proposals for the sustainable use of power generation equipment focused on the degree to which the villagers will be able to conduct maintenance and costs can be standardized, including proposals for expansion to any of large number of villages under off-grid electricity in an attempt to enhance our value as a service provider.



Small hydropower water source site

### Stakeholder Comment

**U Khant Zaw**  
Director General

**Department of Rural Development, Ministry of Agriculture, Livestock and Irrigation**



On behalf of the people of the Republic of the Union of Myanmar, I would like to express my sincere appreciation for the daily efforts of JICS on the Project for Electrification of Rural Villages and the Economic and Social Development Programme.



## Grant Aid Project under Public–Private Partnership: The Project for Reduction of Non-Revenue Water in Mayangone Township in Yangon City

As infrastructure system export strategy is a policy of high-quality infrastructure investment by the Japanese government, we are promoting business providing developing countries with the high-quality technologies and services of Japanese corporations. Through the sustainable management of water-related facilities, JICS and Japanese corporations are promoting projects related to the establishment of infrastructure supporting sustainable growth in Myanmar.



**Shinji Hosoya**  
International Organization Division  
Third Management Department



**Asako Kimura**  
Second Country Assistance Division  
Third Management Department

### Basic Project Information

**Project Name:** The Project for Reduction of Non-Revenue Water in Mayangone Township in Yangon City

**Objective:** To contribute to reducing water leakage rates by upgrading water pipes in the applicable region as well as the improvement of water supply capabilities and the management capabilities of non-revenue water in Mayangone Township in Yangon City.

**Counterpart of Agent Agreement:** Yangon City Development Committee

**Grant Amount:** ¥2.106 billion

**Exchange of Notes (Bilateral Agreements):** March 19, 2015

**Selection of Procurement Agent Institution:** Recommended to the government of Myanmar after a Japanese Ministry of Foreign Affairs proposal competition; procurement agent contract signed in August 2015.

Notes:

1. Tender documents: Documents displaying operational details and various bid-related conditions pertaining to companies participating in the bidding process.
2. Terms of Reference (TOR): A series of management procedures for conducting studies as well as necessary technical information.

## Eliminating Non-Revenue Water and Improving the Living Environment in Yangon City

In Yangon, Myanmar's largest city, there is a rising demand for tap water amid rapid economic growth. However, water infrastructure upgrades and ongoing maintenance have fallen behind, leaving Yangon residents without sufficient water. In seeking water necessary for daily life, Yangon residents dig wells and pump water on their own, giving rise to concerns of ground subsidence and hygiene.

Moreover, non-revenue water is a major problem in Yangon City due to water leakage and water theft, resulting in an inability to collect fees for water from each household. The Project for Reduction of Non-Revenue Water in Mayangone Township in Yangon City aims to upgrade aging water pipes and reduce water leakage and theft, continuous non-revenue water countermeasures that include ongoing management, which have become an urgent task in Yangon City.

## International Cooperation Contributing to Overseas Development by Japanese Corporations

This project not only involves study, design and construction related to water pipes using grant aid, but is also a new type of public–private partnership involving grant aid for service operations and management components to handle water pipe maintenance over the medium to long term via contracts between Japanese service providers and Yangon City. This project integrates ODA and private company investments and is significant in that it leverages global cooperation to realize high-quality growth in developing countries, while at the same time supporting the overseas development of infrastructure technologies by Japanese companies. Implementing water supply operations incorporating know-how pertaining to Japanese technologies, management and ongoing maintenance, will enable the people of Myanmar to have sufficient access to water, while at the same time we expect to see a boost in overseas deployment by Japanese companies.

As this project entails the use of one service provider for design and construction, it is an unusual in the ODA category. This requires the creation of tender documents\*1 and TOR\*2, which include terms and conditions that JICS has never facilitated before. Although we expect this new type of project will present various challenges, we will carefully maintain a relationship of trust with Yangon City and make every effort to support Japanese companies that come forward and want to be involved.



Site pre-inspection in Yangon



Photo commemorating the end of tender document deliberations conducted over several days with implementing agencies

## Stakeholder Comment

### Myint Zaw Than Yangon City Development Committee

I am truly grateful for all the help provided by JICS to open bidding on this project.

There are still a variety of social issues surrounding water supply in Yangon City, and given the budgetary restrictions, I am thankful for the opportunity to learn from the high-level technologies and know-how possessed by Japanese companies supported by the Japanese government.

To ensure this project's success, the Yangon City Development Committee (YCDC) will continue to work with the JICS team to implement the project in cooperation as brothers, so to speak.



## Aiming for the Growth of Developing Countries and Japanese Corporations: Grant Aid for the Economic and Social Development Programme

A variety of traditional non-project grant aid sub-schemes were consolidated in April 2015 to create Grant Aid for the Economic and Social Development Programme. This section introduces JICS initiatives with respect to Grant Aid for the Economic and Social Development Programme, which contribute to growth in developing countries and overseas development by Japanese corporations.



**Tomoki Hashizume**  
Third Procurement  
Management Division  
Second Management  
Department

### About Grant Aid for the Economic and Social Development Programme

Grant Aid for the Economic and Social Development Programme is a form of grant aid providing funds for the purchase of equipment and materials necessary to support the reduction of poverty and a variety of other economic and social development initiatives in developing countries.

As of March 2015, JICS had provided non-project grant aid in categories subdivided by objective and embodiment, including Provision of Japanese Small and Medium-sized Enterprises (SMEs) Products, Next-Generation Eco-Friendly Vehicle, Medical Equipment, Disaster Reduction Equipment and Japanese Local Products. Revisions by the Ministry of Foreign Affairs in April 2015 resulted in the doing away with subdivided category names and the adoption of the title Grant Aid for the Economic and Social Development Programme for non-project grant aid.

As with non-project grant aid, the merit of the Economic and Social Development Programme is its mobility. Rather than providing funds for specific projects such as the construction of schools, the Programme allows for a wide range of procurement targets. For the country receiving the assistance, this enables the flexible selection of procurement items in line with individual country needs.

With respect to Grant Aid for the Economic and Social Development Programme and Food Assistance during fiscal 2016–2018, the Ministry of Foreign Affairs conducted public offerings in each region of the world recommending procurement agent institution candidate organizations to recipient governments. In March 2016, JICS was selected as a procurement agent institution candidate. (Grant Aid for the Economic and Social Development Programme covers East Asia, Southeast Asia, Southwest Asia, Oceania, the Middle East, and French- and Spanish-speaking regions. Food Assistance is worldwide.) JICS continues to promote expeditious and flexible projects that aim to ensure neutrality, fairness and transparency.

### Know-How Accumulated through a Long Track Record

For more than 20 years, JICS has been involved in the implementation of non-project grant aid projects that can be considered predecessors to the Economic and Social Development Programme. We have established a strong reputation for our coordinative function, accumulating know-how through the matching of products manufactured by Japanese corporations with the needs of recipient-country governments as well as the discovery and delivery of high-quality products as the recipient-country's procurement agent. In an attempt to respond flexibly to local needs, we have also facilitated the delivery of numerous made-to-order products.

Accurate information on products and companies is indispensable to ensure procurement activities proceed smoothly. Up to now, JICS has procured an extremely wide range of equipment, from medical equipment, construction equipment, freight and transportation vehicles, garbage trucks, firefighting equipment, rolling stock, agricultural machinery, fertilizers, equipment for vocational training, educational equipment, observation devices, surveying equipment, scientific instruments and solar power generation systems, to materials including petroleum products, iron and steel products, cement and raw materials for chemical products. The ability to collect and accumulate this volume of information is one of JICS's strengths.



Bridge inspection vehicle used in Guatemala



Seawater desalination device procured for Tonga



Machinery for vocational training procured for Egypt



Cement procured for the Democratic Republic of the Congo



Event to Provide Opportunities for Using SME's Products in Japanese ODA



Installing playground equipment at a Japanese-style park in Pakistan (1)



Installing playground equipment at a Japanese-style park in Pakistan (2)



Children's gleeful voices have returned to a Japanese-style park in Pakistan

## New Initiatives Responding to Diverse Needs

With flexibility in product selection, procurement items under Grant Aid for the Economic and Social Development Programme are becoming increasingly diversified. In addition to the selection of focus areas under Grant Aid for the Economic and Social Development Programme, including disaster risk management equipment, assistance for disaster-affected regions, next-generation automobiles, medical equipment, peacebuilding and maritime security, there is a possibility of the addition of new focus areas in the future. To facilitate procurement item and focus area expansions, JICS has launched a number of new initiatives.

First, we hold the Event to Provide Opportunities for Using SME's Products in Japanese ODA, which aims to gather information on Japanese products and spread awareness of the Economic and Social Development Programme. The event, held in September 2015, has resulted in an increase in inquiries from manufacturers and trading companies with whom we had no previous contact.

Next, with the aim of increasing the speed of procurement operations, we are engaged in upgrading and expanding our database of company and product information. This database has been compiling information since we first began non-project grant aid and already contains numerous Japanese companies and products. Prompt maintenance of data is critical for responding to the development of new products occurring on a daily basis. We must also be quick to identify new focus areas and collect information on products in areas where we have no previous procurement experience. Starting from items with a substantial procurement history and demand, we aim to quickly upgrade and expand our database management and operations structure.

## Attempting to Assist Developing Countries and Resolve Domestic Issues

The Ministry of Foreign Affairs' fiscal 2016 Priority Policy for Development Cooperation calls for contributions to economic diplomacy and regional revitalization. To achieve these goals, the Ministry of Foreign Affairs is promoting initiatives supporting the spread of Japanese advanced products and its system and overseas development by SMEs under the Economic and Social Development Programme.

Furthermore, since fiscal 2015, we have been promoting the procurement of subordinate request items for island nations, including Grenada, the Commonwealth of Dominica, the Maldives and the Bahamas, which are prone to substantial damage by natural disasters, through the provision of disaster risk management equipment utilizing Japan's excellent disaster prevention technologies.

JICS delivers products useful for the development efforts of recipient countries with a focus on supporting overseas development by Japanese SMEs, conducting procurement activities aiming for cooperation and compatibility between assisting development of developing nations and resolving domestic issues.

## Loan Aid (ODA Loans)

One of the themes in JICS' Medium-term Management Plan 2015–2017 is the expansion of loan aid (ODA loan)-related business. Assigned staff in charge of this effort explains the current status of ODA loan-related initiatives leveraging JICS' wealth of achievements in grant aid-related procurement agent services.



**Mieko Ishii**  
Grant and Loan Cooperation Support Division  
Third Management Department

Note: Until September 2008, handled by the Japan Bank for International Cooperation (JBIC)

### National Public Procurement Agency of the Republic of Indonesia

In 2007, Indonesia established the National Public Procurement Agency directly controlled by the President to improve efficiency and transparency of the public procurement process. New presidential regulation regarding the government procurement of goods/services promulgated three years later hammered out procurement policies that differed from traditional foreign donor loan/grant aid.

### Contributing to the Smooth Implementation of ODA Loans

As a technical cooperation project (JICA technical assistance related to ODA Loans), this will involve:

- Support for the strengthening and improvement of comprehensive management capacity on public procurement of National Public Procurement Agency staff
- Support for harmonization between Indonesia's public procurement regulation and JICA's Guidelines for Procurement under ODA Loans and Employment of Consultants



Aimed at attempts to promote the implementation of ODA loans

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

Counterpart of Contract: Japan International Cooperation Agency (JICA)

In fiscal 2016, JICS won a JICA proposal competition and was selected to support institutions promoting the formation and implementation of ODA loans in the South Asia region, mainly in India and Bangladesh. The key aspects of business instructions at the time of public offering called for "an adequate understanding of both target country national strategies and Japanese government/JICA strategies (such as infrastructure system export strategies) as well as initiatives aimed at realizing the establishment of strategies and the close exchange of opinions with related institutions." With a three-member team including an experienced strategy consultant, from June 2016 to March 2017, JICS will promote the implementation of procurement procedures and support the formation of a variety of ODA loan projects both locally and in Japan based on the needs of JICA and related institutions. India and Bangladesh have been involved in the primary check of procurement-related documents under Japanese ODA loans outsourced from JICA\* since fiscal 2004; however, this connection was limited to services on paper. This time, in India, the largest ODA loan recipient in the South Asia region, as well as Bangladesh, where the amount received is increasing in line with economic development, the opportunity to support local implementing institutions will be considered a precious asset with JICS' ODA loan-related business going forward.

## Project for Strengthening of Public Procurement System in the Republic of Indonesia (JICA Technical Assistance Related to ODA Loans)

Counterpart of Contract: Japan International Cooperation Agency (JICA)

JICS collaborated with the OPMAC Corporation, which provides consulting services to developing countries, and has accepted the Project for Strengthening of Public Procurement System in the Republic of Indonesia after a fiscal 2015 JICA proposal competition. JICS, as a member of the joint venture, is in charge of planning and management of training targeting the staff of the National Public Procurement Agency of the Republic of Indonesia. To contribute to the smooth implementation of ODA loans through the enhancement of procurement management capacity of the National Public Procurement Agency staff, seminars promoting an understanding of JICA's procurement guidelines and standard bidding documents have been held in Indonesia. Also, agency staff have been invited to Japan for international procurement management and international construction contract management training. In addition, the opportunities to observe large-scale public works in Japan have been provided. JICS is involved in all aspects of training activities, including confirming training needs, formulating training plans, the arrangement of lecturers and training attendance.

Going forward, we will proactively participate in proposal competitions, helping diversify JICS business through the acceptance of new projects like those mentioned above and increase the number of staff involved with loan aid (ODA loans) to enhance JICS' overall capabilities.



Grant and Loan Cooperation Support Division staff



JICS' employee explains ODA loan procedures supporting port expansion in Toamasina, Madagascar



## SPORT FOR TOMORROW Programme: Holding Sports Events in India and Nepal

JICS participates in the SPORT FOR TOMORROW Programme promoted by the Japanese government aimed at international contributions through sports. Having conducted activities in the Republic of Malawi and the Republic of Guatemala in fiscal 2014, UNDOKAI (Sports Days) were held in India and sports and disaster prevention classes were held in the Federal Democratic Republic of Nepal in fiscal 2015. JICS' participation in these events was rewarded with the smiling faces of children in both countries.



**India**

**Tomoki Yao**

Third Procurement Management Division  
Second Management Department



**Nepal**

**Chihiro Goto**

Third Construction Management Division  
First Management Department



**Nepal (Responsible for operations in Japan)**

**Fumiko Ichikawa**

Quality Management Office

### SPORT FOR TOMORROW (SFT)

The Japanese government is committed to creating our future through the power of sport with more than 10 million people of over 100 countries from 2014 until 2020. With the SPORT FOR TOMORROW Programme, Japan aims to be involved in the promotion of sporting values, including assistance to developing countries; train future sport leaders at the new international sport academy; and further protect and promote the value of sport by extending anti-doping initiatives globally.

### Basic Project Information

**Operating Organization:** JAPAN SPORT COUNCIL (JSC)

**Contractee:** NPO Japan Sports Communications (India)

Japan Professional Football League (J.League) (Nepal)

**Locations:** Two elementary schools in India, 16 elementary schools in Nepal

**Dates Held:** January 29 and February 13, 2016 (India); February 1–7, 2016 (Nepal)

## UNDOKAI (Sports Days) in India, and Sports and Disaster Prevention Classes in Nepal

Having presented Japan's unique sports culture *UNDOKAI* (Sports Days) to the Republic of Malawi and the Republic of Guatemala in fiscal 2014, JICS is now participating in the *SPORTS FOR TOMORROW* Programme.

In fiscal 2015, JICS assisted with sports events held in India and Nepal. In India, JICS participated in *UNDOKAI* (Sports Days) at a public elementary school in Delhi on January 29, 2016, and at a private school in Visakhapatnam, located on India's east coast, on February 13 as a partner organization of NPO Japan Sports Communications. A total of 6,000 children—approximately 3,000 children in each city—participated in these events. For these children, this was the first event of this kind they had ever experienced and their tremendous enjoyment left quite an impression. Going forward, we hope we are able to hold many more *UNDOKAI* (Sports Days) across India.

In Nepal, which is still rebuilding after the earthquake that struck in 2015, JICS participated in football, volleyball and baseball classes as a partner organization of Japan Professional Football League (J.League). For seven days beginning on February 1, 2016, these classes were held at a total of 16 schools in and around Katmandu. One girl who participated said "I thought football was a boy's sport, so I never thought about trying it." After she played football for the first time she exclaimed "that was fun! I definitely want to keep playing." In this way, children affected by the natural disaster were able to fully enjoy sports. Furthermore, in addition to sports classes, disaster classes teaching what to do in the event disaster strikes were also very popular, with students commenting that they "want to keep learning about this subject."

The sports events conducted in Nepal would have been difficult for JICS to realize on our own; thus we consulted with J.League on how to conduct these activities, receiving assistance with the drafting of a proposal to operating organization JAPAN SPORT COUNCIL (JSC). After the proposal was adopted, we organized related institutions in Japan and onsite who would be involved in holding the events, providing support based on agreements with each service provider, from event preparation and actual event implementation to post-event activities. As a result, the events were a great success, as evidenced by the children's smiling faces. This endeavor reaffirmed our awareness of the power created when multiple organizations work toward a common goal.

At JICS, these events are promoted by talented teams comprising staff from a variety of departments. While leveraging the knowledge and expertise of each member based on a strong intention to make international contributions through sports and to children responsible for the future, we will continue to realize the slogan "Bringing people of the world excitement and joy through the power of sports," as JICS' objective for these activities.



Girls enjoying football with a smile on their faces (Nepal)

# What's New

## Efforts to Improve Competitiveness Lead to a New Project in Iraq

JICS began its involvement in cooperative projects with international organizations during the outbreak of avian influenza in 2005. Its activities included procuring anti-viral drugs, infection prevention supplies, and diagnostic and analysis equipment for the ASEAN Secretariat and the World Organisation for Animal Health, and arranging for the storage of such provisions. At present, JICS is providing engineering colleges with experimental materials as well as items needed for disaster prevention by crisis management networks.

Before that time, JICS had assisted with the rebuilding of Iraq in 2004, where it gained experience in procuring police vehicles and equipment for electricity transformer substations, power plants, and telecommunication networks through emergency grant aid. JICS managed these procurement activities outside of Iraq because Japanese nationals were prohibited from entering the country at the time due to a lack of public safety.

Based on such experience, in 2016, JICS jointly submitted a proposal with a company to the United Nations Development Programme (UNDP) for the provision of consultancy services to support its Contract Management of Electricity Infrastructure Projects in Iraq, through a competition open to companies and organizations. JICS won the bid for a project being implemented using an international yen loan.

Before the project commenced, key participants met for meetings at JICS' head office in June 2016, including Asaad Abdullah Mohammed, who heads the planning department of Iraq's Ministry of Electricity in the Kurdistan Region of the country. JICS then sent its personnel to Iraq to provide management support for the entire project, including supervision of construction and management of material supplies and payments. The project is now assisting the Ministry of Electricity with capacity building activities in Iraqi Kurdistan.

JICS is carrying out these activities as the project representative in collaboration with ADEA Power Consulting Pty. Ltd., an Australian-based company. In addition to overseeing procurement, JICS is providing assistance and consulting to the ministry to help improve its capabilities, which is a new operational approach for JICS.

While JICS is committed to developing and making progress in its existing projects, it also hopes to continue diversifying its activities and help improve the efficiency and effectiveness of the international collaborative projects it is involved in. Toward those ends, JICS is making active efforts to submit more competitive proposals in competitions going forward.



Emergency medical supplies delivered to Singapore to combat the outbreak of avian influenza in 2006



Firetrucks procured in 2005 to help with the reconstruction of Iraq



From left, Toru Nakatani, then president of JICS, along with Asaad Abdullah Mohammed, General Director of Planning, Regional Ministry of Electricity in Kurdistan, and Amir Sahinovic, Managing Director of ADEA Power Consulting Pty. Ltd.

# Working with Stakeholders and Expanding Operational Domains: **Helping Japanese Enterprises Make Inroads in Developing Countries**

Based on the experience and expertise it has obtained as a specialized procurement organization, JICS has been working to establish new types of operations while continuing to offer procurement agency services. Some of these operations involve providing support to Japanese enterprises that aim to expand business in developing countries. Support is mainly provided through JICS' New Business Development Office, featured below.



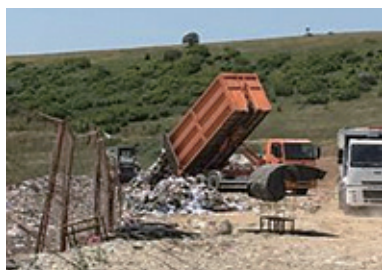
**Mitsunobu Inaba**  
New Business Development Office



**Masahito Sanmyo**  
New Business Development Office



A discussion with Georgia's environment minister during the feasibility study



A landfill disposal site in Georgia

## 1. Providing Tender Notices Fitting to the Specific Needs of Each Enterprise to Support Winning Contracts from International Organizations

In the field of international cooperation, goods, equipment and materials, as well as construction work and consulting services are procured extensively by international organizations, such as the UNDP and the UNICEF, and by the multinational development banks, including the World Bank. The growing amount of orders received by Japanese enterprises from such international organizations not only benefits Japan's economy, but also contributes positively to developing countries by bringing in high-quality products and services from Japan. The number of such orders received by Japanese firms, however, is too small to compare with Japan's overall contribution to such international organizations.

Meanwhile, Japanese enterprises are increasingly recognizing emerging and developing countries as markets of future growth. Challenging to international organizations is an effective approach for enterprises aiming to enter overseas markets. Nevertheless, it is not easy for these enterprises to search through the massive amounts of information available to find projects that are worth pursuing as well as the corresponding open calls for tenders. To resolve that problem, JICS has begun offering services to provide necessary selected tender information, fitting to the specific needs of each enterprise.

The service collects information on public tender notices that are suitable to the products and technology owned by the respective enterprises subscribing to the service, and regularly notifies these clients by email. We are considering how to add value to the service by filtering through the collected information based on various criteria, including each client's business domains and areas of operations, as well as the objectives of the organizations calling for tenders, and then delivering the relevant information as early as possible.

Not only providing tender information, JICS intends to support its clients in all related processes involved, from submitting bids to international organizations, procuring the products and services to implement the project. JICS will also offer the use of its expertise and manpower in an effort to provide total support as a genuine partner. JICS is able to offer this service to clients because JICS itself has experiences in receiving orders from international organizations and has been executing tender procedures and concluding contracts for over 100 projects annually as a procurement agent on behalf of governments and organizations in developing countries. Leveraging this strong track record, we are striving to attract new clients.

## 2. Aiming to Fight Pollution by Applying Japan's Waste Processing Technologies

Going beyond its international organizational duties, JICS has recently taken its initiatives for supporting developing and emerging nations to the country of Georgia in collaboration with Japanese enterprises. In 2015, JICS established ties with two Japanese enterprises, Clean System Co., Ltd., which operates a waste recycling business in the city of Yamagata, and Carbon Free Consulting Corporation, a consulting firm specializing in development in various fields including the environment, and participated in a feasibility study by JICA to explore the potential of setting up a recycling project in Georgia utilizing Japan's advanced technologies for intermediate processing of waste. Drawing on its experience in handling Japan's grant aid in Georgia, JICS facilitated communications among the study team, Georgian authorities and enterprises, planned field studies including selection of interviewees and provided advisory on proposing ODA projects.

Soil and water pollution problems are serious in Georgia, where almost all waste is incinerated and buried in landfills. In that context, the study tried to determine whether certain types of waste could be recycled as materials or reused as fuel. If the feasibility study demonstrates that such a project is possible in the country, the project could contribute to both helping solve the environmental challenges in Georgia while assisting Japanese enterprises in expanding internationally.

JICS has gained extensive experience in negotiating with local government authorities in developing countries while implementing many projects under Japan's ODA program. Looking ahead, we are committed to applying this expertise to promote development and help improve the quality of life in emerging and developing countries, while also supporting the expansion of Japanese firms in such countries.

# JICS' Recent Events

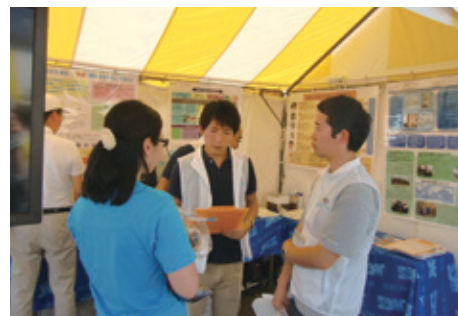
## Meetings of the Board of Directors and Board of Trustees Keep Management on a Steady Course in Fiscal 2015

In fiscal 2015, the Board of Directors held meetings seven times and the Board of Trustees convened for meetings twice. In the meetings of the Board of Directors, timely reports were given on JICS' management status, operational issues, management and organizational tasks, and important areas concerning developing new business. Deliberations were also carried out on the adoption of a system with three full-time directors, and the establishment of a Business Planning Office for the purpose of improving JICS' ability to plan and make proposals related to existing projects. During the discussions, motions were made by executive officers to recognize the necessity of improving marketing capabilities in order to develop new businesses going forward.



## Continued Participation in International Cooperation Events

JICS participates in various events that promote international cooperation, recognizing that they provide opportunities for raising awareness of its projects through direct engagement with various stakeholders. In fiscal 2015, JICS set up booths at Global Festa Japan 2015, held in Tokyo in October 2015, and One World Festival, an event held in Osaka in February 2016. At the event in Tokyo, its booth attracted a large number of visitors, including students interested in international cooperation and members of companies that had worked with JICS on projects in the past. In Osaka, JICS heard from a member of an NGO who had become employed as a salaried staff member in the organization as a result of funds from JICS' NGO support program for personnel expenses several years earlier, which had been allocated to help improve the organizational capabilities of NGOs. The person also described how he was currently playing a productive role in the NGO, and how its activities were making good progress.



The Kurumin mark

## Promoting Work-Life Balance and Acquiring Related Certification

In accordance with Japan's law for promoting education and support for children, JICS created an action plan in 2011 for helping its employees balance childcare and work responsibilities. Since then, JICS has improved its childcare leave program and made it easier for male employees to take time off for childcare. In February 2016, Japan's Ministry of Health, Labour and Welfare certified JICS under its Kurumin program, in recognition of JICS' proactive efforts to set up systems for supporting children. Besides childcare duties, caring for family members and coping with one's own health problems can limit anyone's ability to perform his or her work responsibilities. Therefore, JICS has begun providing support to employees who care for elderly parents by outsourcing a service that delivers caregiving in the home when the employees are sent overseas to work. Looking ahead, JICS will strive to create a workplace environment in which employees can perform their duties with a fuller understanding of each other's lifestyles and individual circumstances.



Efforts are made to help employees balance work and childcare responsibilities



## JICS' NGO Support Program Helps NGOs Make More Progress in Their International Cooperation Activities

### ■ Overview of JICS' NGO Support Program and Selection of Organizations Receiving Support in Fiscal 2015

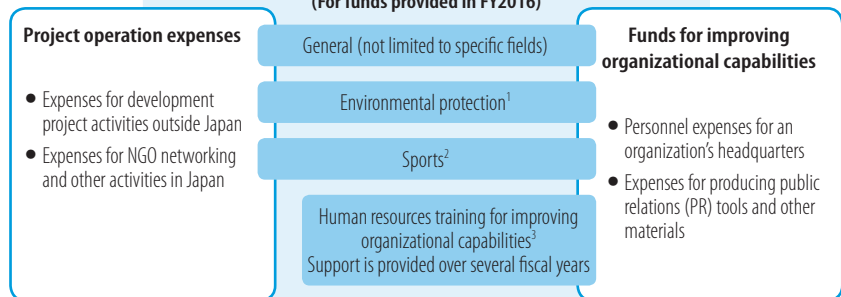
JICS provides financial support<sup>1</sup> to small and medium-sized Japanese NGOs and NPOs (hereafter, collectively referred to as "NGOs") that provide aid to developing countries. This support is provided to about 10 such organizations each year, up to a maximum amount of 1 million yen allocated per organization. The framework for the support is shown in the diagram below. Since 1999, when its financial support commenced, through to March 31, 2016, JICS has provided a cumulative total of approximately 151 million yen in financial support to 187 NGOs.

In fiscal 2015, JICS received requests for support from 31 organizations, of which 13 were chosen to receive support following deliberations by its Selection Committee. Among those selected, 12 were provided with funding for one year while one organization was provided with multiple-year funding. (The names of the organizations and their aid activities are presented on page 47 in Part 2 of this report.)

### ● Framework for JICS' NGO Support Program

Note that this framework changes depending on the fiscal year

#### Categories of NGO expenses and activities targeted for funding by JICS (For funds provided in FY2016)



Notes:

- The framework was reorganized in FY2016 to give importance to environmental protection.
- After becoming a member of the Sport for Tomorrow consortium, JICS reorganized its framework to include support for development projects that incorporate sports in developing countries.
- This expense category was added in FY2016, and the support extends over several fiscal years

### ■ Conference Held to Report on Activities and Share Ideas

As part of its NGO support program, JICS holds an annual conference for NGOs to report on their respective activities and share ideas. The event provides opportunities for members of NGOs to meet and exchange ideas with other NGOs and experts from outside their organizations. The conference was held on September 17 in 2015 with participation from 11 organizations that had received assistance from JICS in fiscal 2013.

#### ▼ Examples of NGOs Supported by JICS

##### Funds used for project operation expenses

Organization: Stop TB Partnership Japan

Aid activities: Funds from JICS were used for a campaign aimed at preventing tuberculosis (TB) in Indonesia through *wayang*, a traditional theatrical performance that makes use of shadows. Medical doctors and nurses from a healthcare center involved in combatting TB participated in the performances, conveyed the importance of preventing the disease, and answered questions from members of the audience.

##### Funds used for improving organizational capabilities and project operation expenses

Organization: Nature Saves Cambodia-Japan (NSCJ)

Aid activities: This NPO has been involved in promoting the clearance of minefields in Cambodia, and changing them into fields for growing organic cotton after mines are removed. Funds from JICS were used for helping NSCJ attract more support, specifically by renewing its website and holding study tours at the fields.



Learning how to make fabric using locally grown cotton



Doctors and nurses respond to questions in a Q&A session



The newly designed website