

# JICA's Mid-term Plan/Annual Plan for Fiscal 2013

## 1 JICA's Mid-term Plan

In accordance with Article 30, Paragraph 1 of the Act on General Rules for Incorporated Administrative Agencies, the Japan International Cooperation Agency (JICA) has established the following Mid-term Plan for achieving its Mid-term Objectives during a period commencing with fiscal 2012.

Taking into consideration the circumstances surrounding development assistance set out in its Mid-term Objectives, JICA follows its vision of "Inclusive and Dynamic Development" in effectively conducting projects in accordance with the initiatives and policies of the Japanese government regarding Official Development Assistance (ODA). Guided by the vision, JICA will promptly supply comprehensive assistance for people living in developing regions from the standpoint of ensuring human security. Its activities shall target issues involving coping with globalization, achieving equitable growth, reducing poverty, and improving governance. In following this plan, JICA's staff members will remain particularly conscious of the enormous assistance offered by many countries after the Great East Japan Earthquake in Japan, as well as the necessity of pulling together with the rest of the nation in the reconstruction drive following this catastrophe. With these points in mind, JICA will move ahead with cooperation efforts that meet the expectations of other countries. In addition, taking full advantage of its position as one of the few public sector organizations that operates projects in developing regions at large while also having offices across Japan, JICA will correlate the domestic challenges and experiences with those of other countries to contribute to the mutual resolution of issues.

Since its launch as a renewed organization in October 2008, JICA has become the sole implementing agency for all major Japanese ODA schemes—Technical Cooperation, Loan Assistance and Grant Aid. This structure enables JICA to implement optimum aid in developing regions facing various development issues by effectively combining the three forms of assistance in a harmonious and efficient manner that takes into account their special characteristics. Going forward, JICA will further build on its efforts to spread the synergetic effects of its merger, promoting a program based approach in line with the Japanese government policy as a means to increase internationally competitiveness and become more strategic in operations. In solving development issues, JICA will bring together the knowledge and experience of an "all-Japan" team of organizations through networking with NGOs, Japanese companies including small and medium-sized enterprises (SMEs), academic institutions and municipalities.

JICA will further raise its level of expertise with regard to analysis and problem solving skills by incorporating international trends of development assistance in addition to the knowledge JICA has accumulated in the field. Additionally, it will strengthen its external communications skills and deepen its cooperation with partners in the international community, for Japan to make intellectual contributions and play a leading role in global development assistance. Through these measures, JICA will meet the expectations of the international community. It will also enhance the transparency of its activities and organization, gaining understanding, support and empathy for international cooperation in Japan among citizens and at other levels of society.

In addition, JICA will carefully study the rigorous suggestions made for incorporated administrative agencies including JICA. To fulfill its mandate from the people of Japan, JICA will operate in a more strategic, effective and efficient manner by constantly pursuing self-improvement throughout its organization and activities.

In executing the Mid-term Plan, JICA will make every effort possible while continuing to collaborate with associated government institutions. Taking into account the individual characteristics of aid programs, it will establish annual fiscal targets that are as quantitative

and concrete as possible.

### 1 Measures to be taken to achieve the objective regarding improvement of the quality of operations such as services provided to citizens

#### [1] Measures to carry out strategic operations

JICA will conduct operations in accordance with Japanese government policies such as the ODA Charter, Japan's Medium-term ODA Policy, the Country Assistance Program and the Priority Policy Issues for International Cooperation as well as the development strategies and demand for assistance from recipient countries. It will place emphasis on the quality of projects as well as the quantity and incorporate the PDCA (Plan, Do, Check, and Action) cycle in every process. JICA will reinforce its program based approach to provide strategic, effective and efficient assistance in accordance with the priorities set by the Japanese government—poverty reduction, sustainable economic growth, addressing global issues, and peace-building. JICA's program based approach involves utilizing its expertise as an aid agency to understand development needs and current circumstances through country and/or regional analyses and dialogues with recipient countries and then combining the three schemes of Technical Cooperation, Loan Assistance and Grant Aid, flexibly and organically to serve those needs. Moreover, JICA will leverage its expertise as an aid agency to strengthen its project planning ability, establishing a powerful implementation system to upgrade its project planning and execution capabilities. These efforts will not be limited to existing assistance schemes, JICA will also improve its approach, methods and processes. In implementing projects, it will correlate its challenges and experiences in Japan such as the Great East Japan Earthquake, disaster prevention, declining birth rate and aging population, environment and energy, with those abroad in order to contribute to mutual solutions. At the same time, JICA will initiate measures to enhance public understandings and support for ODA.

Taking into account ODA policy and other policies of the Japanese government, JICA pursues its vision of "Inclusive and Dynamic Development." Guided by the vision, JICA will formulate and implement projects of the highest standard ensuring human security in such priority areas such as poverty reduction, sustainable growth and global issues as well as peace-building.

Specific activities are as follows.

#### (a) Poverty reduction (contribution to the achievement of MDGs)

- JICA will assist the developing areas to achieve equitable growth, and thereby continued reduction in poverty, through assisting the poor in developing their various latent capabilities and by providing an environment in which those capabilities can be demonstrated.

#### (b) Sustainable economic growth

- JICA will support sustainable growth in developing countries while contributing to the growth in Japan at the same time. JICA will share Japan's experiences in reconstruction and growth as well as its knowledge, technologies and systems with the world. In doing so, JICA will implement projects with consideration for disparity-reduction to ensure the benefits of economic growth are shared widely among the population including the poor.

#### (c) Addressing global issues

- JICA will collaborate with the international society to seek solutions to global issues such as global warming, infectious diseases, food and energy supplies, and disaster risk management.

(d) Peace-building

- JICA will provide seamless aid throughout the peace-building process, from emergency humanitarian assistance to reconstruction and development, to prevent conflicts and their reoccurrence and to consolidate peace.

(e) Strengthening the strategic value of operations and improving operations management

- Based on its country and/or regional analysis and sector and/or thematic strategies, JICA will promote a program based approach that combines a harmonious and efficient mix of Technical Cooperation, Loan Assistance and Grant Aid.
- To carry out projects more strategically, effectively and efficiently, JICA will fully respect the PDCA cycle including ex-post project monitoring and follow-up activities, while compiling and transmitting the project achievements in Japan and overseas.
- JICA will provide comprehensive support towards developing countries in their process of enhancing problem solving abilities, focusing on holistic capacity development at all levels—individuals, organizations and institutions and society.
- Recognizing the significance and effectiveness of South-South Cooperation in assisting developing regions, JICA will strategically implement triangular cooperation and accumulate knowledge and share it in the process.

[2] Strengthening operations planning and knowledge-sharing skills

(A) Strengthening operations planning skills

- (i) To meet diverse and complex development needs, JICA will promote developing country and/or regional analysis papers and thematic and/or sector implementation guidelines.
- (ii) JICA will constantly accumulate knowledge and know-how about development agendas and project implementation, encouraging the sharing and effective use of these resources among stakeholders.
- (iii) JICA will share information and knowledge about volunteers, experts and promote dialogues with Japanese companies and NGOs in order to contribute to the information gathering and analyzing operations of country-based ODA Task Forces.

Specific activities are as follows.

- JICA will develop country and/or regional analytical papers (around 50 countries by the end of the Mid-term Objectives period) and formulate thematic and/or sector directions as a solution providing-approach to find solutions by correctly determining the background and current situation surrounding development issues.
- To implement strategic projects, JICA will strengthen its expertise as an aid agency by accumulating knowledge through dialogues with governments as well as implementing projects.
- JICA will share and utilize information received from various stakeholders, including relevant knowledge and know-how and share it in country-based ODA Task Forces.

(B) Research

JICA will carry out research to enhance strategic, effective and efficient operation, with insights about changing situations in international society, including developing regions and Japan. With a medium-long term perspective, JICA will set research themes and carry out research projects in order to generate outcome which can be feed back to JICA's projects and to influence the international trends of development assistance through collaboration with universities and institutes conducting research on development assistance in Japan and overseas. JICA will examine these contributions periodically and expand the outreach of research outputs.

Specific activities are as follows.

- To carry out high-quality research efficiently and set research themes that can be reflected in operations and can influence global trends in development assistance, JICA will reinforce measures to ensure the quality of research. It will do so through joint research, commission and other collaboration with partners in Japan and overseas, enhancement of internal capacity, peer reviews and evaluation by a third-party

committee, while applying the knowledge cultivated by its operations. Furthermore, to provide feed back internally and strengthen its information transmission capabilities, JICA will ensure opportunities to communicate research outputs strategically and exercise ingenuity in improving transmitting media.

[3] Measures towards operations execution

(A) Technical Cooperation, Loan Assistance and Grant Aid

(i) Technical Cooperation

Technical Cooperation is a human-to-human cooperation that seeks to assist developing areas in improving their overall capacity to address their development issues on their own. JICA will carry out this cooperation strategically, effectively and efficiently to contribute to economic-social development and improvement of welfare in developing areas. It does so by providing assistance for human resources development, technical standard improvement and development plan formulation, pursuant to treaties and other international agreements.

Specific activities are as follows.

- JICA will appropriately and promptly formulate and implement Technical Cooperation to support developing countries and regions to solve their problems focusing on human resources development, development plan formulation, policy formulation, and institutional development.
- JICA will improve operational systems for formulating and implementing cooperation with tangible development benefits. Based on the priorities of Japanese Government's policy, the needs of developing countries and regions and considerations involving project implementation.

(ii) Loan Assistance

The Japanese Loan Assistance program lends funds to governments, government agencies, or local governments, etc., of the developing areas pursuant to international agreement such as treaty, or to legal entities in Japan or the developing areas. The funds are lent under concessional terms and conditions regarding the interest rate, repayment period, etc. for the purpose of assisting developing areas to undertake independent efforts to achieve economic growth and become economically self-sufficient. JICA will conduct these projects strategically, effectively and efficiently by assisting recipient countries to enhance their capabilities to manage project processes in a smoother way and with better systems. Private Sector Investment Finance is used to fund organizations such as legal entities in Japan or the developing areas. This loan is provided for high-impact development projects that cannot be financed by existing financial institutions. Such scheme will be carried out with suitable supervision and in line with the policy of the New Growth Strategy approved by the Japanese Cabinet in June 2010. JICA will ensure that a failsafe organization is in place with risk assessment, management, and other systems that reflects lessons learned from the pilot approach taken for the resumption of the private sector investment finance program.

Specific activities are as follows.

- JICA will take appropriate actions to provide solutions for the agendas of developing areas, such as achieving economic growth independently and becoming economically self-sufficient. To accomplish this, JICA will appropriately and promptly formulate and implement projects adequately and promptly while taking into account the needs of the recipient areas and public-private sector collaboration.
- Keeping in mind the political priorities of Japan and the needs of developing areas and issues involving project implementation, JICA will work with the Japanese government to improve the financing system. Its aim is to further speed up the process and reduce foreign exchange risk for countries that receive loans and, in turn, formulate and implement projects that have significant development benefits.
- Private Sector Investment Finance is used for high-impact development projects that cannot be financed by existing financial institutions. Accordingly, JICA will identify the project needs of private sector companies and other entities to promote projects in developing areas by the private sector. In addition, JICA will formulate projects of the highest standard with risk assessment, management, and other systems that reflect lessons learned from the pilot approach.

(iii) Grant Aid

Grant Aid is a financial assistance extended to developing areas with no obligation for repayment. Targeted mainly at developing countries with low-income levels, this type of aid covers a wide range of cooperation, including the improvement of Basic Human Needs, the development of social and economic infrastructure, protecting the environment, and human resource development, to build the foundation for future development in those countries.

JICA is responsible for performing necessary operations strategically, effectively and efficiently for the implementation of the cooperation through Grant Aid pursuant to treaties and other international agreements. In addition, JICA will perform necessary operations such as to investigate, mediate, and communicate concerning the execution of any contract pertaining to cooperation through Grant Aid that is designated by the Japanese Minister for Foreign Affairs as being in need of JICA's participation.

JICA will take steps to maximize the development outcomes of ODA projects. It will work to minimize overall costs while optimizing the scale of each project. JICA also will enhance competitiveness in the procurement process by encouraging company participation through efforts to reinforce the framework for hedging unforeseen risks.

Specific activities are as follows.

- JICA will appropriately and promptly formulate and implement Grant Aid projects to assist developing countries and regions to solve their problems. Such projects will focus on economic and social development associated mainly with Basic Human Needs, the development of social and economic infrastructure, protecting the environment, and human resources development.
- JICA will improve its operational systems for formulating and implementing Grant Aid projects with tangible development benefits, which reflects the priorities of the Japanese government's policy and, the needs of developing areas.

(B) Disaster Relief

Cooperating with the international community, JICA will take prompt, efficient and effective action to provide emergency relief for the victims in developing areas and etc., through deploying a Japan Disaster Relief Team (JDR) and providing disaster relief supplies.

Specific activities are as follows.

- When a major disaster occurs, JICA will accurately analyze the needs of the affected country and cooperate with aid agencies in other countries to quickly and effectively provide the proper scale and type of disaster relief. It will also continue to monitor the situation after these measures have been taken.
- To maintain the readiness of the JDR, JICA will constantly upgrade exercise and training based on international standards and preserve and improve the skills of team members on standby. In addition, JICA will prepare the necessary materials and equipment required for the team's activities. JICA also will optimize its system for stockpiling disaster relief supplies.
- JICA will maintain cooperative relationships with agencies and organizations in Japan and overseas, such as the United Nations, that supply emergency humanitarian aid. Through this cooperation, JICA will ensure that assistance is provided smoothly and effectively when an emergency occurs.

(C) Support for Japanese emigrants and their descendants (*Nikkei*)

JICA will conduct this program based on the results of the government's assessment on the objectives of the individual programs, the state of their accomplishments, and the decisions regarding the necessity of such programs. It will also give special considerations for the development of residing areas and communities of emigrants and emigrants' settlement and stabilization. JICA will continue to prioritize welfare aid for elderly and human resources development when supporting emigrant organizations in recipient countries. Recognizing the importance of this program in foreign policy, JICA will enhance the knowledge about emigration and overseas Japanese communities among Japanese citizens through educational and public relations activities, academic research and other means of

communicating information. As for the Loan Program for Emigrants, JICA will continue to review its financial condition and to execute debt collection and restructuring in an appropriate manner, while adopting re-profiling of repayment and other arrangements, if necessary. JICA will also prepare a plan to achieve an early completion of loan management operations. JICA will downsize the Individual Technical Training Program for Japanese Descendants. JICA will effectively and efficiently conduct the training programs aiming to nourish *Nikkei* identity and Japanese heritage, collaborating with the Japan Foundation by sharing the program information.

[4] Fostering human resources for development (Training and securing human resources)

Training and securing personnel with superior skills and expertise who engage in international cooperation programs constitute not only the basis for overall activities of JICA but also the key element for the qualitative improvements in Japan's international cooperation. JICA, therefore, will properly undertake necessary programs for training and securing of human resources including consultants based on specific development needs.

Specific activities are as follows.

- JICA will enhance the external communication capability of the Human Resources Center for International Cooperation through effectively supplying information on participation opportunities in international cooperation along with training programs for developing human resources.
- JICA will develop and enhance the skills of personnel engaged in international cooperation, particularly in sectors and themes where there is a great need but is a shortage of human resources, by providing training programs and other related activities for necessary capacity development.

[5] Enhancement of understanding and participation of Japanese people

Understanding and support from the people of Japan are vital to international cooperation. To communicate the significance and current status of this cooperation to the people of Japan, JICA will provide information to the public effectively and efficiently and encourage public participation in its activities.

(A) Volunteer programs

JICA will effectively and efficiently conduct volunteer programs. With the aim of contributing economic and social advancement and revitalization in developing areas and assisting building friendly ties between Japan and developing areas and in promoting mutual understanding as well as providing an opportunity for volunteers to foster global perspectives and pass them on to the society. To adapt to changes in the environment for volunteer programs, the Ministry of Foreign Affairs and JICA conducted an extensive reexamination of the role of overseas volunteer programs in July 2011 and a review of how to implement these programs in the following months (Grassroots Diplomats: Japan's Overseas Volunteer Program – For Co-existence and Relationships). Based on the results of these reviews, JICA will enhance the quality of the program and implement measures to improve operation systems and methods, deepen partnerships with other ODA programs, companies with useful expertise, local governments, NGOs and other organizations. It will also reinforce its activities to enable Japanese citizens to participate in the program with greater confidence and support returned volunteers to pass on their experience to society. JICA will also assess projects appropriately according to their nature and work to attain "visualization" of the activities of and results achieved by overseas volunteers and their career path after returning to Japan.

Specific activities are as follows.

- JICA will enhance the quality of the program through implementing programs that contribute to solve development issues, and collaborate with other programs and organizations.
- JICA will implement measures to achieve "visibility" of the current state of volunteer activities.
- JICA will strengthen its support towards activities by volunteers who are on assignment in locations receiving aid.

- To encourage participation from a variety of fields, JICA will strengthen its partnership with public sector agencies, private sector companies, universities and other organizations in its volunteer programs.
- JICA will improve its requirement, selection, training and studies, to effectively and efficiently secure and train adequate human resources that match development needs.
- JICA will determine and implement specific measures to utilize returned volunteers in Japanese society. In addition, JICA will reinforce its indirect support for returned volunteers in passing on their experience to the society and to furthering their careers.

#### (B) Citizen participatory cooperation

Citizen participatory cooperation is a cooperation where knowledgeable and well experienced Japanese organizations such as NGOs, municipalities and academic institutions, play a key role. The participation of Japanese citizens contributes to their better understanding of ODA. The cooperation also facilitates appropriate and efficient technology transfer that meets the diverse needs of developing countries. In pursuing JICA Partnership Programs, JICA will effectively implement grass root cooperation centering on improving quality of life and livelihood of the people in developing areas through promoting partnership with NGOs and other organizations. Additionally, to encourage broad participation of the Japanese public, JICA will exercise care in respecting the initiatives of the partnering organizations' and expedite procedures.

Specific Activities are as follows

- With the JICA Partnership Program, JICA will provide comprehensible information and project cases on targeted areas. It will also improve operational management, simplify and expedite administrative procedures. These efforts are intended to ensure applications that match the objectives of the program are made from broad spectrum of Japanese citizens.
- JICA will use domestic offices to support community based cooperation activities. To improve the quality of development education, JICA will strengthen collaborations with NGOs, academic institutions, local governments and other organizations.
- For NGOs and other organizations that aim to conduct international cooperation activities, JICA will promote such programs aiming human resources development, organization reinforcement, and project management advancement.

#### (C) Public relations activities

##### (i) Communicating information on ODA activities

To fulfill its accountability and promote the Japanese public's trust, understanding empathy and participation in international cooperation, JICA will strengthen collaboration with the media, NGOs and other partners and utilizes its domestic and overseas offices. Another objective for public relations is to deepen the understanding of Japanese ODA among the people in developing areas. JICA will function as an information hub of ODA projects for the Japanese public by communicating information on the formulation and implementation of ODA projects with better access.

##### (ii) Increasing the visibility of ODA (greater transparency)

JICA will enhance information disclosure through clear communication of ODA's effects by shifting focus on outcomes and through the set-up of a website to systematically provide information on the ODA projects. JICA will release information regardless of the success or the failure of the projects. This aims at enhancing the confidence of the public in ODA through increasing its transparency and visibility.

#### [6] Strengthening the role as the "nexus" among diverse actors

##### (A) Partnerships with diverse actors such as NGOs and private enterprises

JICA will conduct effective operations by using an "all-Japan" framework that brings together the personnel, knowledge, capital and technologies of the public and private sectors. With the intent of contributing to fostering human resources with a global perspective, JICA will strengthen its partnership with diverse actors in Japan. Examples include NGOs, SMEs and other private sector companies, academic institutions and local governments.

Specific activities are as follows.

- JICA will enhance its partnerships with diverse actors such as NGOs, private sector companies, academic institutions, local governments and others. Promoting their participation in JICA projects, it will incorporate their knowledge and technologies in these projects.
- In sectors where it can assist with solutions to development issues in developing areas, JICA will strengthen its partnerships with SMEs and other Japanese companies while continuing to work with other agencies on these issues. JICA will conduct operations based on effective and efficient partnership with the private sector and also contribute to training and recruiting the personnel needed for the global utilization of the outstanding products and services of these companies.

##### (B) Contribution to Japan's leadership in the international community

In order to realize the mutual benefit of the international community and Japan, JICA will actively play a part in tackling and raising awareness of global issues and contribute to Japan's leadership in these discussions. JICA will strengthen partnerships with international organizations and emerging donors, by way of highlighting Japan's presence by outreaching Japan's assistance policy and approaches while remaining aligned with the international community.

Specific activities are as follows.

- To provide even more effective assistance, JICA will share its expertise on valid approaches and other activities based on its extensive experience with the international community. JICA will participate in forming international agendas and regional and country strategy, as a key member, as well as strengthening regional and country specific aid coordination. In doing so, JICA will contribute to solving global issues.
- JICA will enhance strategic partnerships with emerging donors, promote triangular cooperation and serve as an interface for aid coordination frameworks.
- JICA will promote collaboration with international agencies and other institutions on individual programs and projects.

#### [7] Cross-cutting issues in operations

##### (A) Environmental and social considerations

When implementing its cooperation projects, JICA will raise awareness on avoiding or minimizing environmental impacts and social impacts, such as involuntary resettlement, among JICA's staff members and others concerned and operate in accordance with its 'Guidelines for Environmental and Social Considerations' (effective 1 July 2010) with support from external experts.

##### (B) Gender equality

With the distinct understanding of the importance of gender equality in securing fairness in development and in improving its operational impact, JICA will, in its operations, make further efforts to raise the status of women through sufficient consideration to ensuring active participation of women in development as well as equitable sharing of benefits of development. Therefore, JICA will encourage its staff members and other related personnel to deepen their understanding of the importance of promoting gender mainstreaming in development assistance, and manage its operations from gender perspectives at each step of operation.

##### (C) Operations evaluation

JICA will implement efficient and systematic operations evaluations in an appropriate manner, in accordance with the PDCA cycle. The framework of JICA's operations evaluation is consistently established at each stage of the project; from the ex-ante evaluation which includes objective operation and effect indicators for outcomes, to the ex-post evaluation which includes its achievement compared with the prior expected outcomes and the lessons learned.

JICA will also publish the results of evaluations to the public in a way that is easy for people to understand so as to enhance visibility of ODA. The results of evaluations will be promptly and properly fed back to new projects.

Specific activities are as follows.



- JICA will enhance the quality of JICA's operations evaluation through steady implementation of ex-post evaluation and appropriate sharing of evaluation results including lessons learned that serve to strengthen the feed back function.
- JICA will improve the means of disclosure and promptly disclose the results of JICA's operations evaluation to the public.
- JICA will address implementation of new evaluation methodologies, such as evaluation of cooperation programs and impact evaluation.

(D) Reinforcement of safety measures

JICA will collect safety information and implement suitable measures to ensure safety for all parties associated with JICA projects.

Specific activities are as follows.

- Since overseas operations take place in developing areas, it is indispensable to incorporate safety measures that take into account the security situation, transportation infrastructure and other risk factors in each country. From this point of view, JICA will implement suitable safety measures for the experts, volunteers, staff members and other individuals involved in overseas operations.
- For projects that include construction of facilities, JICA will make sure that the governments and executing bodies of the developing country, consultants, and contractors rigorously implement safety measures. JICA will strengthen the mechanism to support these organizations when their measures are inadequate.

(E) Unless there is a justifiable reason not to do so, JICA will immediately take measures requested by the Minister for Foreign Affairs based on Article 40 of the Act of the Incorporated Administrative Agency-Japan International Cooperation Agency.

**2 Measures to be taken to achieve the objective regarding improvement of the efficiency of the administration of operations**

[1] Improving flexibility in organizational management

JICA will make steady progress with initiatives based on the Basic Policy of the Review of the Clerical Work and the Operations of Incorporated Administrative Agencies (Cabinet Decision on December 7, 2010). JICA will establish a system which enables strategic, effective and efficient provision of assistance in a flexible manner, responding to environmental changes in both Japan and overseas. These include diversifying needs of developing areas and shifts in Japanese ODA policies. From this standpoint, JICA will take advantage of the flexibility intended by the incorporated administrative agency system and continue to reinforce necessary functions. JICA will achieve an appropriate streamlining of its headquarters by realigning its philosophy for organizational changes as well as its expected functions and roles.

For overseas offices, JICA will perform necessary reviews to achieve the appropriate allocation considering changes in the international circumstances, and others factors. To implement effective and efficient operations, JICA will comprehensively reinforce its capability to accurately grasp diversifying needs of developing areas through enhancing country analysis, developing JICA Rolling Plan, participating in the ODA Task Force; to hold dialogues with aid recipient countries and other donors; to formulate projects, at the field level by shifting personnel from Japan to overseas offices and other measures. Furthermore, with other institutions that have overseas offices, JICA will identify issues including the preservation of the legal status of overseas offices and personnel and the application of governance for financial operations involved with Loan Assistance, and individually consider the functional integration of overseas offices, and reach a conclusion by the summer of 2012.

For domestic offices, JICA will examine the necessity and other factors of individual bases and reexamine the allocation. In addition, JICA will verify domestic offices in terms of their objectives of establishment, functions, and the state of use and take them into consideration in reviewing of appropriate allocation. JICA will utilize experience and networks in each area and contribute to development issues in developing areas. Furthermore, by using the verification results of third party experts, JICA will strengthen its role as a nexus for international

cooperation in local areas in Japan and take steps to increase the understanding, empathy, support and participation of the people regarding international cooperation.

Specific actions are as follows.

- JICA will take advantage of the flexibility intended by the incorporated administrative agency system to review its organizational structure at headquarters. The review will enable JICA to respond promptly and properly to the development needs of each area and country and to operate strategically and effectively. Continuing to strengthen necessary functions, JICA will streamline its organizational systems at headquarters by realigning divisions and departments.
- For overseas offices, JICA will conduct the necessary review to achieve the most appropriate allocation and the size of these offices. The review reflects international circumstances, such as economic growth in developing areas, the length of projects and other factors.
- Depending on conditions in each country, JICA will expand and improve its training programs and revise its operating systems to make even greater utilization of national staff of the overseas offices. It will also proceed with the steady shift of personnel from headquarters and domestic offices to overseas offices in order to strengthen the functions at the field level through such measures as upgrading the ability of headquarters to support overseas operations.
- Looking at the review of domestic offices, JICA will relocate the functions of JICA Global Plaza at Hiroo to other facility and integrate Osaka International Center and Hyogo International Center. Within this process, it will reexamine operations to prevent any degradation concerning the roles or performance of these offices. In the cases of Sapporo International Center and Obihiro International Center, JICA will implement integration in accordance with discussions with local governments and other parties. For Tokyo International Center and Yokohama International Center, it will consider integration of these locations based on the role of the long-term training program, the handling of the Japanese Overseas Migration Museum, the rate of utilization of facilities, and other factors to reach a conclusion.
- For domestic offices, JICA will conduct effective and efficient activities that take advantage of the characteristics of each location through the use of technical cooperation, the cooperation program for citizen participation, programs for supporting development education, public relations activities and other measures. From the point of view of increasing the understanding, empathy, support and participation of the Japanese public regarding international cooperation, JICA will establish collaborations with a variety of partners, such as private sector companies, NGOs, local governments and universities.

[2] Proper and fair management of organization and operation

In accordance with the nature of its activities, JICA will use the following measures to ensure that operations are performed properly and fairly while also paying attention to preserving the quality of activities.

(A) Increasing competitiveness and transparency of contracts

For contractual transactions, JICA gives consideration to ensuring competitiveness while taking care to continue to train the development consultants needed to formulate high-grade projects. In this process, it will follow the Examination and Review on the State of Implementation of Contracts in Incorporated Administrative Agencies (Cabinet Decision on November 17, 2009), the Fundamental Policy for Reforming Public-service Activities and other government policies. JICA will establish conditions that facilitate the application for positions by development consultants and others and will inspect and review contracts to include measures for improvements regarding the competitiveness of single-party bids and applications. In conjunction with those efforts, JICA will prevent fraud and other improper behavior by taking measures in accordance with laws, regulations and guidelines to ensure proper operations.

Specific activities are as follows.

- From the standpoint of forming proper contractual agreements, including making them more competitive, JICA will continue to make improvements concerning the reduction of single-party bids and applications and contractual procedures.

- In view of further enhancing the transparency of contracts, JICA will make its selection process, selection standards, selection results, contract performance and other aspects of contractual transactions available to the public. In addition, it will continue to have third parties check the selection process.
- To prevent fraud and other improper behavior, JICA will use strict measures in accordance with laws, regulations and guidelines to operate properly.
- For contracts with associated public-service corporations, JICA will continue to take actions to ensure competitiveness and transparency, such as by using competitive bidding open, in principle, to the public.

#### (B) Improving governance and transparency

To achieve its objectives as an organization, JICA will improve management and oversight of performance. It will expand and strengthen its governance system through the use of suitable frameworks and systems and operations (including monitoring). The governance system takes into account the special characteristics of Loan Assistance, which requires a governance system for finance operations.

- JICA will conduct internal audits and appropriately follow-up based on the audit results, which will also include the results of external audits.
- JICA will ensure that operations are conducted properly within the organization and constantly improved. To that end, it will reinforce its internal control functions, including improving the functioning of the whistle-blowing system.
- JICA will take the necessary actions to execute suitable information security measures in line with the Information Security Strategy to Protect the Public and other government policies.
- JICA will perform annual evaluations of performance with the participation of external specialists. The results of evaluations are reflected in JICA's operations through the organizational target management process.
- JICA will create opportunities for incorporating proposals for improvements by stakeholders in all aspects of its operations. This will include the opinions of experts, volunteers, NGOs, consultants, private sector companies and other associated entities that stand at the forefront of international cooperation.

#### (C) Streamlining and optimizing administrative operations

Keeping in mind the special features of each administrative task, JICA will maintain an environment conducive to the efficient implementation of operations. In addition, JICA will improve administrative processes to enable streamlined and appropriate operations.

Specific activities are as follows.

- JICA will review administration of contracts to streamline and simplify operations. It will simplify all procedures for selections and payments for contract counterparties; procuring materials more efficiently; managing contract information more efficiently; establishing a suitable framework for procurement activities at overseas offices; and taking other actions.
- JICA will further improve the efficiency of procedures for dispatching experts and others to aid sites, accepting training participants, performing activities involving volunteers, and for other activities.

### [3] Cost efficiency, appropriate level of salary, and proper review of assets

#### (A) Cost efficiency

During the Mid-term Objectives period, while preserving the quality of operations, JICA will improve the efficiency of management grants operations by at least 1.4% in each fiscal year with regard to total general administrative and operating expenses (except special operating expenses and one-time items). Measures to reach this target will include a proper and stringent review of payments and other benefits for experts, project formulation advisors, overseas health management personnel and others; controlling payments to volunteers; and cutting fixed and other costs. These efficiency measures will not apply to personnel expenses, which are provided for in the next section.

#### (B) Appropriate level of salary

Salary levels at JICA are higher than those of the national government

employees (Laspeyres Index with regional & academic adjustment was 109.3 (JFY 2010)) due to the special nature of JICA's operations. During the current Mid-term Objectives period, JICA will continue to review salary levels constantly in the context of those of government employees. After thoroughly examining the appropriate levels of salaries for board members and staff members, including allowances, JICA will establish targets for salary levels and a deadline for achieving the targets. JICA will then take actions in accordance with a plan and make a public announcement of the results of its salary examination and its initiatives.

In addition, JICA will review total personnel expenses, taking into account the measures by the Japanese government to reduce its total personnel expenses. During this process a proper review is done as quickly as practical on overseas work allowances provided to personnel sent overseas with reference to such allowances provided to employees of the Japanese government, private sector companies and other organizations.

#### (C) Proper review of assets

JICA will continue to disclose detailed information about its assets. Furthermore, it will constantly perform reviews of the necessity of holding these assets. These reviews will consider the actual utilization of assets and other possible uses to determine their necessity to the organization. Necessity will be reviewed from the standpoint of the degree of possible other effective uses of assets that would not disrupt JICA's operations, the effective disposal of assets, and economic rationality. JICA will also undertake a rigorous examination to determine which assets should be retained, taking into account the current status of its assets. Based on this assessment, assets will be sold, returned to the Japanese government and disposed of in other ways to the extent that operations are not negatively affected. For employee housing, JICA will take appropriate actions that are consistent with the government's policy for the review of employee housing at incorporated administrative agencies.

For its portion of the Takebashi Godo Building, JICA will undertake a study of effective ways to utilize this space. Should a decision be reached that the property is not needed and sale is the logical course of action, JICA will dispose of the property.

### **3 Budget (including an estimate of the personnel cost), revenue and expenditure plan, and capital plan (excluding the Finance and Investment Account)**

(1) JICA will prepare a Mid-term Plan budget, revenue and expenditure plan and funding plan for programs that operate on management grants, while reflecting items prescribed in "2. Measures to be taken toward achievement of the objectives related to increased efficiency in operations management." JICA will then conduct operations based on the budget and other items, taking measures to further optimize budget execution management while preserving the quality of operations. Moreover, JICA will calculate the annual subsidy for operations very carefully taking into account the amount of unexecuted management grants. To provide even greater transparency about its finances, JICA will expand segment and other information supplied with the financial statements. Furthermore, operational reports and other reports will provide more specific information about the causes of unexecuted management grants and measures for dealing with the issue in future.

(2) JICA will continue to work on securing its own revenues and properly managing and using those revenues.

### **4 Short-term loan ceilings**

General Account: ¥62.0 billion

Finance and Investment Account: ¥220.0 billion

Reasons: The General Account requires loans to avoid late payments of personnel expenses to staff members and operational expenses in the event of an approximately 3 month delay in the receipt of management grants from the Japanese government.

The Finance and Investment Account requires loans to deal quickly and efficiently with events such as short-term funding gaps involving short-term loan repayments and the collection of loans receivable, temporary

funding when FILP agency bonds are issued, rapid changes in the amount of loans extended, and other events.

**5 Plan for disposing of assets that are unnecessary or expected to become unnecessary**

JICA will sell some condominiums used for employee housing. Plans call for disposing of 34 units in fiscal 2012, 33 units in fiscal 2013 and 33 units in fiscal 2014. JICA will reimburse the Japanese government for these assets by paying an amount calculated using the standard prescribed by the supervising Cabinet minister but limited to the actual proceeds of these sales. However, should assets prove difficult to sell, it may instead transfer unnecessary assets directly to the Japanese government.

JICA will transfer the property of Osaka International Center to the Japanese government by the end of fiscal 2012. In the case of JICA Global Plaza at Hiroo, the property will be transferred to the Japanese government or sold by the end of fiscal 2013. If the property is sold, a payment that is calculated using the standard prescribed by the supervising Cabinet minister, but is not more than the proceeds of these sales, will be made to the Japanese government.

**6 Plan for transferring or mortgaging of important assets other than the assets prescribed in Item 5**

Not applicable

**7 Use of surplus funds (excluding the Finance and Investment Account)**

JICA may allocate the surplus to programs that can improve its quality of operations and its facilities and equipment, while taking into account the progress of the Mid-term Plan.

**8 Other items related to operations management stipulated by ordinances of the competent ministry**

[1] Facilities and equipment

JICA will maintain facilities and equipment from a long-term perspective for the purpose of achieving objectives concerning making operations more efficient and improving the quality of operations. JICA will use these facilities and equipment effectively and efficiently.

Specifically, JICA will repair and upgrade facilities and equipment from the standpoint of operational necessity related to the aging of existing facilities and other reasons.

Plan for Facilities and Equipment from Fiscal 2012 to Fiscal 2016

(Million yen)

Facilities and equipment	Source of funds	Budget
Purchase and renovation of facilities at head office, offices in Japan, etc.	Subsidy for facility maintenance expenses, etc.	4,191
Total		4,191

Note: The amounts for the facility maintenance subsidy and other items are determined during the budget preparation process for each fiscal year.

[2] Personnel planning

To conduct its operations effectively and efficiently, JICA will assign people to appropriate locations and accords the staff member's treatment in keeping with their roles and contributions. In addition, JICA will utilize career development, training and other programs to upgrade the skills of staff members in response to the increasing sophistication and specialization required by its operations. For career development that further increases staff members' specialty skills and utilizes those skills, it will encourage staff members to be aware of their career goals, including a field of specialty, early in their careers. Furthermore, JICA will use various methods to increase opportunities for personnel to use their skills efficiently at the field level.

JICA will establish a plan to develop personnel suited to effective and efficient operations.

Specific activities are as follows.

- JICA will boost the motivation of staff members by accurately evaluating their performance and rewarding all staff members with remuneration and other benefits that reflect their respective roles and contributions.

To improve the quality and efficiency of its operations, JICA will also allocate its human resources properly according to skill and project needs.

- JICA will encourage each staff member to pay more attention to his or her career path and will provide each staff member with training and opportunities to develop themselves. This will include increasing their knowledge of country, area and development issues; improving skills for formulating aid cooperation programs and project management; and upgrading communication skills, including the study of foreign languages. Learning opportunities include management experience at project sites, temporary assignments to international agencies and other activities. The objective is to strengthen the capabilities of the workforce to meet the increasingly sophisticated and specialized nature of JICA's operations.
- JICA will extend the support for overseas assignments to enable personnel to smoothly perform their duties. Steps will be taken to efficiently utilize human resources, including those to facilitate overseas assignments for personnel who previously could not leave Japan because of family or other issues.

[3] Matters related to the disposal of reserve funds and the handling of assets obtained from the collection of loan payments (Article 31, Paragraph 1 of the Act for the Incorporated Administrative Agency-Japan International Cooperation Agency and Article 4, Paragraph 1 of the Supplementary Provisions of the Law)

When reserve funds remain after the procedure prescribed in Article 44 of the Act on General Rules for Incorporated Administrative Agency, the portion of this amount approved by the supervising Cabinet minister can be used as follows: for contracts (except Loan Assistance operations) where liabilities exceed the Mid-term Objectives period due to unavoidable circumstances in the immediately preceding Mid-term Plan; for accounting treatment concerning the amount that affects profits and losses in the account for transitional functions, etc. that were recorded during the previous Mid-term Objectives period; and in other cases.

For claims recovered and other funds received during the previous Mid-term Objectives period, amounts received are submitted to the Japanese government in an appropriate manner based on the Act for the Incorporated Administrative Agency-Japan International Cooperation Agency.

[4] Liabilities that go beyond the Mid-term Objectives period

When necessary, JICA may enter into contracts that exceed the current Mid-term Objectives period.

**Table 1: Budget**

(¥ million)

Item		
Revenue	Revenue from management grants	713,924
	Subsidy for facility maintenance expenses, etc.	4,191
	Interest income and other revenues	1,711
	Revenue from contracted programs	7,496
	Donation revenue	120
	Revenue from reversal of reserve carried over from previous mid-term period	1,043
	<b>Total</b>	<b>728,485</b>
Expenditure	General administrative expenses	49,834
	Excluding special items	49,988
	Operating expenses	666,844
	Excluding special operating expenses and special items	658,005
	Contracted programs expenses	7,496
	Expenses for donation projects	120
	Facility maintenance expenses	4,191
	<b>Total</b>	<b>728,485</b>

- Notes 1. In some cases numbers do not correspond to the sum total figures because of rounding.
2. The items "Subsidy for facility maintenance expenses, etc." in Revenue and "Facility maintenance expenses" in Expenditure have been included based on the Facilities and Equipment Plan for Fiscal 2012. Actual figures were determined during the process, etc., of creating the budgets for individual fiscal years.
3. Because Grant Aid planning is determined by Japanese Cabinet meetings, the budget, income and expenditure plan, and capital plan stipulated under Article 13, Paragraph 1, Item 3 (i) of the Act of the Incorporated Administrative Agency—Japan International Cooperation Agency (Act No. 136 of 2012), are not included.
4. Revenue from management grants and operating expenses include the budget (¥5,400 million) related to Technical Cooperation for the international business development of SMEs and regional governments established under the Urgent Economic Countermeasures for the Revival of the Japanese Economy (January 11, 2013) based on the fiscal 2012 supplementary budget (No. 1).
5. Subsidy for facility maintenance expenses, etc., and facility maintenance expenses include the budget (¥1,984 million) related to facility repair to improve disaster prevention and risk reduction functions established under the Urgent Economic Countermeasures for the Revival of the Japanese Economy (January 11, 2013) based on the fiscal 2012 supplementary budget (No. 1).
6. Revenue from management grants and general administrative expenses and operating expenses reflect JICA's review of the salaries of its officers.

[Estimate of personnel expenses]

The estimate of personnel expenses for the period of the plan is ¥64,539 million. However, the figures included in the table above are those equivalent to the scope of expenses for basic salaries, work-related expenses and overtime allowances, and administrative leave pay.

[Management Grant Calculation Method]

Adoption of the rule-based Management Grant Calculation Method

**Table 2: Income and Expenditures Plan**

(¥ million)

Item		
Expenses		724,941
Ordinary expenses		724,941
General administrative expenses		49,267
Excluding special items		49,422
Operating expenses		666,844
Excluding special operating expenses and special items		658,005
Contracted programs expenses		7,496
Expenses for donation projects		120
Depreciation expenses		1,213
Financial expenses		0
Extraordinary loss		0
Revenues		723,898
Ordinary revenues		723,659
Revenue from management grants		713,358
Interest income and other revenues		1,472
Revenue from contracted programs		7,496
Donation revenue		120
Transfer from liabilities for property management grants		1,162
Transfer from liabilities for property grants		52
Financial revenues		238
Interest income		238
Extraordinary profits		0
Net income (loss)		(1,043)
Reversal of surplus deposits from the previous mid-term period		1,043
Reversal from special purpose reserve		0
Total income (loss) for the current year		0

Note: In some cases numbers do not correspond to the sum total figures because of rounding.

[Rule-based Management Grant Calculation Method]

Management grants are calculated using the following formula.

$$A(y) = B(y) + C(y) + D(y) + E(y) - F(y)$$

A(y): Management grants

B(y): Property expenses

C(y): personnel expenses

D(y): Special operating expenses

E(y): Special items

F(y): Interest income and other revenues

- Property expenses B (y)

The property expenses B (y) for each fiscal year is calculated by the following method.

B(y) is the property expenses for the previous fiscal year B (y-1) x "efficiency coefficient  $\alpha$ " x "adjustment factor  $\sigma$ "

- Efficiency coefficient  $\alpha$

Specific coefficient determined in the process of creating the budget for each fiscal year.

- Adjustment factor  $\sigma$

Specific factor determined in the process of creating the budget for each fiscal year taking into account changes in operations in accordance with revisions of laws and increases or decreases in the size of operations depending on political considerations.

- Personnel expenses C (y)

Personnel expenses are determined in the process of creating the budget for each fiscal year.

- Special operating expenses D (y)

These are operating expenses necessary for dealing with national policy issues for which JICA would have difficulty deciding on or executing on its own. Specific figures are determined in the process of creating the budget for each fiscal year.

- Special items E (y)

Occasional increases or decreases in expenses due to events that cannot be foreseen at the current point in time. Specific figures are determined in the process of creating the budget for each fiscal year.

- Interest income and other revenues F (y)

The project income F (y) for each fiscal year is calculated by the following method.

F (y) = "interest income for the fiscal year" + "miscellaneous income for the previous fiscal year G (y-1)" x "the income factor  $\delta$ ."

- Income factor  $\delta$

Specific factor determined in the process of creating the budget for each fiscal year.

The specific coefficients and factors for the above calculations used in determining the mid-term plan budget are as follows.

$\alpha$  : Efficiency coefficient (assumed to be 0.986)

$\sigma$  : Adjustment factor (assumed to be 1.00)

$\delta$  : Income factor (assume to be 1.03)

**Table 3: Capital Plan**

(¥ million)

Item		
Outflows		745,537
Payment of operating expenses		723,728
General administrative expenses		49,267
Excluding special items		49,422
Operating expenses		666,844
Excluding special operating expenses and special items		658,005
Contracted programs expenses		7,496
Expenses for donation projects		120
Payment for investing activities		4,757
Payments for purchase of fixed assets		4,757
Payment for financing activities		4,087
Expenses for returning unnecessary assets to Japanese government		4,087
Expenditures for lending programs		10,797
Surplus deposits carried forward to the next mid-term period		2,168
Inflows		745,537
Proceeds from operating activities		723,251
Proceeds from management grants		713,924
Project income		1,711
Proceeds from contracted programs		7,496
Donation revenue		120
Proceeds from investing activities		5,956
Proceeds from subsidy for facility maintenance expenses		2,515
Proceeds from sales of fixed assets		647
Proceeds from loans receivable		2,795
Proceeds from financing activities		0
Surplus deposits from the previous mid-term period		16,239

Note: In some cases numbers do not correspond to the sum total figures because of rounding.



Japan International Cooperation Agency, an incorporated administrative agency, (hereinafter referred to as JICA), had made the following plan for the fiscal 2013 operations based on its Mid-Term Plan, in compliance with Section 1, Article 31 of General Rules for the Incorporated Administrative Agency Act No. 103 of 1999.

### 1 The measures to be taken to achieve the objective regarding improvement of the quality of operations such as services provided to citizens

#### [1] Measures to carry out strategic operations

##### (a) Poverty reduction (contribution to the achievement of MDGs)

JICA will reinforce its operations to achieve MDGs through formulating and implementing good projects with considerations for the sectors where the achievement of MDGs is still behind schedule for target year 2015.

##### (b) Sustainable economic growth

JICA will support the formulation and implementation of policy and its measures and development of human resources relating to development of infrastructure, development of laws, promotion of industry, trade and investment, and improvement of business environment. JICA will take into consideration disparity reduction when assistance is provided, so that the fruits of economic growth will be widely distributed among people including the poor.

##### (c) Addressing global issues

JICA will encourage developing countries in formulating and enforcing their policies and their measures relating to global issues such as environment, climate change, disasters, and food, by effective utilization of Japan's technologies and assistance combining physical and intellectual resources.

##### (d) Peace-building

JICA will provide seamless assistance throughout the process from humanitarian emergency relief to reconstruction assistance by effectively combining physical and intellectual resources from the viewpoints of preventing conflicts and their recurrence and consolidating peace. In peace-building operations, JICA will take into account poverty reduction and sustainable growth towards mid- and long-term development.

##### (e) Strengthening the strategic value of operations and improving operations management

- (1) JICA will increase the strategic value and predictability of its operations through enhancing the quality of cooperation programs while sharing information with the Japanese government.
- (2) In order to conduct operations more strategically, effectively, and efficiently, JICA will summarize the outcomes of operations by issues and send out the information within and out of Japan. JICA will fully enforce the PDCA cycle including ex-post monitoring and follow-up activities and ensure that the lessons learned will be reflected on the formulation of subsequent operations.
- (3) Upon carrying out operations, JICA will emphasize comprehensive capacity development at all levels, individual and organizational, institutional and social systems, and provide a wide-ranging assistance to the process of capacity development to address issues in developing countries.
- (4) In light of the significance and effectiveness of the South-South cooperation, JICA will strategically provide triangular cooperation. JICA will accumulate and share the knowledge about good practice in terms of aid effectiveness, Japan's presence and cost-sharing with partner countries.

#### [2] Strengthening operations planning and knowledge-sharing skills

##### (A) Strengthening operations planning skills

- (1) In order to have a clear understanding of the backgrounds and the

current situations surrounding developing issues in developing countries, JICA will formulate JICA Country Analysis Papers (JCAP) for 43 countries in total in fiscal 2013. At the same time, JICA will improve JCAP's quality and strategic process of consultation on its formulation and sharing after its finalization with relevant stakeholders.

- (2) As a measure to have a clear understanding of the backgrounds and the current circumstances for particular developing issues and to resolve them, JICA will formulate and utilize sector/issue-based guidelines and position papers thereby strengthening the ability to address development issues.
- (3) JICA will revise its guideline for knowledge management to improve the internal system to accumulate and utilize knowledge through establishing knowledge management network and reinforce the functions of knowledge-sharing within and out of JICA.
- (4) JICA will actively participate in country-based ODA Task Forces to share knowledge, experience and information obtained through dialogues with JICA experts and volunteers, Japanese enterprises and NGOs to solve development problems. Likewise, JICA will provide a mid-term operation plan for discussions in country-based ODA Task Forces to enhance the strategic value of Japan's assistance.

##### (B) Research

JICA will conduct studies with internationally recognized quality to improve operations and contribute to setting an international development agenda through utilizing expertise accumulated by JICA and collaboration with domestic and overseas partners. JICA will share research outputs through working papers and books, international symposiums and seminars, and the website. JICA will also systematize and accumulate knowledge inside JICA. JICA will further improve the research system to achieve the above objectives.

#### [3] Measures towards operations execution

##### (A) Technical Cooperation, Loan Assistance, and Grant Aid

###### (i) Technical Cooperation

- (1) JICA will appropriately and promptly formulate and implement projects to solve issues in each country and region, particularly in human resources development, development planning, policy formulation, and institutional development.
- (2) JICA will review the workflows and procedures that help to carry out strategic, effective and efficient operations and revise relevant manuals and reference materials for operations. As to issue-based training and dialogue programs, JICA will transfer the designing and planning functions from the domestic office to sector-focused departments at the headquarters to formulate training and dialogue programs based on cooperation programs and key policies of the Japanese government.

###### (ii) Loan Assistance

- (1) JICA, through Japanese ODA Loans, will formulate and implement projects appropriately and promptly to properly address issues in developing regions such as economic development and economic independence by self-help based on the needs of each developing region and through public-private partnership.
- (2) In order to speed up the process of Japanese ODA Loans, JICA will promote measures to increase the proportion of projects in fiscal 2013 that reach the signing of loan agreement within nine months from the starting point.
- (3) Keeping in mind the policy priorities of the Japanese governments and the needs of developing areas and issues involving project implementation, JICA will work with the Japanese government to improve the Loan Aid scheme to formulate and implement projects that have significant development benefits. This includes reduction of foreign exchange risk for countries that receive loans.
- (4) Private Sector Investment Finance is used for high-impact development projects that cannot be financed by existing institutions. Accordingly, JICA will improve and strengthen its operational systems, risk assessment, management, and other system that reflect lessons

learned from the pilot approach and operations after full resumption, and promote projects in developing areas by the private sector.

(iii) Grant Aid

- (1) JICA will formulate and implement projects appropriately and promptly in order to solve issues in each country and region with emphasis on economic and social development, primarily in the fields of basic living, social infrastructure development, environment conservation and human resources development.
- (2) JICA will improve the workflows and procedures concerning project formulation and project management in order to implement effective Grant Aid projects and advance the program-based approach responding to policy priorities of the Japanese government, the needs of each developing area, and challenges in implementation.

(B) Disaster Relief

- (1) Following a large scale disaster, JICA will grasp the needs of a disaster-stricken nation through gaining information from various sources, then JICA will provide speedy, flexible and effective emergency relief assistance of appropriate scale and content combining available resources and collaborating with the international society. JICA will continue to review its emergency relief operations and reflect its lessons on subsequent missions. JICA will publicize its disaster relief assistance towards people in the disaster-stricken country and Japan.
- (2) JICA will steadily carry out training for the medical team to allow it to maintain and improve its capabilities and make preparations for dispatching a medical team equipped with surgery functions. JICA will review challenges in maintenance and re-certification of the relief team at the internationally recognized level and clarify the policy for improving the quality of training. As to the provision of disaster relief supplies, JICA will analyze problems in the past operations and optimize the reserve system from the point of ensuring promptness.
- (3) During normal time, JICA will participate in and contribute to the frameworks for international collaboration on search and rescue and disaster medicine. At the same time, JICA will keep its contact with relevant parties to enable effective collaboration and coordination at disaster site during emergency. In conjunction with such efforts, JICA will also explore possible assistance to upgrade the disaster response capacity of disaster-prone countries.

(C) Support for Japanese emigrants and their descendants (*Nikkei*)

- (1) Based on the Japanese government's policy, JICA will conduct its operations effectively and efficiently with emphasis on the welfare of the aged and human resources development while carefully observing the settlement and stabilization of emigrants. JICA will implement *Nikkei* individual training courses efficiently, while downsizing the volume of operations. JICA will also share information with Japan Foundation on the current situation and needs for heritage education in *Nikkei* societies.
- (2) For concessional loans for emigrants, JICA will collect the amount to be recovered according to the debt recovery plan. At the same time, JICA will identify the situation of loans in detail in each country and classify those loans appropriately in order to consider measures towards terminating the loan management operations.
- (3) In order to enhance awareness among the people in Japan on overseas emigration and *Nikkei* societies, JICA will improve the Overseas Migration Museum, enhance its research and exhibition, utilize educational materials and strengthen partnerships with surrounding municipalities and relevant organizations. In fiscal 2013, JICA will aim to achieve more than 30,000 visitors to the museum, more than 1,894 participants in education programs, and more than 113,182 access numbers to the museum website.

[4] Fostering human resources for development (Training and securing human resources)

- (1) JICA will make efforts to gain new users for "PARTNER," a comprehensive international cooperation career information website managed by JICA by improving services for individual users who

are engaged in international cooperation and exploring partnership with organizations with little experience of international cooperation. JICA will also strive for more organization registration by improving services for organization users. In fiscal 2013, JICA will aim at 1,500 new individual registrations, 65 new registrations of organizations, increasing the number of times information is provided by 200 from the previous year, and 200 face-to-face career consultations. JICA will reinforce the information services including the use of social media in a career seminar for international cooperation.

- (2) JICA will continually offer the capacity enhancement training courses for those who are expected to become JICA experts immediately, while revising course arrangements to meet diverse development needs. JICA will aim to train 270 participants in those courses.
- (3) JICA will accept approximately 30 interns from among young professionals or graduate students who major in the areas of international cooperation and development assistance to contribute to expansion of the range of people who are engaged in international cooperation.

[5] Enhancement of understanding and participation of Japanese people

(A) Volunteer programs

- (1) JICA will conduct volunteer programs in accordance with prioritized development issues. For this purpose, JICA will monitor a program of group dispatch of volunteers which was introduced in FY2012. Also, JICA will formulate new projects in line with the prioritized development agenda for Senior Volunteers.
- (2) JICA will improve the quality of volunteer programs in collaboration with other programs and organizations. JICA will share knowledge in international conferences and discussions with international organizations. Furthermore, JICA will promote collaboration with those organizations at the field level.
- (3) To increase the visibility of volunteer activities, JICA will improve website content that introduces volunteer activities.
- (4) JICA will support volunteers' activities through assisting in developing volunteer activity plans and monitoring the progress by overseas offices.
- (5) In order to enhance the participation of people from a wide scope of fields as citizen participatory cooperation, JICA will promote volunteer programs in partnership with private enterprises and with local governments and universities.
- (6) JICA will upgrade its website and use social media to recruit volunteers more effectively and efficiently. To make the selection process more efficient, JICA will conduct a part of second round interviews in regional cities.
- (7) JICA will launch and monitor a new training program for volunteers to improve the quality of training.
- (8) To support returned volunteers to develop their career, JICA will efficiently manage the career support website, convene seminars on volunteer programs targeting private enterprises and local governments (four times a year) and give training towards returned volunteers. JICA will share good practices in which returned volunteers contributed to society in Japan by making use of their experience in developing countries.

(B) Citizen participatory cooperation

- (1) JICA will update its country information on the website to support overseas activities of Japanese NGOs and local governments.
- (2) For JICA Partnership Program, JICA will hold briefing sessions for Japanese partner organizations before launching new projects to ensure smooth implementation. JICA will also review the project implementation plan after the project commences and conduct an ex-post evaluation.
- (3) JICA will discuss with NGOs about JICA Partnership Programs and take necessary measures following the discussions.
- (4) JICA, through the JICA Global Plaza, will provide services to support diverse hand-made international cooperation by Japanese citizens. JICA will also communicate with NGOs, private enterprises and citizens through using social media and provide opportunities to enhance their

understanding of international cooperation. Through these measures, JICA will steadily increase the number of information transmissions in comparison with fiscal 2012. JICA will aim to achieve ratings of 4 or better on a 1-to-5 escalating scale of satisfaction in at least 70% of the responses by users of the JICA Global Plaza.

- (5) JICA will foster human resources that are engaged in development education and improve the quality of development education programs through reinforcing partnerships with NGOs, education institutions and local governments.
- (6) JICA will improve its website for development education and aim to attain website access of more than 100,000. Additionally, JICA will aim to achieve over 7,000 participants in training on development education programs.
- (7) JICA will facilitate and enhance various support programs for NGOs engaged in international cooperation to build their institution and improve their project management skills.

(C) Public relations activities

(i) Communicating information on ODA activities

In order to foster public trust, understanding, sympathy and participation of Japanese people in international cooperation and their understanding of Japan's ODA, JICA will carry out effective public relations activities as its core operations. Based on JICA's public relations strategy, JICA will convey to the general public the significance of international cooperation and the context of various agendas, while targeting opinion leaders such as intellectuals and mass media for specialized public relations. JICA will reinforce its overall communications capacity through expanding the usage of new media such as social media, strengthening public relations activities in domestic and overseas offices, and reviewing JICA's public relations strategy if necessary.

(ii) Increasing the visibility of ODA (greater transparency)

In order to make all operations thoroughly "visible," JICA will publish information on all new projects and the completed projects for which ex-post project evaluation has been carried out during the past decade but is not published yet. The information will be posted on the website which visualizes systematically the present situation and outcomes of ODA financial aid projects.

[6] Strengthening the role as the "nexus" among diverse actors

(A) Partnerships with diverse actors such as NGOs and private enterprises

- (1) JICA will convene NGO-JICA dialogue meetings and reinforce partnerships with NGOs.
- (2) JICA will strengthen its partnerships with academic institutions through promoting participation of research institutions in Science and Technology Research Partnership for Sustainable Development (SATREPS), expanding collaborative lectures with universities, and enhancing university-JICA partnership conferences.
- (3) Particularly through JICA domestic offices, JICA will promote partnership with local governments based on their needs for revitalizing regional economies. JICA will promptly promote implementation of partnership programs based on the proposals from local governments utilizing the supplementary budget for "revitalizing regional economies."
- (4) In conformity to the Japanese government's policy, JICA will accelerate partnership with Japanese private enterprises through enhancing and making full use of schemes such as Preparatory Survey for PPP Infrastructure Projects, Preparatory Survey for BOP Business Promotion, and Small and Medium-Sized Enterprise (SMEs) Partnership Promotion Survey. Furthermore, JICA will strive to identify the needs of public-private partnership and reinforce the transmission of related information.
- (5) JICA will strengthen partnership with Japanese private enterprises by launching a Pilot Survey for Disseminating SMEs technologies, conducting follow-up cooperation for JICA training participants, and hosting partnership seminars.

(B) Contribution to Japan's leadership in the international community

- (1) JICA will participate in setting trends in international development

assistance and formulating assistance plans for particular countries and regions as key partners, and thereby share JICA's experiences and approaches broadly in the international society.

- (2) JICA will strengthen strategic partnerships with emerging donors by promoting dialogues and communicating information on the issues of common concern. At the same time, JICA will enhance triangular cooperation.
- (3) JICA will share operational strategies on country/region/sector with other donors and promote collaboration at program/project level with other organizations including international organizations.

[7] Cross-cutting issues in operations

(A) Environmental and social considerations

- (1) JICA will conduct appraisal of projects and confirm the results of monitoring of projects on environmental and social considerations by applying the JICA Guidelines for Environmental and Social Considerations with the involvement of third parties.
- (2) JICA will conduct training on the JICA Guidelines for Environmental and Social Considerations for JICA staff at the headquarters and overseas offices, JICA experts, consultants, and officials of partner country governments.

(B) Gender equality

- (1) JICA will continue to share information within JICA on good practices to enhance gender mainstreaming in the operations of each section. JICA will also conduct lectures on the gender equality for JICA staff, JICA experts and external relevant parties so that project management and activities will be carried out with gender perspective integrated properly.
- (2) Through monitoring priority gender projects, JICA will formulate and select good projects in gender mainstreaming and feedback the information to other operations.

(C) Operations evaluation

- (1) JICA will conduct ex-post project evaluations steadily and promote utilization of suitable recommendations and lessons. Furthermore, JICA will conduct thematic evaluations to distribute broadly within JICA the lessons from more detailed analysis of many projects.
- (2) JICA will release the Annual Evaluation Report in a reader-friendly way including announcements on the JICA website. JICA will improve the search functions of the JICA website on project evaluation results by increasing the numbers of evaluation reports and evaluation summary tables that are published on the JICA website.
- (3) JICA will promote establishment of outcome indicators as well as incorporation of lessons from the past operations at the stage of ex-ante evaluation. JICA will conduct impact evaluation to assess in detail the extent of the impacts made by a project and widely share the evaluation results within JICA.

(D) Reinforcement of safety measures

- (1) JICA will conduct an orientation on safety measures for all relevant persons prior to their dispatch and during their stay in developing countries.
- (2) On operations including facilities construction, JICA will ensure that the governments and the executing agencies of the partner countries, consultants and contractors will make every possible effort to enforce safety measures. In addition, JICA will support those parties, if necessary. For those purposes, JICA will make sure the JICA staff is familiar with the reference manual regarding safety measures, give advice to contractors through on-sight survey, and start a study on formulating a guideline for safety management of construction work.

(E) Response to request from the competent minister in case of urgent necessity

JICA will take immediate action in response to a request from the competent minister based on Article 40 in the Act of the Incorporated Administrative Agency Japan International Cooperation Agency.

## **2 Measures to be taken to achieve the objective regarding improvement of the efficiency of the administration of operations**

### **[1] Improving flexibility in organizational management**

- (1) In order to quickly respond to the Japanese government's policy on ODA and the assistance needs of each region/country and to conduct operations strategically and effectively, JICA will review its organizational structure at the headquarters and the functions and roles to be fulfilled by each section. Especially, JICA will improve the institutional arrangements to respond properly to promotion of overseas activities by Japanese small and medium-sized enterprises and the officially-resumed Private Sector Investment Finance.
- (2) JICA will review the arrangement of overseas offices for optimization by taking the following into consideration: changes in international political, economic and security situations of developing regions, the duration of project implementation, and residents who require safety considerations. JICA will respond properly to the decision of the Administrative Reform Promotion Council on enhancing collaboration with other international operation agencies of Japan.
- (3) JICA will strengthen the functions to support overseas operations through such measures as clarification of roles and training of national staff, proper assignment of personnel in overseas offices in accordance with their needs, and reinforcement of the headquarters' function to support overseas offices.
- (4) JICA will review the function of the JICA Global Plaza to establish its functional structure in line with its required roles. JICA will review the structure of the Kansai International Center to deal with the changes in operations after integration of the former Osaka International Center and the former Hyogo International Center. Moreover, JICA will review the Training Program in Japan and then consider the roles and functions of the Tokyo International Center and the Yokohama International Center.
- (5) In order to play the role as the "nexus" among various actors in Japan, JICA, through its domestic offices, will strengthen partnerships with companies, NGOs, private enterprises, local governments and universities and conduct characteristic activities by making use of features of each domestic office. On partnership with private enterprises in Japan, JICA will carry out activities which are also beneficial to small and medium-sized enterprises in particular. Through these measures, JICA will continuously aim at the goal of approximately 470,000 users of domestic offices even after their integration.

### **[2] Proper and fair management of organization and operation**

#### **(A) Increasing competitiveness and transparency of contracts**

- (1) From the viewpoint of ensuring proper contracts, including improvement of competitiveness, JICA will carry out periodic monitoring and analysis of contracts and examination by the Contract Monitoring Committee as measures to reduce cases of single-party bids and applications. For further improvements in the procedures of contracts with consultants, JICA will review various procurement systems such as proposal evaluation, inspections by a supervisor, and results evaluation. JICA will also enhance dialogues with companies through briefing meetings and continue trials of implementation and monitoring of the comprehensive evaluation bidding method.
- (2) From the viewpoint of ensuring proper contracts, including improvement of competitiveness, JICA will monitor the data on the negotiated contract without competitiveness, reflect it in the guideline, and continue inspection of the negotiated contract without competitiveness by the Contract Monitoring Committee.
- (3) From the viewpoint of improving the transparency of contracts, JICA will continue and consolidate the past measures such as disclosing the process, criteria, and results of selection of contracting partners and the outcomes of a contract with corporations with which JICA has had certain relationships. JICA will also consolidate the external audit system of contracts with consultants.
- (4) For proper operations, JICA will continue such measures as random inspections of subcontracting agreements regarding the contracts with consultants. JICA will also aptly investigate information on wrongdoing

and take strict measures in the event any wrongdoing has been identified and confirmed.

- (5) In contracting with associated public service corporations, JICA will basically conduct competitive bidding, allowing a non-competitive negotiated contract only when absolutely unavoidable, and take measures to reduce single-party bids and applications. Furthermore, JICA will strive to improve the transparency of any contract through disclosing the record of a contract with a corporation with which JICA has had certain relationships.

#### **(B) Improving governance and transparency**

- (1) JICA will conduct audits by accounting auditor and strengthen internal control.
- (2) JICA will conduct internal audits under a systematic method with full consideration for risks particular to types of operations, which will contribute to improvements in management and supervision of operations.
- (3) JICA will undertake concrete measures in response to the issues derived from audits by the auditors and monitor how the measures are enforced.
- (4) JICA will maintain and improve the internal control environment by risk monitoring based on the annual work plan of each section. In order to control the risks to the entire organization, JICA will reinforce coordination among the existing systems that constitute a framework of internal control and disseminate information on the framework within JICA. JICA will periodically hold the Board of Directors meeting for internal control and various committee meetings related to risk management and then feedback the results of meetings and responses against risks to each section. Through a series of such measures, JICA will strengthen the functions of internal control including risks particular to financial operations.
- (5) JICA will continue measures to make the internal whistle-blowing system known throughout JICA and respond to whistle-blowing reports.
- (6) Based on the results of external audits, JICA will improve information security management by utilizing the Plan-Do-Check-Act (PDCA) cycle which consists of improvements, compliance, training, inspection of rules and regulations, holding meetings of the information security committee, and feedback of countermeasures.
- (7) JICA will carry out its own evaluation by involving external knowledgeable persons on the achievements executed based on the annual plan. JICA will then share its results within JICA, and reflect in subsequent operations management.
- (8) JICA will appropriately operate the system for collecting suggestions to improve JICA's operations from experts, volunteers, and organizations entrusted with operations.

#### **(C) Streamlining and optimizing administrative operations**

- (1) In order to streamline and simplify administrative procedures, JICA will standardize various documents concerning general contracts, calculate properly based on the new calculation system for contracts with consultants, and distribute public advertisement materials through the JICA website.
- (2) JICA will streamline the administrative work for equipment procurement and compile practical knowledge of equipment procurement in a guideline.
- (3) JICA will prepare reference materials concerning procurement procedures in the overseas office and dispatch short-term procurement supporting staff to train national staff and improve procurement systems of overseas offices.
- (4) JICA will formulate measures for more efficient procedure for dispatch of JICA experts, including the travel system and dispatch allowance system.
- (5) JICA will enhance the efficiency of administrative work of training and dialogue program by reviewing the evaluation process and the outsourcing contract.
- (6) JICA will review procedures for volunteer program, revise their rules and enable staff at overseas offices to know their revision. JICA will



also improve the information system on procedures of volunteer program to speed up the procedure.

[3] Cost efficiency, appropriate level of salary, and proper review of assets

(A) Cost efficiency

For management expenses grants, JICA will achieve higher efficiency of more than 1.4% over fiscal 2012 in the total of the general administrative expenses and the operating expenses (excluding special operating expenses and one-time items) except the personnel cost which will be reviewed based on the item below.

(B) Appropriate level of salary

JICA will introduce measures to realize an appropriate salary level according to plans and disclose the results of the review and the progress of the measures. JICA will take proper action on the total personnel cost based on the Government policy and will review the overseas allowance in reference to the examples of the national government and private enterprises.

(C) Proper review of assets

JICA will continue to disclose detailed information on its assets. JICA will review its assets and investigate their necessity. JICA will take appropriate measures on staff housing in conformity with the Government's policy concerning the review of the staff housing of the incorporated administrative agency. JICA will continue to explore effective usage of the partly-owned property in the Takebashi Godo Building.

### **3 Budget (including an estimate of the personnel cost), revenue and expenditure plan, and capital plan (excluding the Finance and Investment Account)**

(1) From the viewpoint of enhancing financial transparency, JICA will continue to review and make preparations for improvements in the disclosure method of segment information. JICA will disclose post-review segment information in the Financial Statements for fiscal 2012.

(2) JICA will secure, manage and operate self-income properly.

(3) JICA will utilize the management expenses grants and subsidies for facilities which have been additionally allocated according to the fiscal 2012 supplementary budget (No. 1) for technical cooperation related to overseas activities by small and medium-sized enterprises and local governments of Japan and the improvement of JICA's facilities to prevent and mitigate disaster risks, with a recognition that those grants and subsidies have been allocated for reconstruction and disaster management measures, creation of wealth by growth, and security of livelihoods and vitalization of local areas in Japan by the Emergency Economic Measures for the Revitalization of the Japanese Economy (January 11, 2013).

### **4 Short-term loan ceilings**

General Account: 62 billion yen

Finance and Investment Account: 220 billion yen

Reasons:

The General Account requires loans to avoid late payments of personnel expenses to staff members and operational expenses in the event of an approximately 3-month delay in the receipt of the management expenses grants from the Japanese government.

The Finance and Investment Account requires loans to deal quickly and efficiently with events such as short-term funding gaps involving short-term loan repayments and the collection of loans receivable, temporary funding when Fiscal Investment Loan Program agency bonds are issued, rapid changes in the amount of loans extended, and other events.

### **5 Plan for disposing of assets that are unnecessary or expected to become unnecessary**

JICA will sell 33 units used for staff housing and reimburse the Japanese government for these assets by paying an amount calculated according to the standards described by the competent minister. JICA will transfer the property at Hiroo to the Japanese government by the

end of fiscal 2013. JICA will proceed with plans to dispose staff housing units at Tokorozawa, Tsukuba (outside the Tsukuba International Center's compound), and Komagane (outside the Komagane Training Center's compound).

### **6 Use of surplus funds (excluding the Finance and Investment Account)**

If there is any surplus, it will be allocated to the expenses required for improvements in activities and facilities/equipment which will be useful for operational improvements while carefully observing the progress of the Mid-term Plan.

### **7 Other items related to operations management stipulated by ordinances of the competent ministry**

[1] Facilities and equipment

JICA will improve and repair old facilities and equipment according to the necessity caused by their aging.

[2] Personnel planning

(1) JICA will continuously enrich the contents of training for evaluators, conduct an annual staff performance appraisal properly, and make sure that the evaluation results of the preceding year be appropriately reflected in personnel treatment.

(2) JICA will assign staff properly by putting the right person in the right place, and thereby improve the effectiveness and efficiency of its operations and further strengthen its overseas offices.

(3) JICA will review to expand the consultation system concerning career development. Besides that, JICA will expand opportunities for capacity development of staff taking new needs such as financial literacy into consideration: JICA will improve the stratified training and various specialized training including secondment to international organizations. Additionally, JICA will improve core skills training for JICA staff.

(4) JICA will enhance measures for staff members to keep sound between overseas assignments and family life.

[3] Matters related to the handling of assets obtained from the disposal of reserve funds and the collection of loan payments

(1) The reserve funds brought forward from the previous Mid-term Objectives period shall be allocated to the contracts (excluding Loan Assistance operations) for which liabilities extend beyond the Mid-term Objectives period for unavoidable reasons in the immediately preceding Mid-term Plan and to accounting treatment concerning the amount that affects profits and losses in the account for transitional functions, etc. that were recorded during the previous Mid-term Objectives period. Furthermore, the amount approved by the competent minister based on Article 31 in the Act of the Incorporated Administrative Agency - Japan International Cooperation Agency shall be allocated to the funds for expenses.

(2) The portion approved by the competent minister based on Additional Clause 2 in the Enforcement Ordinance for the Act of the Incorporated Administrative Agency - Japan International Cooperation Agency (Cabinet Order No. 409 in 2003) out of the debts and funds collected during the previous Mid-term Objectives period shall be allocated to improvements and repairs of the facilities and equipment.