

2005

JICA

Japan International Cooperation Agency

Annual Report

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JICA *Feature*
Reforms Phase 2

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2005

Japan International Cooperation Agency Annual Report

Feature **JICA Reforms Phase 2**

Japan International Cooperation Agency

JICA Principles

The JICA Mission Statement contains JICA's Mission, which states its principles in one sentence, as well as the oath of service, which demonstrates its commitment to society.

JICA Mission Statement

JICA's Mission

We, as a bridge between the people of Japan and developing countries, will advance international cooperation through the sharing of knowledge and experience and will work to build a more peaceful and prosperous world.

Oath of Service

With passion and pride, as professionals in development cooperation, we will perform our work responsibly and energetically with love and a sense of duty; we will encourage and support the participation of the Japanese people in our work; we will work as partners to those in need of assistance; and we will strive to fill the world with hope and happiness by promoting peace and sustainable development.

When JICA made a new start as an independent administrative institution in October 2003, the JICA Mission Statement was drafted to gain better understanding from the citizens of Japan.



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Introduction to Japan International Cooperation Agency (JICA)

- 1. Founded:** October 1, 2003
- 2. Aims:** JICA is an independent administrative institution established under the New Japan International Cooperation Agency Law (Law No.136 of 2002) for the purpose of contributing to economic and social development in developing regions, etc., as well as to the promotion of international cooperation.
- 3. Capital:** 85.43 billion yen (as of March 31, 2005)
- 4. Budget:** 168.9 billion yen (FY2005)

Front cover photo: Elementary school students studying in a temporary school building in the area affected by the Great Sumatra Earthquake and Indian Ocean Tsunami Disaster (Aceh Province, Indonesia) Photo by Katsumi Yoshida

This report is printed on recycled paper.

Preface

Japan International Cooperation Agency became an independent administrative institution in October 2003. Based on the JICA Reform Plan issued in March 2004, JICA is promoting reforms in its operational framework and organizational structure.

In fiscal 2004, JICA enhanced its field operations, by decentralizing staff and delegating more authority from JICA headquarters to overseas offices. Field staff were given increased autonomy in order to use their expertise and implement projects more effectively, reflecting local needs.

Regarding project implementation, JICA has made a concerted effort to provide assistance to meet the needs of the local communities for sustainable development. This is in line with the framework for human security mentioned in Japan's ODA Charter.

JICA is striving to improve its effectiveness, efficiency, and speed of its operations through structural reforms and the introduction of a new personnel assessment system.

In March 2005, JICA announced Phase II of its reform plan, which focuses on domestic operations, offices, and facilities. The training program in Japan, which forms the core of domestic operation, is reviewed to provide better training courses in cooperation with the related institutions in the private and public sectors. It also focuses on the promotion of public participation programs such as the Japan Overseas Cooperation Volunteers Program, which marks its 40th year in 2005. JICA will examine measures to promote the effective use of domestic offices and facilities and the participation of citizens in international cooperation.

Fiscal 2004 was a milestone year for Japan's ODA. In October 2004, JICA held an international symposium to commemorate the 50th anniversary of Japan's ODA at the United Nations University in Tokyo, with the participation of distinguished guests such as the Administrator of the United Nations Development Programme (UNDP) and the Chairperson of the Commission of the African Union (AU). The roles of ODA, the efforts of the international community toward

achieving the Millennium Development Goals (MDGs), and the importance of support for Africa, among others, were discussed at the symposium.

In December 2004, a huge earthquake occurred off the coast of Sumatra and the tsunami caused unprecedented damage in the Indian Ocean, generating more than 300,000 victims. JICA dispatched Japan Disaster Relief (JDR) teams to four countries—Sri Lanka, Thailand, Maldives, and Indonesia—immediately after the tsunami. The memory is still fresh of our largest-ever relief operation, which lasted more than three months. JICA provides seamless assistance from emergency relief to reconstruction assistance, in areas affected by natural disasters and in post-conflict countries such as Afghanistan and Iraq.

In April 2005, the Japanese government pledged to double its ODA to Africa in the next three years at the Asia-Africa Summit held in Bandung, Indonesia. It also pledged at the Gleneagles G8 Summit in July to increase its ODA volume to developing countries by US\$10 billion over the coming five years. For Japan, ODA is an important means of contributing to the international community. Development assistance plays a pivotal role in supporting development and stability, reducing poverty, and fostering economic growth in developing countries, which is a foundation of world peace. JICA is firmly committed to the achievement of a peaceful and prosperous world.

Toward the end of the second year of the new JICA, this publication summarizes the progress of JICA reforms, as well as JICA's activities and results in fiscal 2004.



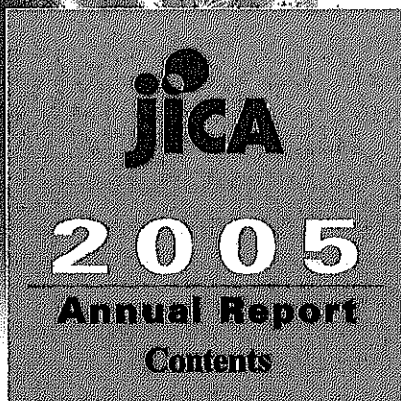
September 2005

緒方 貞子

Sadako Ogata

President

Japan International Cooperation Agency (JICA)



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This report covers program results and the status of activities for the Japan International Cooperation Agency (JICA) in fiscal 2004.

Feature: JICA Reforms Phase 2 ~Evolving International Cooperation~

Under the three pillars—field based management, human security, and effectiveness, efficiency and speed—the Japan International Cooperation Agency (JICA) has pushed forward reforms with respect to the nature of projects and organizations since its re-launch as an independent administrative institution in October 2003.

In fiscal 2004, JICA enhanced overseas fields by shifting many personnel there as the first phase of the reforms. In fiscal 2005, the second year of the reforms, we are strengthening the domestic implementation system as the second phase.

This feature reports on the progress of the reforms in fiscal 2004 and the second phase of reform plans in detail from the following three aspects.

1 Practicing Field Based Management

In order to respond to local needs promptly, overseas offices (field) take the initiative in implementing projects. This is JICA's field based management. The progress in fiscal 2004 is reported.

- Prompt response to local needs

Prompt rescue and relief activities and rehabilitation and reconstruction assistance in response to the Great Sumatra Earthquake and Indian Ocean Tsunami Disaster, which occurred in December 2004.

- Consolidation of a new field based management system

A new project management style called "management by overseas office," which was created to promote projects under the initiative of overseas offices (field)

- Efforts in the aid frontier

Expansion of the frontier of JICA's projects in peacebuilding, reconstruction assistance, and promotion of cooperation with civil societies, which were made possible through field based management

2 Progress in Human Security

This section reports on how JICA has adopted the concept of human security, which Japan's new ODA Charter refers to, and its progress.

3 Reform of Domestic Operations to Promote Field Based Management

In fiscal 2005, domestic operations are being enhanced according to the JICA reform plans, Phase 2. Measures to establish a system to match local needs overseas and domestic resources are introduced.

- Restructuring domestic offices

Rationalization of domestic offices and functional enhancement

- Promotion of citizen participation

Various strategies to promote citizen participation in cooperation

- Reform of training programs and enhancement of the Institute

for International Cooperation

Reforms of training program in Japan, which is positioned as one of the most representative domestic operations in technical cooperation, and the new position of IFIC as a practical think tank.

Part I ODA and JICA Programs

A comprehensive report on ODA and JICA program results in fiscal 2004 (calendar year 2004 for ODA) is provided. More detailed JICA results can be found in Part IV of this report or on the attached Statistical Appendix CD-ROM.

Part II JICA's Regional Activities

Part II divides the countries of the world into 10 regions and describes JICA's cooperation activities for each region. It reports on the basic principles of JICA's assistance to each region, gives an overview of the regions, and summarizes the priority issues and measures in JICA programs. It also introduces representative projects in each region, allowing the reader to overview specific activities.

Chapter 1 Asia

1. Southeast Asia

The most important development issues to be addressed by ASEAN today are sustainable economic development in individual countries and promotion of economic partnership. In order to upgrade regional competitiveness of ASEAN, it is necessary to raise the level of the four countries that joined ASEAN in the 1990s. With this in mind, assistance for this region is carried out under four pillars responding to global issues in the region: (1) assistance for the promotion of growth led by the private sector and in strengthening international competitiveness; (2) assistance for the correction of interregional disparities; (3) assistance for poverty reduction; and (4) measures against terrorism and piracy.

2. East Asia

Due to its rapid economic growth, changes in its socioeconomic structure, and reduction in Japan's total ODA, aid policies for China were reviewed in 1991. In line with the revision, JICA provides cooperation with a focus on four priorities: (1) environmental and other global issues; (2) assistance for open and reform policy; (3) mutual understanding; and (4) poverty alleviation.

Cooperation for Mongolia is provided under four pillars: (1) development of institutions building and human resources development necessary for promoting a market economy; (2) support for rural development; (3) support for environmental protection; and (4) support for the development of infrastructure.

3. Central Asia and the Caucasus

It will soon be 15 years since respective countries in the region achieved independence and the speed and direction of development vary. JICA provides cooperation in four areas: (1) support for transition to a market economy; (2) socioeconomic infrastructure development; (3) cooperation with social sectors such as health and education; and (4) conservation of the environment.



Photo by Katsumi Yoshida

4. Southwest Asia

JICA's cooperation in Southwest Asia, which has 40% of the world's poor population, prioritizes poverty reduction incorporating the perspective of human security and approaches the issue from both sides: improving basic living standards and stable growth of economy. Long-term support will be given for peacebuilding in Sri Lanka as well as damage in Sri Lanka and Maldives, which were damaged by the Great Sumatra Earthquake and Indian Ocean Tsunami Disaster.

Chapter 2 Middle East

JICA places the utmost priority on peacebuilding and reconstruction assistance for Afghanistan, Iraq, and Palestine as the key to regional stability in Middle East. In terms of securing industrial competitiveness in view of trade liberalization with EU and solving employment issues, industrial human development is a common issue in the region.

Chapter 3 Africa

Building on TICAD (I-III), Cooperation is provided in line with (1) contribution to MDGs, (2) enhancement of support for the vulnerable groups and communities, (3) timely reconstruction assistance in post-conflict countries, (4) follow up of TICAD III, (5) support for the policy process of each African country and strengthening aid coordination through the Poverty Reduction Strategy Paper (PRSP), etc.

Chapter 4 Latin America

1. Central America and the Caribbean

While utilizing regional cooperation targeting a group of countries, South-South cooperation among countries in the region, and aid coordination and collaboration with other donor countries, in order to address poverty reduction which is the priority issue in the region, JICA prioritizes cooperation in several areas: (1) emphasis on expansion of basic education; (2) health and hygiene; (3) agricultural and rural development; (4) industrial development and development of socioeconomic infrastructures; (5) environmental conservation; (6) disaster prevention (hurricanes, earthquakes, floods, etc.); (7) citizens security.

2. South America

In this region, which contains medium-developed countries and impoverished countries, in order to correct domestic and intra-regional disparities and realize sustainable development, JICA addresses several priority issues: (1) support for poverty control aiming at disparity correction; (2) support for development of an investment environment and trade promotion measures; (3) response to environmental issues; (4) support for proper management of natural resources, maintaining and improving food producing capacity; (5) response to regional integration and promotion of intra-regional cooperation; and (6) active collaboration with Japanese immigrant communities.

Chapter 5 Oceania

In order to develop societies that are independent of the former suzerain states, developing human resources and building socioeconomic infrastructure are emphasized. Also, environmental problems represented by coral reef destruction and solid waste disposal have become serious, and regionwide cooperation crossing national borders is being promoted to address such problems as common issues in the region.

Chapter 6 Europe

Since 10 countries in central and eastern Europe acceded to the EU in May 2004, JICA has shifted its aid focus in Europe to consolidation of peace and economic development in the western Balkans (former Yugoslavia region). For Bulgaria and Romania, whose accession to the EU in 2007 is being discussed, JICA continues cooperation in view of their graduation from aid.

Part III JICA Programs by Development Issue

In April 2004, JICA changed its organization structure from one based on schemes and sectors to one based on issues in order to increase its capacity to respond to development issues. In response, Part III introduces these approaches by issue.

Chapter 1 Approach to Development Issues

In July 2005 the G8 Summit in Gleneagles took place where African development was discussed as the main agenda in addressing the MDGs, and in September 2005 the mid-term review of the Millennium Declaration was made. Thus 2005 was an important year for the MDGs as a whole.

In addition to social development, human development, global environment, rural development, and economic development, the report provides MDGs as a primary issue and introduces JICA's relevant activities.

Chapter 2 Cooperation Modality

JICA's representative cooperation programs are introduced.

Chapter 3 Project Evaluation

Evaluation and follow-up, which are critical to efficient and effective project implementation, are described.

Part IV Fiscal 2004 Results

Part IV provides more details on fiscal 2004 JICA's programs, which were introduced in Part I, by region, sector, and country. Even more detailed results can be seen on the Statistical Appendix CD-ROM.

Reference Section:

Organization and Budget of JICA

JICA's history, organization, budgets, financial statements, domestic and overseas offices are provided.

Reading the Annual Report of the Japan International Cooperation Agency

1. This annual report summarizes the activities of JICA in fiscal 2004 (April 1, 2004 to March 31, 2005).
2. The figures contained in the report are those for the fiscal year mentioned above in the case of JICA and for the calendar year 2004 (January 1,

- 2004 to December 31, 2004) in the case of ODA. Please note that some figures are provisional values and figures may vary according to the timing and method of calculation.
3. All sums indicated with a dollar sign (\$) refer to US dollars and are calculated at an exchange rate

of \$1.00 = ¥108.1 (the official Development Assistance Committee (DAC) rate in 2004).

4. All maps contained in the report are approximate. National boundaries that are under dispute or unclear have been entered merely for convenience.