Review of Systems and Procedures

The mid-term objectives and mid-term plan of JICA after it became an independent administrative institution define operations to be achieved during the three years and six months that started in October 2003 and end in March 2007. (See pages 225 - 237 for the entire texts of the mid-term objectives and mid-term plan) Plans related to operation management for a fiscal year based on the mid-term plan are formulated as an annual plan to promote concrete activities, and the performance is evaluated at the end of the fiscal year to reflect the results on the organizational operation.

JICA is working toward more efficient operation management to achieve prompt decision-making, efficient clerical procedures, efficient pricing of major expenditures of projects and efficient use of general administration costs, etc. On the other side of this promotion of efficiency, JICA is working on raising the quality of its operations by strengthening project formation assistance, promoting information disclosure, strengthening environmental and social considerations, enhancing project evaluation, and promoting the participation and understanding of citizens.

1. Expedite Decision-making

In order to bring about prompt decision-making, a team system was introduced to simplify the organizational hierarchy as part of the organization reform of April 2004, thus reducing by about 10% those posts higher than the conventional deputy director of division. Based on the team system, the standard of decision-making was revised to further reduce the time required for decision-making.

2. Streamline Clerical Procedures

JICA began formulating concrete measures in fiscal 2004 to reduce the number of days required to dispatch experts and close consultant contracts; disclose procurement related information on the homepage promptly; promote the computerization of approvals and documents for communication; promote utilization of outsourcing companies for clerical work; etc.

3. Cut Operating Costs

JICA has examined specific measures to cut about 10% of the cost per unit spent on input* necessary for implementation of various projects (such as dispatch of experts, acceptance of training participants, equipment procurement, and dispatch of study teams) by 2007. In fiscal 2003, the number of long-term experts dispatched and the cost of housing of training participants were reduced.

4. Cut General Administration Costs

With the goal of cutting administration costs at the organization headquarters by 10% from what they were in fiscal
2002, JICA examined concrete measures for reducing costs such as personnel expenses, office rental, official car costs, computer costs, internal and external commutation costs, and costs for dispatching personnel. Results have already been achieved in office rentals, computer costs, etc., for fiscal 2003.

**Organizational Reform**

Ever since the New JICA started as an independent administrative institution in October 2003, it has promoted reforms in both organization and operations to implement more effective and efficient projects. The headquarters and domestic offices were reformed in April 2004 to establish an implementation system with clear responsibility required of an independent administrative institution, as well as implement more effective and efficient projects flexibly and promptly.

As a pillar of organizational reform, JICA emphasizes a field-oriented approach for the purpose of strengthening the system to deal with various development issues in developing countries appropriately and promptly. As a part of the reform, the organization and system of the headquarters were fundamentally reexamined to establish a simpler and faster decision-making process. We believe that this organizational reform will raise the efficiency of support to project fields and strengthen the system foundation in aid fields as an implementation agency of technical cooperation.

1. **Introduction of Team System**

   The conventional director of division and deputy director positions were abolished and a team system was introduced in the headquarters and domestic offices. By delegating responsibility and authority, the quality and speed of decision-making will be raised.

   Forty-six groups and 146 teams are installed in the headquarters and five groups and 56 teams at domestic offices. In addition to the reduction of staff at the headquarters owing to rationalization, such as the introduction of the team system, 10% of the posts higher than that of conventional deputy director of division were reduced to simplify the organization.

2. **Shift to a Framework with an Issue-specific Approach**

   To strengthen the approaches to development issues such as Millennium Development Goals (MDGs)*, JICA shifted from a framework using scheme and sector-specific approaches to that which uses an issue-specific approach.

   Five departments in charge of technical cooperation projects and three departments in charge of development study have been reorganized into five issue-based departments with higher capabilities to respond to issues.

   From now on, technical cooperation projects, development studies, etc., are combined in one department to reduce the adjustment cost for more flexible implementation and management with clear responsibilities for results.

   In addition, JICA will accumulate knowledge and know-how by sector and issue in issue-based departments to strengthen technical support overseas.

3. **Consolidation of Country- and Region-specific Approaches**

   Based on the aid policy of Japan, the current four regional departments have been reorganized into five regional departments (Regional Department IV, Africa, and Regional Department V, Middle East and Europe are new) and the country- and region-specific framework will be further strengthened to meet the needs of each country and region.

   The operations carried out by regional departments will basically be transferred to issue-specific departments.

   New regional departments formulate country- and region-specific plans and promote the identification and formulation of cooperation programs that integrate overseas resources through support for overseas offices and ODA Task Forces.

4. **Establishment of New Offices in the Reform**

   Offices required for autonomous and accountable organization management as an independent administrative institution have been established.

   - Performance Evaluation Team (strengthening monitoring of mid-term plans, etc.)
   - Office of Public Relations (strengthening transparency and accountability*)
   - Office of Environmental and Social Considerations Review

   Campaign poster for becoming an independent administrative institution
Enhancing Evaluation System of Overseas Office

Overseas offices play greater roles than ever in implementing effective cooperation projects that respond to the needs of developing countries properly. Previously, most evaluations carried out by overseas offices were evaluations that came at the end of overseas training. However, the larger the roles become, the more evaluations overseas offices carry out.

One example is the introduction of an ex-post evaluation system by project in fiscal 2002 as part of the establishment of a consistent evaluation system from ex-ante to ex-post. Overseas offices take the initiative in carrying out this evaluation for the purpose of utilizing evaluation results to identify and formulate projects. In addition, in order to strengthen the project implementation system of overseas offices, more projects are managed by overseas, resulting in more cases where overseas offices carry out consistent evaluation from ex-ante.

JICA is working to strengthen the evaluation system in order to provide higher quality evaluation and more effective implementation of projects by utilizing the evaluation results. As evaluations carried out by overseas offices rapidly increase, as mentioned earlier, it is very important to expand the evaluation system of overseas offices. For that purpose, JICA is making various efforts.

In terms of the system, in fiscal 2003, evaluation chiefs in charge of supervising the quality of evaluations and the promotion of feedback of evaluation results were assigned in each department that is responsible for project implementation. These evaluation chiefs are posted in the headquarters as well as at all overseas offices. They are connected with the Office of Evaluation (department in charge of evaluation in the headquarters) and other evaluation chiefs through a network utilizing IT. Overseas evaluation chiefs utilize this network to request technical advice from the Office of Evaluation and to share knowledge with other chiefs.

For the purpose of improving the evaluation capacities of overseas offices, distance training utilizing a TV conference system commenced in fiscal 2003. Curriculum and materials for training are developed in English in cooperation with the World Bank Institute (WBI), and training programs are distributed to a network connecting Japan, the US, and recipient countries. In the first fiscal year, this training was held at overseas offices in Indonesia, the Philippines, Thailand, Malaysia, and Viet Nam with the participation of JICA overseas office staff and many people from developing countries involved in JICA projects. In addition to the implementation of distance training, JICA has been working on guidelines and manuals used for evaluations by overseas offices. English versions of the project evaluation guidelines that were revised in February 2004 are being prepared and project-specific ex-post evaluation procedures in English are being created.

JICA endeavors to enhance external evaluations to improve the objectivity of evaluation results, and a similar approach is taken for evaluations carried out by overseas offices. Specifically, in addition to external evaluations (primary evaluations) in which external institutions or intellectuals directly evaluate a project, double evaluations (secondary evaluations), in which external intellectuals evaluate the evaluation carried out by the overseas office, were introduced in fiscal 2003. Intellectuals such as university professors, researchers, and members of parliament in the developing country take part in the secondary evaluations as the third party from outside.
Strengthen Feedback of Study Results

To implement more effective projects, it is important to learn from lessons in the past and improve projects. Positioning project evaluation as an important tool for improving projects, JICA is working to strengthen the feedback system of the evaluation results to projects.

As a part of this system to promote the utilization of evaluation results, the format of ex-ante evaluation sheets prepared before the start of a project was revised in fiscal 2003 and an item about the utilization of lessons from similar projects in the past was added. At present, JICA utilizes lessons learned from projects implemented in similar fields and the same areas in the past starting from the project formation stage when launching a new project so that more effective projects can be planned and implemented.

For example, in the IT Human Resources Development Project in the Philippines that started in fiscal 2004, based on lessons learned from the evaluation results of IT related projects in the past, the following actions have been carried out in planning.

1) Given that IT is a field in which equipment becomes obsolete due to rapid technological changes, equipment is introduced step-by-step as the project progresses.
2) To flexibly correspond to changes in technological trends, short-term experts are utilized. Long-term experts are in charge of the overall management of a project and short-term experts are in charge of technology transfer* in various fields.
3) To secure self-reliance and development in the implementing institute, experts in charge of technology transfer related to the management of training institutions and industry-university collaboration are put in place.

In addition to further utilization of lessons at the planning stage, JICA collects the cases of projects that attempted improvements by utilizing the evaluation results, and then shares them by introducing them in the Annual Evaluation Report that is issued every year.

In the Study of Prevention of Desertification in the South Region of Segou in the Republic of Mali (1999-2003), which was introduced in the Annual Evaluation Report 2003, a verification project (a project to improve living conditions and control natural resources led by residents) was implemented to examine the validity of the plan at the same time the plan for preventing desertification was formulated. At that time, based on lessons obtained from various projects, which call for a plan formulation that envisions the securing of self-reliance and development, the securing of self-reliance and development was also addressed. To be more concrete, as there was concern over a shortage of management expenditures in the recipient country, part of the implementation cost was collected from the residents subject to the project and used to pay for the project management. This fund is also utilized for financing income creation activities (micro-finance), and the residents smoothly operate the project after termination of cooperation.

JICA will further strengthen feedback of evaluation results to projects for more effective and efficient implementation of projects in the future. To that end, the entire organization will continue to make efforts.