

2006

JICA
Japan International Cooperation Agency

Annual Report

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Progress in
Feature JICA Reforms

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Japan International Cooperation Agency Annual Report



Feature Progress in JICA Reforms

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.



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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.

Profile of 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:** ¥88.51 billion (as of March 31, 2006)
- 4. Budget:** ¥164.4 billion (FY2006)

Front cover photo: "A woman roasting seeds of the shea nuts to make shea butter soap (Northern Region, Ghana)"

Photo by Katsumi Yoshida

This report is printed on recycled paper.

Preface

Major changes are underway in the provision of Japanese assistance to the world's poorer states and the operations and structure of the country's technical cooperation organization, the Japan International Cooperation Agency (JICA).

Official Development Assistance (ODA) is the umbrella under which Japan, via its specialist agencies and ministries, delivers various types of financial and development help to the neediest countries, in the process fulfilling its obligations as a major international contributor.

Starting in 2005, particularly at the G8 Summit of leading industrialized countries, it was agreed to increase help for global poverty reduction and economic growth, particularly in Africa. Within this context, Japan pledged to increase ODA by US\$10 billion over the next five years and double its assistance to Africa within three years.

To help meet those goals, JICA, which provides assistance to more than 150 nations and regions, itself is undergoing fundamental change in several areas: restructuring its organization and overseas operations; reforming domestic operations to more fully promote field-based programs; and completing a merger with the Japan Bank for International Cooperation (JBIC) by 2008.

Since it became an independent administrative institution in 2003 and adopted a comprehensive Reform Plan, JICA has been undergoing operational and organizational change in three main areas. In the first of these, far greater emphasis is now placed on a field-based approach to projects, decentralizing staff and delegating increased authority from JICA headquarters in Tokyo to overseas offices. Local links with governments and other key players such as non governmental organizations (NGOs) have been strengthened and projects which are both more responsive to local needs and more comprehensive in scope have been developed.

Secondly, the recently developed concept of 'human security' aims to improve the administrative capacity of governments and, importantly, empower local communities to have a greater say in their own futures by strengthening such grassroots programs as improving education and health programs. The number of JICA projects incorporating this approach is increasing steadily worldwide.

Effectiveness, efficiency and speed is the third element which will allow the organization to draw up emergency plans flexibly and efficiently and provide badly needed help more promptly. JICA introduced this Fast Track System in July 2005 to more rapidly implement assistance to areas which suffered major natural and man-made disasters

including restoration, reconstruction and peace building. This concept has already been employed to regional development in Palestine, reconstruction assistance in South Sudan and post-earthquake restoration in Pakistan.

JICA hopes to complete these reforms by the end of 2006.

The overhaul of domestic operations which, in turn, will help to support and promote a more active approach to field management is also underway. JICA is streamlining domestic offices and overhauling training programs for about eighty hundreds of participants who visit Japan each year to attend technical courses. The JICA Global Plaza in the Hiroo district of Tokyo was opened in April, 2006, dedicated to promoting international cooperation with the widespread participation of citizens and NGOs. The number of activities such as support for development education, exchange events and training programs will also be increased.

These reforms have already begun to bear fruit and we are determined to further promote such measures—while at the same time continuing to streamline and rationalize operations with a view to reducing various expenditures both at home and abroad.

Meanwhile, the merger between JICA and the Japan Bank for International Cooperation (JBIC) is continuing. An Administrative Reform Promotion Law was enacted in May 2006 as part of this process under which JICA will take over yen loan operations from the Bank to become a comprehensive aid agency responsible for a unified implementation of technical cooperation projects, grant aid and yen loans.

The establishment of the 'New JICA' will be finalized through deliberations in the Diet. When it is completed in 2008 it will make JICA the world's largest bilateral aid donor and will mark the most important turning point in the history of Japan's ODA.

This publication summarizes basic policies for establishing the new JICA in fiscal 2008 as well as JICA's activities and results in fiscal 2005.



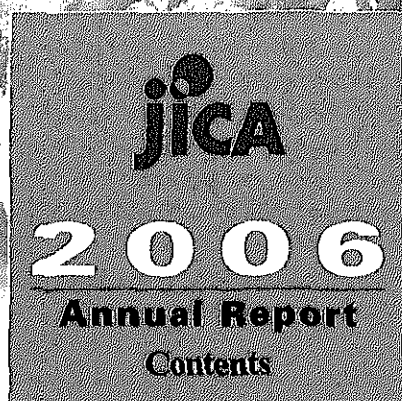
September 2006

緒方 貞子

Sadako Ogata

President

Japan International Cooperation Agency (JICA)



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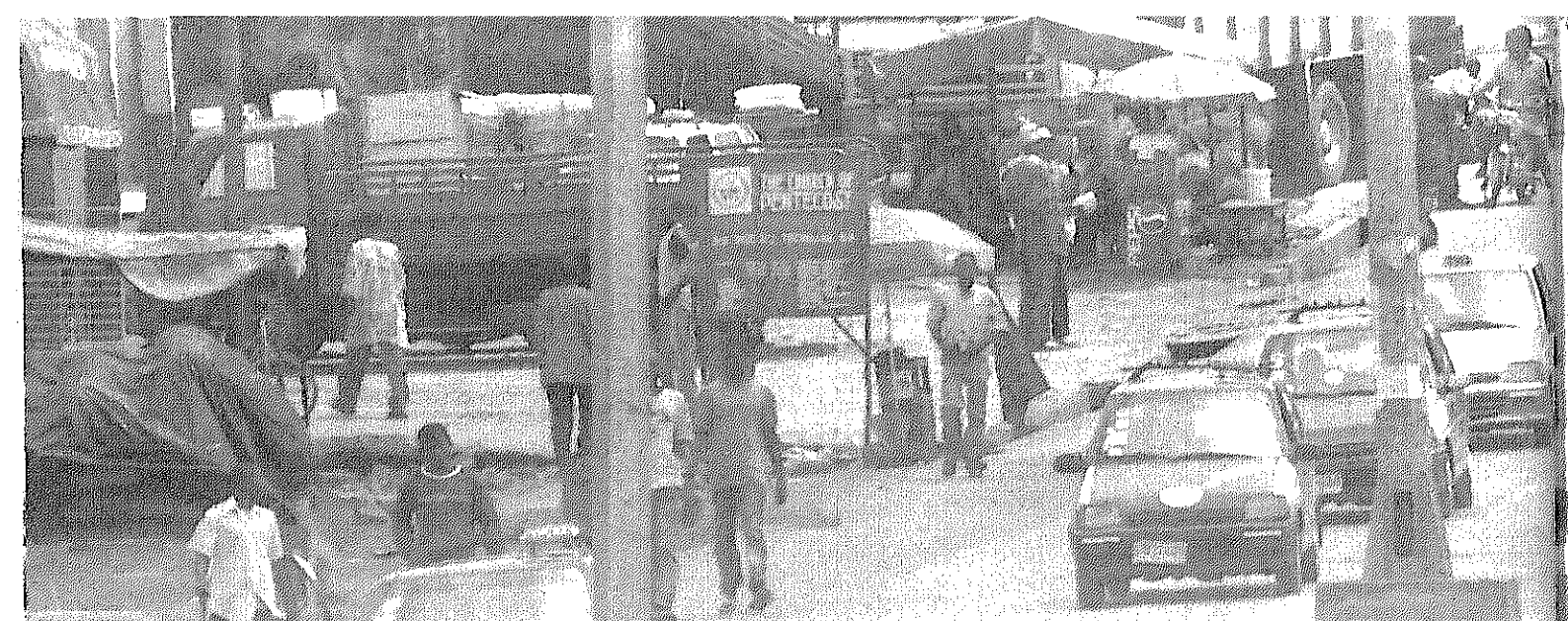
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This report covers program results and the status of activities for the Japan International Cooperation Agency (JICA) in fiscal 2005.

Feature: Progress in JICA Reforms ~In Pursuit of More Robust 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. This feature reports on the progress in JICA reforms up to fiscal 2005 and introduces JICA’s tasks in response to another Japan ODA reform scheduled for fiscal 2008.

1 Reform from the Field

What has been changed by the enhancement of field operations, the first phase of the reform plan that started in fiscal 2004? The outcomes of the two-year efforts are reported in terms of the following four aspects.

• Speed

As an example of overseas initiative promptly responding to local needs, Emergency relief for the Northern Pakistan Earthquake that occurred in October 2005 as well as its restoration and reconstruction assistance are presented. Another example is the Fast Track System, a scheme that enables quick response to urgent activities, which has been adopted in peace-building projects in Palestine and Sudan.

• Strategic Feature

As measures for reinforcing country- and issue- specific approaches, clarification of program goals with local perspectives realizes efficient works in the achievement of medium- and long-term development goals. A case in Ghana is introduced.

• Partnership

Locally initiated collaboration between technical cooperation and financial assistance in Viet Nam is observed. Partnership with UN agencies and other donors are also introduced.

• ODA Task Forces

The activities of ODA Task Forces were intensified, and contributed to policy-making in the partner country’s government. A case in Bangladesh is introduced.

2 Reform of Domestic Operations

• Opening of JICA Global Plaza

JICA Global Plaza, which opened with remodeled facilities, is introduced as a base for JICA’s citizen participatory cooperation programs.

• Partnership with Universities

Partnerships with universities that progress under the initiative of JICA’s domestic offices through the institutional introduction of agreements and minutes of understanding are reported.

3 JICA’s New Tasks in Japan’s ODA Reforms

JICA’s basic policies for integration with the Japan Bank for International Cooperation (JBIC) are described.

Part I ODA and JICA Programs

A comprehensive report on ODA and JICA program results in fiscal 2005 (calendar year 2005 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 overviews 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

JICA identifies three priority issues in providing cooperation for ASEAN, whose integration is being advanced: (1) support for regional integration (strengthening international competitiveness, correcting inter-regional disparities); (2) poverty reduction effort based on the perspective of “Human Security”; and (3) response to cross-border issues (terrorism, piracy, etc.)

2. East Asia

JICA is working to understand China’s detailed aid needs based on China’s five-year plan announced in March 2006 and implementing cooperation with a focus on four priorities: (1) cooperation towards resolving environmental and other global issues; (2) assistance for open and reform policy; (3) promotion of mutual understanding; and (4) assistance for poverty alleviation.

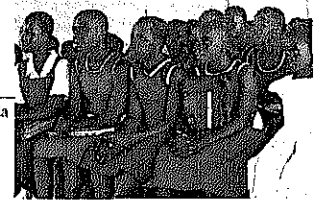
Cooperation for Mongolia is provided under four pillars: (1) support for institution-building and human resources development necessary for promoting a market economy; (2) support for rural development; (3) support for environmental conservation; and (4) support for the development of infrastructure.

3. Central Asia and the Caucasus

It has been over a dozen years since respective countries in the region achieved independence, and the speed and direction of their development vary. In view of Japan’s new cooperative framework, that is to say a “Central Asia plus Japan” dialogue, JICA provides cooperation for rebuilding social sectors while paying attention to the level of development in each country.

4. Southwest Asia

JICA’s cooperation strategy in Southwest Asia, which accounts for 40% of the world’s poor population, positions poverty reduction as its top priority, and adopts two-sided approaches: improving basic living standards and stable economic development. In addition, long-term support will be



given for peacebuilding in Sri Lanka, for the Great Sumatra Earthquake and Indian Ocean Tsunami Disaster in Sri Lanka and Maldives, and for the disaster caused by the Northern Pakistan Earthquake that occurred in 2005.

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 the Middle East. At the same time, in the fields of water resource management, industrial promotion, developing technicians, and environment, all of which are issues common to the region, JICA implements cooperation in line with the needs in each country.

Chapter 3 Africa

Targeting poverty reduction as the ultimate goal in African development, JICA's cooperation is provided in line with five policies: (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 and continued support with the New Partnership of Africa's Development (NEPAD); and (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.); and (7) citizens security.

2. South America

In this region, movements toward regional cooperation and economic integration are prominent. In order to correct disparities between and within countries, and to realize sustainable development, JICA addresses six priority issues: (1) correction of disparities and poverty reduction; (2) sustainable economic growth; (3) global issues; (4) peacebuilding and support for the socially vulnerable groups; (5) promotion of regionwide coop-

eration and South-South cooperation; and (6) active collaboration with Nikkei (Japanese descendant) communities.

Chapter 5 Oceania

With the aim of developing societies that are independent of the former suzerain states, in order to expand basic social services and promote economic growth, developing human resources and building socioeconomic infrastructure are emphasized. As common issues in the region, cross-border cooperation is being provided to address environmental problems represented by coral reef destruction and solid waste disposal.

Chapter 6 Europe

Since 10 countries in Central and Eastern Europe acceded to the EU in May 2004, JICA has shifted its aid focus to peace consolidation and economic development in the Western Balkans (former Yugoslavia region). Based on the discussion in the Ministerial Conference on Peace Consolidation and Economic Development of the Western Balkans held in Japan in 2004, JICA's aid will underline these two issues.

Part III JICA Programs by Development Issue

Part III introduces JICA programs, mainly approaches to each development issue.

Chapter 1 Approach to Development Issues

In addition to social development, human development, global environment, rural development, and economic development, this year's report takes up the latest JICA approach to MDGs.

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 2005 Results

Part IV provides more details on fiscal 2005 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, and 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 2005 (April 1, 2005 to March 31, 2006)
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,

- 2005 to December 31, 2005) 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 = ¥110.1 (the official Development Assistance Committee [DAC] rate in 2005).
4. All maps contained in the report are approximate. National boundaries that are under dispute or unclear have been entered merely for convenience.